

Report to CABINET

**City Region Sustainable Transport Settlement (CRSTS) –
Transport Capital Programme 2022/23**

Portfolio Holder:

Councillor Stretton, Cabinet Member for Neighbourhoods

Officer Contact:

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Report Author:

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25th June 2022

Reason for Decision

Previously highway maintenance funding was received through Core Highways Maintenance and Integrated Transport Block (ITB); this has now been ‘consolidated’ into the City Region Sustainable Transport Settlement (CRSTS), and Oldham has a new funding settlement with effect from 1 April 2022 for the next 5 financial years.

With the strategic approach for the 5-year CRSTS programme approved in March 2022, (appended to this report), we have received confirmation that there is also an additional ITB allocation for 2022/23. Therefore, this report seeks formal acceptance of the funding and the programmes recommended for delivery in 2022/23.

Recommendations for Cabinet:

1. To seek formal approval of the proposed programme of works/projects which would fully utilise the expected City Region Sustainable Transport Settlement highway maintenance and Integrated Transport Block (ITB) allocations available for 2022/23 as per the formal grant notification from GMCA
2. To seek formal approval of the 2022/23 Transport Capital programme, based on good practice and ensuring best value for money (Appendix 1).

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3. To seek formal approval of the 2022/23 Integrated Transport Block (ITB) programme of highway safety, traffic management and minor works schemes based on accident data analysis and feedback from Councillors and residents across the borough (Appendix 2).
 4. To seek approval that all tender award decisions relating to delivery of the appended programmes, with a value of over £400,000, are delegated to the Portfolio Holder and the Executive Director for Place & Economic Growth (consistent with previous Cabinet delegations for highways improvement contracts/programmes): this is necessary to meet delivery timescales.
 5. To seek approval that all tender award decisions relating to delivery of the appended programmes (up to £400,000), be delegated to the Executive Director for Place & Economic Growth without the need for further sign-off of individual tender awards (the mechanism for this to be agreed with the Executive Director for Place & Economic Growth).
 6. To approve that any underspend generated as the attached programmes progress (Appendix 1 and 2) be used to deliver additional schemes in priority order (although lower priority schemes may be selected depending on available budget, value for money and type of treatment) until the budget is fully expended in year. This approach to utilising underspend means we do not need to gain further approvals to deliver additional schemes, ensuring they can be delivered as soon as practically possible. Any additional schemes to be delivered will be communicated with the Portfolio Holder in advance and Ward Members as the scheme development progresses.
 7. To note that:
 - detailed financial reports and updates will be reported to Corporate Investment Performance Board (CIPB).
 - delivery teams will engage with procurement and legal to ensure that the Council's Contract Procedure Rules are adhered to in all cases.
 - The Portfolio Holder will be kept up to date on programme delivery overall; and
 - Ward members will be informed of scheme development (where appropriate) and delivery dates ahead of schemes getting to site. This mechanism will ensure prompt and efficient delivery of schemes and the overall programme.

City Region Sustainable Transport Settlement (CRSTS) – Transport Capital Programme 2022/23**1 Background**

- 1.1 Funding previously received for Core Highways Maintenance and Integrated Transport Block (ITB) has been 'consolidated' into the City Region Sustainable Transport Settlement (CRSTS) funding settlement with effect from 2022/23, for the next 5 financial years.
- 1.2 On 1st April 2022, GM was notified of its final CRSTS allocation of £1.07bn based upon the CRSTS Prospectus, which had been submitted to Government in September 2021 and the draft Programme Case submitted on 31st January 2022.

This allocation includes an amount of £175m for core highways maintenance and £82m for ITB funding for the period 2022/23 to 2026/27.

In a report presented to the GM Wider Leadership Team on 13th April 2022 by TfGM/GMCA agreement was gained of the 2022/23 interim allocation of CRSTS funding for the following elements (in advance of final agreement of the full allocations across the CRSTS programme):

- 2022/23 Core Highways Maintenance funding (consolidated highways maintenance block, incentive fund, pothole and challenge funding);
- 2022/23 Integrated Transport Block (ITB) funding.

2 Current Position**2.1 Core Highways Maintenance Funding**

A core highway maintenance allocation of £35m (covering the first year of the £175m) will be made to local authorities based on an allocation process agreed with the GM Delivery Group, the GM Highways Group and the GM Treasurers.

Integrated Transport Block (ITB) Funding

ITB is capital funding granted to local authorities for expenditure on their local transport plans. Following the confirmation of the final CRSTS award by DfT the proposal for allocating ITB in 2022/23, that has been discussed and agreed in principle by the GM Delivery Group and GM Highways Group, is as follows:

- There is no requirement for ITB to be used as part of the funding strategy for Bus Franchising in 2022/23, and therefore it can be released, in full, for funding local transport. However, the potential requirements for ITB to be applied as a funding mitigation for Bus Franchising will need to be reviewed on an annual basis.
- For 2022/23, it is proposed that the allocation basis for ITB returns to the 'historic' 50:50 between the GM local authorities and public transport investment via GMCA. Therefore, the proposal is that £16.3m of ITB is released on a 50:50 basis between the GM local authorities and GMCA.

Following discussions with local authorities via the GM Delivery Group and the GM Treasurers, it is proposed that the allocations of ITB funding per local authority will follow the same as that used when ITB was last allocated to the GM local authorities in 2010/11.

Oldham's total settlement for 2022/23 will be £3,774,000 (£707k ITB funding and £3.067m core maintenance funding).

This will be passported, via the Council's Capital Strategy and Capital Programme 2022/23 - 2026/27 approved by full Council on the 2nd March 2022, for investment in and maintenance of Oldham's transport network. This is in accordance with current Local Transport Plan expectations.

