



Ms Gillian Beasley  
Chief Executive  
Peterborough City Council  
Town Hall  
Bridge Street  
Peterborough  
PE1 1QT

**Alex Plant**  
**Deputy Regional Director**  
**Development and Infrastructure**  
Eastbrook  
Shaftesbury Road  
Cambridge  
CB2 8DF

Tel: 01223 372723  
GTN: 3841 2723  
Fax: 01223 372861  
Internet email:  
Alex.plant@goeast.gsi.gov.uk  
Website: <http://www.goeast.gov.uk>

27 November 2007

Dear Ms Beasley

## **THREE YEAR LOCAL TRANSPORT CAPITAL SETTLEMENT (2008/09 – 2010/11)**

This letter summarises for your area the firm three year local transport capital settlement for 2008/09 to 2010/11, the last three years of your second local transport plan. It also announces some other transport funding, most of which will be included in the pooled area based grant, associated with your local area agreement.

### **THE NATIONAL PICTURE**

#### **Local Transport Plan Block Funding**

This settlement confirms the indicative allocations for the integrated transport block announced last year, which total £1,768m over the three years. It also announces the distribution by formula of capital allocations for highways maintenance totalling £2,109m over the three years. All of this funding is part of the single capital pot, with the formulaic highways maintenance allocations being provided as supported borrowing. The integrated transport block allocations are being provided partly through supported borrowing and partly by direct capital grant.

#### **Local Transport Planning: The Next Steps**

The Department for Transport consulted on proposals to change the previous formula for highways capital maintenance during the summer as part of a consultation 'Local Transport Planning: The Next Steps (July 2007)'. There was majority support for each of the technical changes proposed to the formula and these

have been implemented. An outline of how the formula now operates is being published on the Department's website.

The Department also issued advice to local authorities about reviewing in 2008 progress in implementing local transport plans and preparing and publishing concise progress reports as part of the same consultation. The finalised advice is being published on the Department's website.

The progress reports offer an opportunity for engagement with key delivery partners and stakeholders. Indeed, the Department strongly recommends that reports should be presented to Local Strategic Partnerships and connected to the development of the expanded local area agreements to be signed by June 2008.

The Department is publishing a summary of the responses it received to the whole consultation on its website, along with its reaction. Besides influencing the maintenance formula and advice about progress reports, the responses to the consultation have already informed the preparation of the Local Transport Bill and will inform the development of policy related to local transport planning beyond the current round of plans.

### **Non-Formulaic Local Transport Plan and Other Capital Funding**

£159m over three years has been 'top-sliced' from the total local transport plan funding of £2,268m available for highways capital maintenance leaving £2,109m to be distributed formulaically.

This settlement allocates £113m of this top-sliced element to cover eligible bids for bridge strengthening and major maintenance on the primary route network over the 2008/09 to 2010/11 period. Funds have been provided where they meet criteria for eligibility and have not been previously funded. Generally officials have already liaised with authorities regarding bids that are ineligible. Beyond 2010/11 the equivalent funding will be mainstreamed within the formulaically distributed block, increasing the flexibility local authorities have to fund their key local priorities.

A further £16m has been allocated mainly for 2008/09 to support a number of exceptional capital maintenance schemes, including three new ones (in Doncaster, Luton and Stockport). The Department has already announced that in future these projects will be subject to the general guidance on major schemes, and bids for extra funding will need to be considered by regions in the context of regional funding allocations rather than the local transport settlement. The remaining £30m over the 2008/09 to 2010/11 period has yet to be allocated. Some of this funding may be used in 2009/10 to encourage better transport asset management planning, which is vital to ensuring efficiency gains are realised.

This settlement confirms the indicative capital allocations for the specific road safety grant announced last year which total £52m over the period 2008/09 and 2010/11.



It also allocates £35m of grant for capital projects on detrunked roads in 2008/09. Bids for support for outstanding work for 2009/10 and 2010/11 on recently detrunked roads or roads still to be detrunked should be forwarded to the Department by July 2008 to [roadmaintenance@dft.gsi.gov.uk](mailto:roadmaintenance@dft.gsi.gov.uk).

## Transport Resource Funding

The Government is mainstreaming about £5bn of resource funding for local authorities into area-based grant or revenue support grant. This provides for more flexibility for local authorities to allocate funds to key priorities and reduces the burden of central Government reporting requirements. Most resource funding for transport is already provided within revenue support grant. The resource grant related to road safety is also confirmed for the three year period. This and the grants for detrunked roads are being included in the area-based grant. The allocation of grants for buses and concessionary fares will be made at a later date.

## Challenges Ahead

The Eddington Report makes clear what local authorities have long known: that small local schemes to improve traffic flows, promote buses, cycling and walking, enable effective road maintenance and enhance local travel networks represent excellent value for money and make a real difference to local people and their access to services and jobs. The challenge is therefore to deliver these improvements over the next three years and ensure that value for money is secured.

## THE REGIONAL PICTURE

The attached regional press release contains details of the settlement in your region.

## THE LOCAL PICTURE

### Transport Capital Funding

The local transport block capital allocations for Peterborough are:

Block	2008/09 £000s	2009/10 £000s	2010/11 £000s
Integrated Transport	<b>2154</b>	<b>2289</b>	<b>2423</b>
Highways Capital Maintenance	<b>2361</b>	<b>2407</b>	<b>2605</b>

All of this funding is part of the single pot and is not ring-fenced. The formulaic highways capital maintenance and two thirds of the integrated transport allocations will be provided as supported borrowing paid within the formula grant settlement.



One third of the integrated transport allocation in each year will be paid as direct capital grant to you by the Department for Transport in quarterly instalments.

In addition your authority has been allocated additional funding related to specific maintenance works as follows:

### **Bridge Strengthening and Maintenance on the Primary Route Network**

You have been awarded a total of **£14,480,000** as follows:

2008/09 £000's	2009/10 £000's	2010/11 £000's
<b>1860</b>	<b>6310</b>	<b>6310</b>

This funding will be provided as a direct capital grant and the Department for Transport will be in touch with your officers about payment details early next year.

### **Road Safety Grant**

On top of this the capital element of the specific road safety grant for your authority will be paid as a direct capital grant by the Department for Transport near the beginning of each financial year.

Funding	2008/09 £000s	2009/10 £000s	2010/11 £000s
Specific Road Safety Grant (Capital)	<b>64.510</b>	<b>72.971</b>	<b>71.995</b>

### **Transport Resource Funding**

The transport funding being pooled from April 2008 in the area-based grant is as follows for your authority:

Funding	2008/09 £000s	2009/10 £000s	2010/11 £000s
Specific Road Safety Grant (Resource)	<b>289.938</b>	<b>327.967</b>	<b>323.577</b>
Detrunked Roads Maintenance (Resource)	<b>62.914</b>	<b>64.487</b>	<b>66.099</b>

The detrunked roads maintenance grant covers roads detrunked prior to April 2007 and area based grant payments will be increased to take account of later detrunking.



## **Conclusion**

Please contact John Brown (Tel: 01223 372752) if you have any queries about this letter. We hope to be able to meet with your authority early in the New Year to provide more detailed feedback.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A Plant', written in a cursive style.

**ALEX PLANT**  
**DEPUTY REGIONAL DIRECTOR, DEVELOPMENT AND INFRASTRUCTURE**



INVESTOR IN PEOPLE

This page is intentionally left blank