


Report to:	Environment and Neighbourhood Committee	Date:	1 February 2018
Report title:	Local Implementation Plan Settlement 2018/2019		
Report from:	Mary Morrissey, Strategic Director Environment, Housing & Regeneration		
Ward/Areas affected:	Boroughwide		
Chair of Committee/Lead Member:	Councillor Jill Whitehead		
Author(s)/Contact Number(s):	Ian Price, Team Leader Strategy and Commissioning, 020 8547 5934		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • An Open Council • A Green Council • A Fair Council • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	16 January 2018

1. Summary

- 1.1 This report outlines Transport for London's (TfL's) funding settlement to the Council for Local Implementation Plan (LIP) funding in 2018/19. A description of TfL's transport related programmes is given and how schemes were selected to be put forward for funding.
- 1.2 The details of the specific indicative allocations for individual schemes are listed in Appendix A and described in the report. The Committee are specifically requested to note that the allocation detailed is lower than that bid for, and the report suggests how this reduction in the LIP settlement might be managed.
- 1.3 TfL have advised that their current Business Plan has been prepared against the background of very challenging economic circumstances; their revenue grant from central Government has reduced by £700m from 2018/19 onwards. As a consequence, TfL are not able to provide funding as indicated in the initial 2018/19 Annual Spending Submission Guidance.
- 1.4 Furthermore, TfL have also advised that funding for the Principal Road Maintenance, between 2018/19 and 2019/20 has been paused, which presents a further shortfall in funding.
- 1.5 The revised settlement is significant enough to require a review of the LIP programme that has been previously consulted on. Such a review is ongoing and is focused towards identifying and delivering fewer, larger, more impactful schemes.



- 1.6 The revised settlement will also impact on the capacity of the Highways and Transport function, which is part of the Environment Service shared with the Royal Borough of Kingston Council. A review of the resources requirement to support the delivery of a smaller capital programme is ongoing, with the likelihood that excess capacity will also need to be removed.

2. Recommendations

The Environment and Neighbourhood Committee is recommended to:

- 2.1 Note the changes in the LIP Settlement, from those originally indicated in the Annual Spending Submission Guidance papers issued by TfL in June 2017, and the impact the revised settlement on the delivery of the programme previously consulted.
- 2.2 Agree that in light of the revised and reduced settlement from TfL, the schemes and measures as given in Appendix A provide the basis for the LIP work programme for 2018/2019, noting that the scheme list will need to be amended from that previously supported by the six Local Committees in Summer 2017, and recommended changes are set out in paragraph 4.5.
- 2.3 Note that further reductions will be needed to bring the work programme in line with the settlement.
- 2.4 Agree to incur capital expenditure of £890,400 for the capital schemes identified in the LIP for Corridors and Neighbourhoods, £100,000 for Local LIP funding and £765,000 for Beddington North Major Scheme so that the projects can proceed. A sum of £169,000 for various revenue initiatives which has been approved for 2018/19 and is included in the revenue estimates.
- 2.5 Note the specific funding circumstances attached to the profiling of the Beddington Major Scheme, as set out in paragraphs 3.9 to 3.10.
- 2.6 Authorise the Assistant Director Environment, Housing and Regeneration (Safer and Stronger Communities) to take all necessary steps to implement the schemes, including commencing any necessary statutory consultations.

3. Background

- 3.1 TfL have advised all authorities across London that their current Business Plan has been prepared against the background of very challenging economic circumstances. The settlement received from central Government has been reduced by, on average, £700m a year, for the financial year 2018/19 onwards.
- 3.2 As such, TfL are not able to provide authorities with the funding as previously indicated in the Annual Spending Submission Guidance for the LIP Corridors, Neighbourhoods and Supporting measures programme. Due to the pressures on TfL's revenue budgets, the annual LIP formula funding will be reduced from £73.8 million to £63 million in 2018/19, and will remain at this level for the life of the Business Plan.

- 3.3 A subsequent reduction in funding has been applied to each borough based on the current LIP formula.
- 3.4 The borough's revised LIP allocation for 2018/19 will be £1,159.4k, reduced from the £1,241k advised in May 2017. TfL have offered to work with the borough to prepare an amended 2018/19 LIP programmes and a revised Annual Spending Submission, to be agreed and submitted by the end of January 2018.
- 3.5 In spite of these financial pressures, TfL recognises the desire for boroughs to have more say on funding for local priorities, and have confirmed that the LTF (Local Transport Fund) - previously withdrawn - has been reinstated. Authorities will therefore continue to receive £100k per annum to allocate on its discretion, either on local priorities or to supplement the reductions in the Corridors, Neighbourhoods and Supporting measures programme. This may require revision to the current local allocation process through Local Committees.
- 3.6 As highlighted in paragraph 1.6, the funding implications associated with the reduction in LIP funding will have a knock on effect on the ability of the Shared Service to deliver the capital programme, as the allocation provides a fee charging element, where resources are allocated depending on the level of fee that can be recharged. Historically, LIP submissions have included a high number of projects with relatively low scheme costs aimed at dealing with site specific issues, and experience has shown that these projects are resource heavy.
- 3.7 The new Mayors Transport Strategy (MTS) has a number of key points, which will focus on the Healthy Streets agenda and seeking to introduce schemes that will deliver significant and area wide improvements to pedestrian and cycling infrastructure. It is expected that this will mean boroughs submitting fewer but larger schemes through the Corridors, Neighbourhoods and Supporting Measures programme, and it is anticipated that this will make the resource management element of the capital programme more resilient.
- 3.8 The net impact, therefore, of the funding changes within the Corridors, Neighbourhoods and Supporting measures stream in Sutton is a 6.6% reduction of £81,600 from £1,241,000 to £1,159,400.
- 3.9 TfL have also advised that while there is no reduction in the overall level of funding for Major Schemes over the life of the Business Plan, there has been a change in the profile of the budget over the period.
- 3.10 To this end, TfL have confirmed arrangements made in regard to the Beddington North Major Scheme, as agreed with LB Sutton, which detailed an amended funding profile, where LB Sutton have undertaken to finance the project through the 2018/19 financial year for £765k. TfL have undertaken to reimburse the borough in the 2019/20 financial year.
- 3.11 Further funding reductions have been advised on the Principal Road Maintenance. Between 2018/19 and 2019/20 investment in proactive planned renewals on both the Borough Principal Road Network (BPRN) and TfL Road Network (TLRN) has been paused and the Council will



