

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

ITA EXECUTIVE BOARD

DATE: 30 JULY 2010

AGENDA ITEM NO: 9

**SUBJECT: DFT FUNDING CUTS 2010/11 – IMPLICATIONS FOR METRO**

## **Report of the Passenger Transport Executive**

### **1. MATTER FOR CONSIDERATION**

- 1.1. To seek approval for a revised 2010/11 capital programme that is aligned with the reduced level of funding in the current year following recent funding cuts.
- 1.2. To advise on the revised programme and funding arrangements for the West Yorkshire Strategic Programme of Schemes.
- 1.3. To advise on the latest position regarding Metro's Major Schemes.

### **2. INFORMATION**

#### **Background**

- 2.1. The previous report to the June 2010 ITA Executive Board set out:
  - Significant in-year budget cuts announced by Department for Communities and Local Government that directly affects Metro and West Yorkshire Partners;
  - DfT's interim guidance on Major Schemes; and
  - An ongoing review of the LTP Capital Programme and Major Scheme expenditure.
- 2.2. At the meeting on 16 July 2010 the LTP Committee agreed that un-committed funding from the CPF (Congestion Performance Fund) Tranche 2, capital funding from Tranche 3 and any funding that is made available in Tranche 4 is allocated to support the delivery of the West Yorkshire Strategic Programme of Schemes (WYSPS) and that revenue funding from Tranche 3 of the CPF is to be retained for revenue activities focussed on "smarter choices".

#### **LTP Capital Programme / LTP Direct Uplift**

- 2.3. The funding cut announced for the LTP Integrated Transport block in 2010/11 reduced Metro's allocation by 25% from £9,797k to £7,347k. An immediate review was undertaken to identify a revised capital programme that was affordable within the revised level of funding available.

- 2.4. A reduced capital programme, focussed on committed expenditure, core LTP activity, business critical spend and supporting essential Major Scheme development before the Comprehensive Spending Review (CSR), is proposed. Table 1 summarises the proposal and a more detailed Breakdown is presented in Annex 1.

**Table 1 Revised 2010/11 Metro LTP Capital Programme**

	<b>£ms</b>
Committed schemes	8.273
Non-committed schemes (core LTP and business critical)	0.904
<b>Total Revised Programme</b>	<b>9.177</b>
Total LTP Funding Available	8.651
<b>Overprogramming</b>	<b>0.526</b>

- 2.5. It should be noted that at present the programme does not make any provision for continuing Major Scheme development after the Government's Comprehensive Spending Review in the autumn.

**West Yorkshire Strategic Programme (WYSPS) of Schemes and Congestion Performance Funding (CPF)**

- 2.6. Metro is responsible for the management of both the West Yorkshire Strategic Programme of Schemes (WYSPS) funded through LTP Uplift from the RFA and the Congestion Performance Fund (CPF).
- 2.7. The West Yorkshire LTP Partnership was due to receive a total of £24.3m through the LTP uplift during 2009/10 and 2010/11 to support a programme of schemes worth £34.3m. It was intended that the £10m shortfall would be funded by a topslice of the future LTP3 West Yorkshire Integrated Transport Block allocation.
- 2.8. The Government's recent cuts will result in an £8.88m (or 50%) reduction in the LTP uplift allocation due to be paid in 2010/11. This resulted in an £18.9m shortfall against the original WYSPS over 2010/11-2011/12. Given the cuts that have been made to transport budgets and the expectation that LTP3 funding will be significantly less than LTP2, the original WYSPS programme has become unaffordable.

- 2.9. Following consultation with West Yorkshire Partners, a revised WYSPS has been developed that utilises elements of the non-committed CPF, re-profiles expenditure over a longer period and reduces overall expenditure within the programme to about £25m. This revised programme is shown in Table 2.

