



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.1

Local Highways Maintenance Grant Allocation 2022/23

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 8 June 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Jon Alsop, Chief Finance Officer

Key decision: Yes

Forward Plan ref: KD2022/16

Recommendations: The Combined Authority Board recommended to:

- a) Note and comment on the Mayor's intention to allocate grants totalling £27,695,000 to Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) in line with the Department for Transport formula for determining each council's share; and
- b) Note that subject to any comments made by the CA Board arising from a), that Mayor is being recommended to allocate the grants as set out below,

	Total
Cambridgeshire County Council	£21,955,000
Peterborough City Council	£5,740,000
Total	£27,695,000

Voting arrangements: No vote required. Allocation of Highways Grant funding is a Mayoral decision.

1. Purpose

- 1.1 The Department for Transport (DfT) has published capital funding allocations towards local highways maintenance for the 2022/23 financial year online. 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 (ITB), the Highways Maintenance Block (HMB) Needs Element, HMB Incentive Element, and the Pothole Fund.
- 1.3 The Combined Authority has received the funding, but has not yet been issued with the grant determination from DfT which sets out any terms and conditions.

2. Background

- 2.1 The DfT issues the Highways Maintenance grants on an annual basis to the Combined Authority.
- 2.2 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 local highways authorities. Before making that decision, the mayor is required to consult the Combined Authority Board.
- 2.3 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.

£'000	Pothole Funding	HMB – Needs	HMB – Incentive	ITB	Total
CCC	£8,329	£8,329	£2,082	£3,215	£21,955
PCC	£1,921	£1,921	£480	£1,418	£5,740
Total allocation	£10,250	£10,250	£2,562	£4,633	£27,695

- 2.4 The allocation of funding to the Combined Authority in 2022/23 is the same as it was in 2021/22. 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.
- 2.5 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 4 years as materials and labour costs increase while funding remains flat.

- 2.6 The Incentive Fund scheme is to reward councils who demonstrate they are delivering value for money in carrying out cost effective improvements, however areas which have Combined Authorities automatically receive the maximum allocation.
- 2.7 While the terms and conditions of the 2022-23 grant award have not yet been received, it is standard with these annual grants for the Chief Executive and Chief Internal Auditor of the Combined Authority to be required to sign and return a declaration to DfT by the end of September in the following year (2023) to provide an opinion that the conditions attached to the funding have been complied with.
- 2.8 Assuming the same conditions as have been applied by the DfT historically, the grant agreements issued by the Combined Authority to the Local Highways Authorities will include a requirement for each of them to provide the necessary assurances in writing to the Combined Authority to enable the Chief Executive and the Chief Internal Auditor to sign and return the declaration by the due date.
- 2.9 As the conditions of these annual grants are generally unchanged year on year it is proposed that payment of the allocations to PCC and CCC be made after this decision, with grant offer letters to follow once the Combined Authority has received the overall grant determination from the DfT. The risk of this is considered minimal as the Combined Authority has already received the funds, and the purpose of the grants has not changed from prior years.

Significant Implications

3. Financial Implications

- 3.1 There no additional financial implications beyond those set out above. All grant expenditure proposed is fully covered by the income already received from the Department for Transport.

4. Legal Implications

- 4.1 The proposal is in line with the requirements of 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.

5. Public Health Implications

- 5.1 The report recommendations have neutral implications for public health.

6. Environmental and Climate Change Implications

- 6.1 The report recommendations have neutral implications for the environment and climate change.

7. Other Significant Implications

- 7.1 There are no other significant implications which have not been dealt with under the legal or financial implications.

8. Appendices

- 8.1 None

9. Background Papers

- 9.1 [Link to Highways maintenance and ITB funding formula allocations, 2022 to 2025](#)