



The Development of Regional Transport Priorities for the East Midlands for Funding through the Regional Funding Allocation

SUMMARY

1.1 This report:

- sets out progress on work to prioritise major transport schemes for funding through the Regional Funding Allocation, RFA
- sets out the list of schemes to be submitted to the East Midlands Regional Assembly, EMRA, for approval, and how this prioritised list may affect Derby and our own priorities for such schemes
- explains how this may impact upon the delivery of the long term transport strategy for Derby and the surrounding area.

1.2 Officers from all transport authorities in the East Midlands, together with EMRA, and the Government Office for the East Midlands, GOEM have worked together to put forward a balanced package which reflects the overall priorities of the Region and does not favour any one Authority's area.

1.3 The proposed package will now go to EMRA for approval, then submission to Government by GOEM.

1.4 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATION

2.1 To support the Corporate Director, Regeneration & Community in ensuring that funding for Connecting Derby is secured through the RFA in line with the likely planning processes associated with the scheme.

2.2 To support the proposed package outlined in Appendix 2 for submission to EMRA and the Secretary of State for Transport.

REASONS FOR RECOMMENDATION

3.1 To ensure that Derby receives an equitable share of the funding available through the RFA.

- 3.2 The long term transport strategy in the next Derby Joint Local Transport Plan, LTP, has been approved by the City Council and needs investment in a range of major schemes over the next ten to twenty years, alongside the introduction of robust demand management policies, if our long term objectives for transport are to be achieved



DERBY CITY COUNCIL

**COUNCIL CABINET
17 JANUARY 2005**

Report of the Corporate Director, Regeneration & Community

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SUPPORTING INFORMATION

What is the Regional Funding Allocation, RFA?

- 1.1 HM Treasury has issued guidance on regional transport allocations for three years up to and including 2007-08, in line with the regional housing and regional economic development allocations already published. It has also given indicative longer term planning assumptions for regional allocations, beyond the three years of the current spending review period.
- 1.2 As part of the process, government is asking regions to prioritise investment for major transport schemes costing over £5million, related to:
 - trunk roads that are not on the national network of trunk roads. In the East Midlands, the only trunk roads on the national network are the M1 and A14, so the A38, A52, A50, A6 and A5111 Raynesway are all affected by this.
 - LTP major schemes costing more than £5million.
- 1.3 The guidance also explains how advice from the regions on regional funding allocations should be prepared and submitted to the Government to have greatest influence on Government policy development and future spending decisions.
- 1.4 The region is required to submit its priorities for transport investment by 31 January 2006. The Secretary of State for Transport will still determine when funds are released for schemes, but his decisions will be heavily influenced by the region's views on priorities.
- 1.5 Within the Derby Joint LTP area, the following LTP schemes have been identified and included within the work:
 - Connecting Derby phases 2 and 3
 - London Road rail bridge replacement
 - Alvaston bypass extension
 - T12 link road, Chellaston
 - Mickleover/Mackworth express busway
 - A61 dualling
 - Derby integrated park and ride and bus priority measures.

- 1.6 The A38 Derby Junctions improvements is a further scheme which is being developed by the Highways Agency, who are responsible for trunk roads. This relates to improvements to the junctions at Kingsway, Markeaton and Abbey Hill.
- 1.7 Some of these schemes are well advanced, most of all Connecting Derby, which is currently classified in the RFA process as 'work in progress'. This means that Government still require planning procedures to be completed before provisional approval is given. The other schemes are all identified in the provisional LTP2 as possible schemes for the longer term, and only outline costs and timescales have so far been determined.
- 1.8 The A38 has been the subject of a major study, and proposals have been fully developed, although the scheme has not been included in the Government's Targeted Programme of Improvements, primarily because of the introduction of the RFA process.

The prioritisation process

- 1.9 EMRA has appointed consultants to undertake an assessment of all schemes identified across the region, to determine their relative priorities, and to assist the region to determine a list of schemes for submission to government.
- 1.10 Government timescales have required us to undertake the assessment in a very short timescale. Some 84 schemes have been identified across the region for assessment. All major schemes would normally undergo extensive assessment to determine their value for money and impacts on the environment, economy and other factors, so inevitably this process has involved many compromises.
- 1.11 However, within these timescales, the consultants have completed an assessment, working with transport officers from all the authorities, and a draft preferred package has been developed. The process has been complex but in summary has involved two key stages:
- 1.12 • Stage 1 - An assessment of schemes against their 'strategic policy fit': This has involved looking at how well schemes contribute to the six regional transport objectives as set out in the Regional Spatial Strategy, RSS. The policies are:
 - T1 Support sustainable development in the region's Principal Urban Areas and Sub-Regional Centres described in Policy 5 (of the RSS).
 - T2 Promote accessibility and overcome peripherality in the region's rural areas in support of Policy 6 (of the RSS).
 - T3 Support the region's regeneration priorities outlined in Policy 21 (of the RSS).
 - T4 Promote improvements to inter-regional and international linkages that will support sustainable development within the region.
 - T5 Improve safety across the region and reduce congestion, particularly within the region's Principal Urban Areas and on major inter-urban corridors.
 - T6 Promote opportunities for modal shift away from the private car and road based freight transport across the region.

