



<b>Combined Authority Board</b>	Agenda Item
<b>26 July 2023</b>	<b>14</b>

Title:	Local Highways Maintenance Capital Grant Allocation
Report of:	Nick Bell, Executive Director Resources and Performance
Lead Member:	Mayor Nik Johnson
Public Report:	Yes
Key Decision:	Yes KD2023/31
Voting Arrangements:	No vote required, allocation of Highways Grant funding is a Mayoral decision

**Recommendations: The Combined Authority Board is consulted regarding,**

A	The Mayor's intention to allocate grants totalling £31,677,000 to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula for determining each council's share.																
B	The Mayor's intention to allocate the Highways capital grants at the same rates to Cambridgeshire County Council and Peterborough City Council for the two subsequent financial years.																
C	Subject to a) the Mayor is recommended to allocate the grants as set out below: <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th style="width: 35%;">Authority</th> <th style="width: 20%;">Highways Capital Grant</th> <th style="width: 20%;">Additional Pothole Grant</th> <th style="width: 25%;">Total</th> </tr> </thead> <tbody> <tr> <td>Cambridgeshire County Council</td> <td style="text-align: right;">£21,837,000</td> <td style="text-align: right;">£3,332,000</td> <td style="text-align: right;">£25,169,000</td> </tr> <tr> <td>Peterborough City Council</td> <td style="text-align: right;">£5,740,000</td> <td style="text-align: right;">£768,000</td> <td style="text-align: right;">£6,508,000</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>£27,577,000</b></td> <td style="text-align: right;"><b>£4,100,000</b></td> <td style="text-align: right;"><b>£31,677,000</b></td> </tr> </tbody> </table>	Authority	Highways Capital Grant	Additional Pothole Grant	Total	Cambridgeshire County Council	£21,837,000	£3,332,000	£25,169,000	Peterborough City Council	£5,740,000	£768,000	£6,508,000	<b>Total</b>	<b>£27,577,000</b>	<b>£4,100,000</b>	<b>£31,677,000</b>
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**Strategic Objective(s):**

The proposals within this report fit under the following strategic objective(s):

X	Increased connectivity
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Allocation of the annual highways maintenance grants allows the Local Highways Authorities to continue to deliver essential road maintenance.

**1. Purpose**

1.1	The Combined Authority has been notified by the Department of Transport of the capital funding allocations towards local transport for the 2023/24 financial year. The Mayor must consult the Combined Authority before making a Mayoral decision to allocate this funding to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula.
1.2	This funding includes the Integrated Transport Block, the Highways Maintenance Block Needs Element, Highway Maintenance Block Incentive Element, and both the Pothole Fund and additional Pothole Funding announced in the Spring Statement.

## 2. Proposal

2.1	The Mayor is empowered to allocate highways grants to the local Highways Authorities but must consult the Combined Authority Board on any such allocations.
2.2	The Mayor proposes to pass through the vast majority of the maintenance grants, retaining only the element which would fund the upkeep of the Real Time Passenger Information system in Cambridgeshire, ownership of which has transferred to the Combined Authority.

## 3. 2023-24 Allocations

3.1	The Department for Transport issues the Highways Maintenance grants on an annual basis to the Combined Authority. The Combined Authority consults both Cambridgeshire County Council and Peterborough City Council on the division of the funding.																																
3.2	In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, the Mayor is responsible for the payment of grants to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities. Before making that decision, he is required to consult the Combined Authority Board.																																
3.3	The allocations of this funding, divided by grant stream, to the constituent councils, Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) is set out below in line with the Department for Transport formula less funds retained by the CPCA to fund Real Time Passenger Information (RPTI). HMB stands for the Highways Maintenance Block grant, ITB for the Integrated Transport Block grant.																																
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3.5	The allocation of Highways Capital funding to the Combined Authority in 2023/24 is the same as it was in 2022/23. In addition to this funding in 2023/24 there is also extra funding for potholes totalling £4,100,000. The allocation of funding from the Combined Authority to Cambridgeshire County Council and Peterborough City Council has been calculated on the same basis as for the previous year. The Department for Transport have published allocations of these grants for the next three years, to 2025-26, and the allocations are for the same cash value for the whole period. Given the current level of inflation this will create a significant real-term cut in highways maintenance funding over the next 3 years as materials and labour costs increase while funding remains flat																																

## 4. 2024-25 and 2025-26 allocations

4.1	As referred to above, the levels of the Pothole Funding, Integrated Transport Block, and the Highways Maintenance Block grant, but not any extra pothole funding, have been fixed by DfT until 2025-26 and this is modelled within the Combined Authority's Medium-Term Financial Plan.
4.2	As such it's recommended that the Mayor allocate those grants to CCC and PCC, at the same rates as per the table following paragraph 3.1, for the next two financial years, subject to there being no change to these figures by the DfT.
4.3	Agreeing multi-year allocations will allow the local Highways Authorities to plan with more certainty and enable the transfer of funding to them in a more timely manner at the start of each financial year.

## 5. Appendices

5.1	None
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## 6. Implications

### Financial Implications

6.1	The highways maintenance capital grants are ringfenced funds from the Department for Transport and passing them through to the Local Highways Authorities was anticipated in the approved Medium-Term Financial Plan.
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### Legal Implications

6.2	The proposal is in line with appropriate Regulations including governance requirements in The Cambridgeshire and Peterborough Combined Authority Order 2017 on the basis that prior to any grant the Mayor must consult with the Combined Authority Board as set out in the Constitution.
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### Public Health Implications

6.3	There are no direct public health implications
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### Environmental & Climate Change Implications

6.4	There are no direct environmental and climate change implications
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### Other Significant Implications

6.5	There are no other significant implications
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### Background Papers

6.6	<a href="#">Department for Transport multi-year transport grant allocations</a>
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