Core Highways Maintenance Funding

In an effort to maintain the progress made as part of our recently completed Highway Investment Programme (HIP) we plan on prioritising funds going forward in the same manner. Ensuring scheme selection is carried out in the same manner will allow us to continue to prioritise the correct intervention on the highway at the correct time.

Prioritising the programme using the most recent condition data from the range of condition surveys we carry out annually, and cross referencing those against out claims and enquiry data, has allowed us to not only target the worst roads across the borough, but also continue in our efforts to reduce highway claims and revenue repairs throughout Oldham.

With savings achieved in 2021/22 we already have a preventative maintenance programme of £750,000 approved. This has been tendered and is awaiting delivery in the summer of 2022 (shown at the bottom of Appendix 1 as previously approved). Appendix 1 details the highway schemes to be funded from CRSTS which will enable us to carry out a resurfacing programme alongside the preventative programme.

Integrated Transport Block (ITB) Funding

The ITB allocation for Oldham in 2022/23 is £707,000. A programme of works has been compiled by highways officers based on the following factors:

- Commitments to road safety, traffic management and minor works schemes established as part of the previous programmes which are still a priority for delivery;
- Council priorities including accident reduction schemes and pedestrian safety improvements;
- Scheme requests received throughout the year, including from Councillors, members of the public and other organisations, which are all recorded for consideration as part of this process;
- The authority's statutory duties in relation to highways including:
 - acting to reduce the likelihood of accidents occurring at known accident locations;
 - promoting safe and sustainable travel to school;
- Ensuring the programme is consistent with the Council's Asset Management Plan (AMP).

Appendix 2 sets out a proposed programme of schemes which would fully utilise the expected ITB allocation and is recommended for delivery in 2022/23.

3 Options/Alternatives

3.1 Option 1 - Members agree:

- The proposed programme of schemes which would fully utilise the expected City Region Sustainable Transport Settlement highway maintenance and Integrated Transport Block (ITB) allocations available for 2022/23 as per the formal grant notification from GMCA.

3.2 Option 2 – Members don't agree:

- The proposed programme of schemes which would fully utilise the expected City Region Sustainable Transport Settlement highway maintenance and Integrated Transport Block (ITB) allocations available for 2022/23 as per the formal grant notification from GMCA.

4 Preferred Option

4.1 Option 1 is recommended to progress delivery of the Transport Capital Programme 2022/23 and deliver improvements and infrastructure across the borough's highway assets

- The proposed programme of schemes which would fully utilise the expected City Region Sustainable Transport Settlement highway maintenance and Integrated Transport Block (ITB) allocations available for 2022/23 as per the formal grant notification from GMCA.
- That all tender award decisions relating to delivery of the appended programmes, with a value of over £400,000, are delegated to the Portfolio Holder and the Executive Director for Place & Economic Growth. This is necessary to meet delivery timescales.
- That all tender award decisions relating to delivery of the appended programmes (up to £400,000), be delegated to the Executive Director for Place & Economic Growth without the need for further sign-off of individual tender awards (the mechanism for this to be agreed with the Executive Director for Place & Economic Growth).
- That any underspend generated as the attached programmes progress (Appendix 1 and 2) be used to deliver additional schemes in priority order (although lower priority schemes may be selected depending on available budget, value for money and type of treatment) until the budget is fully expended in year.

5 Financial Implications

5.1 The proposed total cost of all schemes earmarked to be delivered within this financial year as stated within Appendices 1 and 2 amounts to £4.577m.

This will be financed by the 2022/23 allocations from the City Region Sustainable Transport Settlement integrated transport block (£0.707m), Core Maintenance Block (£3.067m), unallocated core maintenance funding underspends carried forward from the 2021.22 Capital Programme and a small proportion of the 2023.24 allocation if required (£0.803m).

(John Edisbury)

6 **Legal Services Comments**

6.1 The Council should follow compliant routes to market to select the most economically advantageous bids for any road works proposed under any of the road improvement schemes outlined in the body of this report and seek the appropriate levels of approval for awards of contract in accordance with the Council's constitution including the Contract Procedure Rules.

7 **Procurement Implications**

7.1 Subject to approval of the recommended option of this report, all subsequent schemes will be reviewed and where possible tendered using the Council's Construction and Highways Works and Services Framework Agreement (2019) (CHWSF), by way of Further Competition or by Direct Award. Should this not be possible an alternative appropriate procurement route that complies with the Council's Contract Procedure Rules will be used.

8. **Co-operative Agenda**

8.1 The Council is obligated as the Highways Authority to maintain the highway network. Residents are requested to use the network with consideration and report defects to enable quick repair. These two things alongside each other will provide the Borough with the best opportunity to maintain the roads which serve the local economy.

The Transport Capital Programme is determined and approved centrally so that schemes meet the Council's statutory duties and wider transport strategy objectives. In the light of decreasing levels of funding, the development of the programme reflects a co-operative approach, ensuring that where possible schemes meet multiple objectives and complement other capital and revenue programmes such as regeneration. This approach can often result in composite schemes comprising carriageway maintenance, safety enhancements, public realm, pedestrian and cycle improvements, which achieves better value for money.

9 **Human Resources Comments**

9.1 None

10 **Risk Assessments**

10.1 None

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Equality, community cohesion and crime implications**

13.1 None

14 **Equality Impact Assessment Completed?**

14.1 Not required at this stage

15 **Key Decision**

15.1 Yes

16 **Key Decision Reference**

16.1 This item has been included on the Forward Plan under reference **NC-03-22**.

Appendices

Appendix 1 – Enclosed in Part B Report.

Appendix 2 - Enclosed in Part B Report.