

Report to the Cabinet

Meeting to be held on Thursday, 9 May 2024

Report of the Director of Environment and Planning

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Supporting economic growth;

Integrated Transport Capital Funding 2024/25: Proposed Apportionment
(Appendices 'A' and 'B' refer)

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Brief Summary

This report requests approval of the proposed 2024/25 Transport Programme, funded by the Department for Transport's Integrated Transport Grant totalling £6.101 million; together with approval that an allocation of £491,000, held as a contingency in the 2023/24 Transport programme, be added to and allocated as part of the 2024/25 programme. This would create a total fund of £6.592 million in 2024/25.

This is deemed to be a Key Decision and the requirements of Standing Order C18 have been complied with.

Recommendation

Cabinet is asked to:

- (i) Approve that the Department for Transport 2024/25 Integrated Transport grant of £6.101 million be added to the Transport Block of the Capital Programme.
- (ii) Approve that the allocation of £491,000, held as a contingency in the 2023/24 Transport programme, be added to and allocated as part of the 2024/25 programme, creating a total funding envelope of £6.592 million in 2024/25.



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| <p>(iii) Subject to approval at (i) and (ii) above, approve the proposed apportionment of the 2024/25 Department for Transport Integrated Transport Grant as detailed at Appendix 'A'.</p> <p>(iv) Subject to such approval of apportionments in (iii) approve the proposed 2024/25 New Starts Public Rights of Way programme at Appendix 'B'.</p> |
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Detail

In March 2022 the Department for Transport confirmed that the Integrated Transport annual capital allocation would be £6.101m per annum until 2024/25. This capital allocation is separate from other funded programmes for highway maintenance.

The 2024/25 and future Integrated Transport annual capital allocation is under increasing pressure from a series of 'first call' commitments already confirmed or proposed, specifically:

- A contribution of £15m to fund the City Deal to its conclusion, subject to the decision to be made by Cabinet elsewhere on the agenda.
- A contribution to support development funding for the East Lancashire Levelling Up Fund.
- Funding committed towards post-construction activities on the North-West Preston Roads Programme.
- Legacy costs to close down of the South Lancaster Growth Catalyst, to cover sunk costs and the minimum cost of geotechnical equipment already installed.
- The remaining development costs for the A582 focused scheme.

These commitments would exceed the capital allocation available in 2024/25. Options have been explored regarding the potential for reducing the funding requirements, particularly so in the context of:

- The prospect for additional funding to be available in 2025/26 and subsequent years through the Local Transport Fund.
- The ability to service and spend these amounts given competing calls/pressures for in-house capacity and capability amongst design, operational, project management, procurement, etc, resources.
- The prospect for spending new allocations during 2024/25 given the backlog of completing prior years' projects already in our capital programme.

To alleviate the budget pressures detailed above it is proposed that the allocation of £491,000, held as contingency in the 2023/24 Transport programme, be added to and allocated as part of the 2024/25 programme. This would create a total funding envelope of £6.592 million in 2024/25.

It is proposed that the 2024/25 funding is allocated as detailed at Appendix 'A'. This acknowledges a continuing funding requirement for the 'first call' commitments referenced above. The proposed 2024/25 New Start Public Rights of Way programme is detailed at Appendix 'B'.



In addition to the above, delivery of road and cycle safety schemes and bus stop compliance schemes will continue to be funded from the ongoing multi-year capital programme.

Appendices

Appendices 'A' - 'B' are attached to this report. For clarification they are summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	Proposed Apportionment of 2024/25 Integrated Transport Programme Funding
Appendix 'B'	Proposed 2024/25 New Starts Public Rights of Way Programme

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Legal

Individual schemes will have appropriate legal consideration as they are developed.

Financial

It is proposed that the programmes detailed at Appendices 'A' and 'B' be funded from:

- (i) The 2024/25 Integrated Transport grant funding from the Department for Transport with a value of £6.101 million.
- (ii) The addition and allocation of £491,000 held as a contingency in the 2023/24 Transport programme.

The above creates a total funding envelope of £6.592 million in 2024/25.

The schemes within the programme will be reduced accordingly to fit within the grant available, therefore there is no commitment to additional borrowing required for this programme.

The current commitments not funded in 2024/25 should be deemed as 'first calls' on future years funding with detailed profiling to be submitted as part of the 2025/26 capital programme setting process.

Risk management

It should also be noted that the delivery of the proposed programmes/projects is dependent on the 2023/24 transport programme outturn position which will not be



known until late spring 2024. The programmes may be subject to change after this date when the revised delivery programme is reported to Cabinet.

Furthermore, there is a risk that some of the detailed projects set out at Appendices 'A' and 'B' may not be delivered or could be delayed due to changes to estimated costs, other priorities emerging within year because of bad weather or other unforeseen circumstances. Any changes required to the programmes will be reported in the revised delivery programme.

The City Deal and South Lancaster Growth Catalyst allocations and the use of the funds within those programmes are the subject of separate programme reporting reflecting the different maturity stages of those programmes and the different funding regimes with in them.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		