- Stage 2 - An assessment of schemes against their deliverability, levels of risk and value for money:
This has meant looking at any work already undertaken by promoting authorities and agencies, and where this is not available, undertaking a desktop assessment to determine what issues might affect their delivery, levels of risk associated with scheme delivery and how much the schemes contribute to factors like the economy and environmental improvement.

- 1.13 Schemes have then been categorised into top, medium and low priority schemes for each of the five year periods within the time horizon for the study work. These five year periods tie in with those associated with LTPs, so the first five year period covers 2006 to 2011, and so on. Firm start dates are only being identified for the first five year period.
- 1.14 A total of £871million of RFA funds has been indicated for the period from 2005 to 2016, with £71million available in the first year and then rising at assumed inflation rates.
- 1.15 The prioritised schemes need to take account of existing committed major schemes, which will 'top slice' the RFA over the next few years. These schemes include the Derby Inner Ring Road Maintenance Scheme, IRRIMS, and seven other LTP and Highways Agency schemes across the region.
- 1.16 A preferred delivery package has been developed, based largely on giving top priority to those schemes which are already 'provisionally approved' because these schemes have already gone through a full appraisal process and their value for money has been established and accepted. Beyond this, schemes have been chosen against their degree of accord with the regional objectives and to the levels of risk associated with their delivery.

Outcome of the process

- 1.17 A final list of schemes has been prepared for the Regional Assembly to consider and approve in January, ahead of the deadline for submission to Government by GOEM.
- 1.18 Appendix 2 lists all the schemes identified for RFA funding with their anticipated start dates and approximate levels of RFA funding required.
- 1.19 Connecting Derby is included within the list of top priority schemes. This is despite it not yet being classed as 'provisionally approved'. This is because the City Council received a letter from DfT in May 2005 confirming Government's commitment to funding following this Council's approval to fund up to £7million of the total costs for the remaining phases. However, the overall programme period for the scheme has had to be increased by one year, because of the need to accommodate funding requirements of other schemes in the region.
- 1.20 Other Derby schemes included within the RFA list, with anticipated start dates and RFA funding, include:

- London Road Rail bridge – funds to replace the rail bridge which has structural problems and will eventually require replacing. Total RFA funds £7.2million, start date 2010/11.
- A38 Derby junctions – a Highways Agency scheme to deliver improvements to the A38 Kingsway, Markeaton and Abbey hill junctions. Total RFA funds £97.8million, potential start date indicated at 2012/13.

1.21 All the other Derby schemes are excluded from the delivery programme, largely because:

- they perform less well than other schemes against the regional objectives, so therefore have lower relative priorities
- the cost of the A46 Newark to Widmerpool improvements is so high, at £269million, that it takes a large proportion of RFA funding in the later years.

1.22 The schemes which do not appear on the RFA funding list up to 2020, are:

- Alvaston bypass extension
- T12 link road, Chellaston
- Mickleover/Mackworth express busway
- A61 dualling
- Derby integrated park and ride and bus priority measures.

1.23 The deliverability of these schemes will need to be reviewed as we progress through the period of the next LTP. However, we will need to explore other ways of securing funding for these schemes that are viable and acceptable to local people.

Next steps to approval of the RFA priorities

1.24 The final prioritised list of schemes will be submitted to the East Midlands Regional Assembly for approval on 20 January 2006. The list will also be considered by the East Midlands Development Agency Board on 26 January 2006. The Government Office for the East Midlands will submit the final list to government by the end of January.

OTHER OPTIONS CONSIDERED

2. No other options are available as funding for all major transport schemes in Derby is affected by the RFA process.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Preferred Package for RFA funding in the East Midlands

IMPLICATIONS

Financial

1. As set out in the main report.

Legal

- 2.1 None directly arising.

Personnel

3. None directly arising.

Equalities impact

- 4 The more detailed capital programme for LTP2, which will be included in the final LTP2 in March 2006, will contain proposals for schemes which ensure greater equality of access. The revenue elements of the programme will also seek to address accessibility issues, for example those that provide access to public transport for those who do not have a car available or cannot afford to use a car.

Corporate objectives and priorities for change

5. The proposal predominantly comes under the Council's Objective of **job opportunities** and also **strong and positive neighbourhoods, a healthy environment** and **shops, commercial and leisure activities**.