therefore receive no allocation in 2018/19. A pan-London allocation of circa £3m per annum for the next two years has been retained for the BPRN to continue condition surveys and deal with high priority sites. TfL, working with the boroughs through the London Technical Advisors Group (LoTAG), will agree how this allocation will be targeted to the highest priority sections of road.

- 3.12 Borough bridge strengthening activities are also reduced. Works already on-site or committed works will be progressed along with high priority projects, for example Hammersmith Bridge.

4. Issues

Funding Submission Consultation

- 4.1 A list of proposals was produced by 'rolling forward' the current LIP programme, whilst taking account both of ongoing work, and proposals put forward by members/residents during the year.
- 4.2 At the time of preparing the LIP submission report for Local Committees in Summer 2017, advice had been received from TfL that their officers should proceed on a 'business as usual' basis, whereby LIP funding would continue in line with the formulaic method for allocating budgets to the boroughs. There were, however, discussions at the time which suggested that due to funding pressures the Local Transport Funding may be lost going forwards. Without confirmation of that, Local Committees still produced a list of potential schemes for 2018/19.

5. Options Considered

- 5.1 In light of the changes to the TFL settlement made in December, there is a need to revisit the programme (see Appendix A) previously consulted on. Such a review is ongoing, and the focus of the new Mayor's Transport Strategy and the Healthy Streets Agenda is that boroughs should focus on identifying and delivering fewer, larger, more impactful schemes, with a much higher average allocation, if the existing programme cannot accommodate the funding reduction.
- 5.2 Officers have had an ongoing dialogue with colleagues from TfL, the latest being on 4 January 2018, to discuss the impacts of the funding reduction, and how it is anticipated that this funding shortfall would be best managed. TfL advised that the boroughs would be responsible for re-profiling the scheme submission list, and it was noted that whilst there were a significant number of small schemes on the current list, if those met the Healthy Streets outcomes the schemes could remain on this year's programme but boroughs may want to consider spreading schemes across more than 1 year to ease delivery.
- 5.3 Projects identified as being considered for re-profiling in the Appendix A list are:-
- Brighton Road/Cotswold Road junction improvements - feasibility work has not progressed as quickly as anticipated, so unlikely that scheme delivery would be complete in 2018/19, and deferring build into 2019/20 will allow works to be mainly programmed over the summer holiday period. **Suggested budget re-profile in 2018/19 from £125,000 down to £60,000.**

- Green Wrythe Lane, between Groveside Close and Culvers Way - scheme is already split over two years, so balance of work will be shifted into 2019/20. **Suggested budget re-profile in 2018/19 from £35,000 down to £18,400; and 2019/20 allocation increase by £16,600 to complete scheme.**

6. Impacts and Implications

Financial

- 6.1 TfL provides financial support for borough schemes intended to improve the quality, safety and accessibility of the local travelling environment. In December 2017, the Mayor announced that for 2018/19 Sutton will receive £1,159,400 funding from TfL, based on an LIP Funding Submission by Sutton, to tackle a range of issues from reducing road casualties to supporting town centre regeneration and sustainable transport.
- 6.2 TfL also confirmed the re-profile of the Beddington North Major Scheme in their letter in November 2017 which agreed that the council will meet a sum of £765k in 2018/19 from its own resources. A further sum of £50k (which is the balance of the remaining scheme cost) is included in 2019/20 and TfL will therefore reimburse the council for the full £815k in 2019/20.
- 6.3 The revised settlement will also impact on the capacity of the Highways and Transport function, which is part of the Environment Service shared with the Royal Borough of Kingston council. A proportion of LIP funding is used to fund LIP programme design, commissioning and delivery of schemes. With both authorities now receiving a lower, revised settlement, the service is, as a result, reviewing its resource requirements for the 18/19 programme, with the likelihood that excess capacity will need to be removed.

Legal

- 6.4 Under section 159 of the Greater London Authority Act 1999, TfL may give financial assistance to any body or person in respect of expenditure incurred or to be incurred by that body or person in doing anything which, in the opinion of TfL, is conducive to the provision of safe, integrated, efficient and economic transport facilities or services to, from or within Greater London. The financial assistance that may be given to any London authority under this section includes in particular assistance in respect of any expenditure incurred, or to be incurred, by the authority in discharging any function of a highway authority or traffic authority.).
- 6.5 Any scheme or measures implemented by the Council, as Highway or Traffic Authority would be undertaken in accordance with the relevant legislation governing the procedures including, where appropriate, consultation and the publication of the requisite notice.

7. Appendices and Background Documents

Appendix letter	Title
A	Pre-Announcement LIP Scheme Proposals for 2018/19
B	Equality Impact Assessment

Background documents
None

Audit Trail		
Version	Final	Date: 4 January 2018
Consultation with other officers		
Finance	Yes	Tony Cooke
Legal	Yes	David Fellows
Equality Impact Assessment required?	Yes	Completed (See Appendix B)