

## **APPENDIX 1 – FURTHER DETAIL OF NORTH WEST REGIONS REGIONAL FUNDING ADVICE (RFA)**

### **FUNDING AND PROGRAMME**

The current RFA exercise now extends the funding profile by three years to 2018/19. As part of this process, the indicative allocations for transport are intended to cover:

- Major schemes on the Highways Agency network (100% costs including preparation works);
- Construction of local authority major schemes (including maintenance costs) including a share of preparatory costs; and
- Integrated and maintenance block funding from 2011/12 (Local Transport Block)

The draft advice notes that the Highways Agency and local authorities have made considerable progress to develop and deliver the current RFA priority schemes. A number of schemes have been completed, several are under construction and others at various stages in the Department for Transport's (DfT) approvals process. However, the cost of delivering the agreed investment programme has risen by over £450m. Three Highways Agency schemes (the A57/A628 Mottram Tintwistle bypass, the A556 (M6 to M56) Environmental Improvement and the A5036 Port of Liverpool Access Improvement) account for over 70% of the increased cost.

As a result, the investment programme is now 35.5% over-programmed for the RFA period to 2015/16. It is significantly above the Government's ceiling of 20%. This means it is not possible for the region to consider adding any new schemes to the current programme and it is anticipated that there will be a need to defer expenditure on some schemes to comply with the over-programming envelopes even when extending the time frame to 2018/19.

While not explicit in the draft guidance, advice from the Regional Transport Advisory Group has suggested that schemes that do not yet possess programme entry status will be those recommended for deferral.

### **INTEGRATED TRANSPORT AND MAINTENANCE BLOCKS**

The draft advice states that there is insufficient evidence available to neither make informed recommendations on changes to the distribution of either of the LTP block allocations between authorities, nor to alter the balance of spend between major schemes.

There is also concern that sub £5m schemes do not meet the DfT criteria for major schemes are unaffordable to some local authorities, particularly smaller unitary authorities. In response to this, it is considered that a separate fund could be created to support such

schemes. This could be created by top-slicing the LTP blocks or pump priming a fund from major schemes allocations. However, as noted above, there is a lack of evidence on which to base potential top slicing and major schemes are currently allocated until at least 2018/19. Instead, the region proposes to conduct additional research to assess the merits of such an approach and to estimate the potential level of funding that may be required.

The full version of the Regional Funding Advice is available to view on:

<http://www.nwda.co.uk/pdf/RFA%20overview%202008%20final%20pdf.pdf>