**Table 2: Revised West Yorkshire Strategic Programme of Schemes**

Scheme	Original WYSPS scheme cost	Alternative Funding Profile						Total saving
		9/10	10/11	11/12	12/13	13/14	Total	
Bradford City Centre Integrated Transport	3,000	302	2,698	0	0	0	3,000	0
Connecting Airedale	3,000	0	62	282	1,656	0	2,000	1,000
Calderdale Burr Walls	4,000	1,892	1,556	0	0	0	3,448	552
Kirklees SEZ	5,070	342	1,525	1,139	0	0	3,006	2,064
Leeds IRR	4,000	0	0	1,992	0	0	1,992	2,008
North Wakefield Gateway	4,200	110	540	3,275	0	0	3,925	275
Low Moor Rail Station	5,500	53	214	992	3,093	1,148	5,500	0
Traffic Light Priority	3,500	69	637	434	110	0	1,250	2,250
LTP 3 Development	2,010	109	705	187	0	0	1,001	1,009
<b>TOTAL</b>	<b>34,280</b>	<b>2,877</b>	<b>7,937</b>	<b>8,301</b>	<b>4,859</b>	<b>1,148</b>	<b>25,122</b>	<b>9,158</b>
<b>FUNDING AVAILABLE</b>	<b>24,272</b>	<b>2,877</b>	<b>7,937</b>	<b>6,245</b>	<b>0</b>	<b>0</b>	<b>17,059</b>	
<b>FUNDING SHORTFALL</b>	<b>10,008</b>	<b>0</b>	<b>0</b>	<b>2,056</b>	<b>4,859</b>	<b>1,148</b>	<b>8,063</b>	

- 2.10. The LTP Committee re-affirmed the WYSPS as a priority programme of schemes for West Yorkshire at the 16 July 2010 meeting. The revised programme in Table 2 and the following guiding principles were also approved by the LTP Committee:

- Un-committed elements of Tranche 2, the capital element of Tranche 3 and any funding received through Tranche 4 of the CPF will be allocated to support the WYSPS;
- Tranche 3 CPF revenue funding to be retained for revenue activities focussed on “smarter choices”. An appropriate programme to be agreed and centrally commissioned;
- The funding shortfall within the WYSPS would be funded by an £8m topslice of the West Yorkshire LTP3 allocation during 2011/12, 2012/13 and 2013/14.

### **Major Schemes**

- 2.11. The cuts and suspension of Major Schemes will have far reaching implications for Metro. An action plan setting out the short and medium term approach to deal with these issues has been developed that includes:

- Lobbying - including letters to Ministers;

- Responses to the DfT to demonstrate how Metro's Major Schemes satisfy the Treasury's 9 key tests and how programmes could be re-phased and re-profiled to be submitted in early August 2010; and
  - An invitation has been made by Metro to Norman Baker, Parliamentary Under-Secretary of State for Transport, to visit West Yorkshire so that Metro can present the case for investment.
- 2.12. In general work on Major Scheme development has been paused until the outcome of the CSR is known. However, limited work on elements of NGT, Castleford Interchange and the Leeds Rail Growth Package scheme will be undertaken in order that slippage can be avoided should funding be approved.
- 2.13. As highlighted above, there is no provision in the revised capital programme to develop major schemes in 2010/11 should there be a positive decision on any of Metro's major schemes following the CSR. However, as noted above, the LTP Committee approved the principle that the WYSPS may need to be re-programmed to support essential development work on Major Schemes.

### **Other Issues**

- 2.14. City region partners have agreed that Metro lead a short piece of work to be undertaken over the summer to define the key headlines and investment priorities for the city region over the short, medium and long term. Work would join together the outcomes from the City Region Transport Strategy (Nov 2009), Phase 1 DaSTS Connectivity Study (June 2010) and the Transport for Leeds Study (June 2010). This will need to clearly articulate a strong business case for transport investment in the city region.

## **3. FINANCIAL AND LEGAL IMPLICATIONS**

- 3.1. The financial implications are set out in section 2 above.

## **4. STAFFING IMPLICATIONS**

- 4.1. Significant budget reductions highlighted in this report are likely to have an impact on future staffing levels.

## **5. EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1. None as a direct result of this report.

## **6. RECOMMENDATIONS**

- 6.1. That the revised capital programme show in Annex 1 for 2010/11 is approved.

- 6.2. That the revised West Yorkshire Strategic Programme of Schemes shown in Table 2 is approved.
- 6.3. That the transfer of uncommitted Congestion Performance Funds as detailed in section 2 is approved.

Director General  
West Yorkshire Passenger Transport Executive