



WEST MIDLANDS
COMBINED AUTHORITY

WMCA Board

Date	9 March 2018
Report title	Devolved Transport Grants
Portfolio Lead	Councillor Roger Laurence - Transport
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Report to be/has been considered by	WMCA Programme Board - 23 February 2018

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Agree the Devolved Transport Grant allocations, including Integrated Transport Block for 2018/19 and note the anticipated grant allocations through to 2020/21;
- (2) Agree a Joint Initiatives Top Slice of £90,000 as set out in paragraph 5.2;
- (3) Agree the continuation of a ring fenced development funding pot within individual Local Authority annual allocations as set out in paragraph 5.4

1.0 Purpose

1.1 To set out the approach for allocating the Devolved Transport Grant for 2018/19 and outline the indicative allocations to 2020/21.

2.0 Background

2.1 As part of the West Midlands Devolution Deal, HM Government agreed to devolve a consolidated local transport budget and provide a multiyear transport funding settlement, which will come under the control of the Mayor. This devolved transport grant forms part of the Single Pot and is made up of the following funding streams and paid to the Combined Authority, with a firm funding commitment for the period until 2020/21:

- Integrated Transport Block (ITB)
- Highways Maintenance Block (not including PFI)
- Highways Maintenance Incentive Funding
- Bus Services Operating Grant (BSOG)

2.2 The multi-year devolved transport grant is set out below:

Fund	Status	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Bus Services Operating Grant (BSOG)	Revenue for tendered bus services – given to WMCA/TfWM	1,792	1,800	1,800	1,800
Integrated Transport Block Capital	Allocated to the WMCA but distributed to LA's and TfWM. LA's allocations based on population size, which is also used to calculate the WMCA Transport Levy	17,618	17,618	17,618	17,618
Highways Maintenance Block Capital **	Allocated to the WMCA but distributed straight to LA's via DfT calculated formula	14,486	13,112	13,112	13,112
Highways Maintenance Incentive Fund Capital	Currently allocated to the WMCA but distributed straight to LA's via DfT calculated formula.	1,393	2,731*	2,731*	2,731*
Total		35,289	35,261	35,261	35,261

*Indicative figures provided by DfT

** Excludes Birmingham City Council due to their Highways PFI

3.0 Impact on the Delivery of the Strategic Transport Plan

3.1 The impact of the contents of this report on delivery of the 15 Strategic Transport Plan Policies and/or the development/operation of:

- The National & Regional Tier
- The Metropolitan Tier: Rail and Rapid Transit Network, Key Route Network, Strategic Cycle Network
- The Local Tier
- Smart Mobility Tier

3.2 The policies that are supported include:

- Policy 1 - Accommodate increased travel demand by existing transport capacity and new sustainable transport capacity;
- Policy 2 - Use existing transport capacity more effectively to provide greater reliability and average speed for the movement of people and goods;
- Policy 3 - Maintain existing transport capacity more effectively to provide greater resilience and greater reliability for the movement of people and goods;
- Policy 4 - Improve connections to new economic development locations to help them flourish, primarily through sustainable transport connections;
- Policy 5 – To help make economic centres attractive places where people wish to be.
- Policy 6 – To improve connections to areas of deprivation; and
- Policy 8 – To improve connections to new housing development locations to help them flourish, primarily through sustainable transport connections.

4.0 Wider WMCA Implications

4.1 The report deals with the transport funding for the constituent Authorities for which WMCA is the Transport Authority. WMCA is not the statutory Authority for transport outside of the constituent area and therefore does not influence funding allocations.

5.0 Devolved Transport Grant Allocations

5.1 The allocation from HM Government for 2017/18 is expected to be £35.261m as detailed in Paragraph 2.2 and will be distributed by WMCA as follows:

Integrated Transport Block

5.2 It is proposed that the Integrated Transport Block continues to be allocated 75% to Local Authorities with the remaining 25% retained by WMCA after a Joint Initiatives top slice of £90,000. This same methodology was used for the 2015/16 and 2016/17 allocations. The precise allocations are set out below:

			2018/19 £000
WMCA Integrated Transport Block Allocation			17,618,000
Joint Initiatives Top Slice			90,000
Local Authorities Allocation (75%)	Birmingham	39.25%	5,159,805
	Coventry	12.32%	1,619,587
	Dudley	11.09%	1,457,891
	Sandwell	11.26%	1,480,240
	Solihull	7.39%	971,489
	Walsall	9.73%	1,279,106
	Wolverhampton	8.96%	1,177,882
TfWM Allocation (25%)			4,382,000
Total Distributed			17,618,000

Note : Percentages derived from mid 2016 population statistics

- 5.3** The Joint Initiatives Top Slice will support the West Midlands Transport Information Gateway which has an ongoing annual commitment of c.£20,000. The remaining £70,000 funding is allocated to specific strategic priorities as identified by the Strategic Transport Officers Group.
- 5.4** It is recognised that there are pressures on the Integrated Transport Block and as such, there are a number of unfunded schemes that are contained within the 10 Year Delivery Plan. A key challenge is the ability to provide initial development funding to undertake feasibility and strategic business case for schemes that are emerging through the 10 Year Delivery Plan. In order to facilitate this, it is proposed to continue to ring fence 15% of the Integrated Transport Block (at Local Authority / TfWM level) to support development activity. It is proposed that this ring fence would be applied from 2017/18 through to 2020/21.

Highways Maintenance Block & Highway Incentive Fund

- 5.5** The Highways Maintenance Block will be distributed to Local Authorities in line with the instruction from DfT. Birmingham City Council are excluded from these funds as Birmingham City Council's highway maintenance is provided under a PFI arrangement.

Bus Service Operators Grant

- 5.6** The funding is retained by WMCA and is used to fund the subsidised bus services network following the removal of fuel duty rebate for bus operators.

6.0 Financial implications

- 6.1** As detailed above, there is no proposal to adjust the percentage allocations upon which the Integrated Transport Block is distributed across Local Authorities. Highway Maintenance block (including the Incentive fund) will be distributed in line with DfT instructions, Bus Subsidy Operators Grant will continue to remain with WMCA. There is a continuation of the arrangement from 2017/18 that 15% of the Integrated Transport Block is set aside for the development of schemes within the 10 Year Delivery Plan. This may require Local Authorities to adjust their capital programmes to accommodate this requirement.
- 6.2** There is no proposal to centrally manage the project development allocation of 15% from ITB but it is expected that Local Authorities will be able to demonstrate a degree of investment in project development towards the development of 10 Year Delivery Plan schemes to this Committee at certain intervals throughout the period to 2021.

7.0 Legal implications

- 7.1** Advice will be taken from in-house legal services however, accountability for appreciating and detailing the legal implications shall remain with the accountable officer(s).

8.0 Equalities implications

- 8.1** There are no equality implications arising from this report.