

Briefing Note on Development of the Transport Capital Programme: July 2017

The transport capital programme is generally agreed by Cabinet on an annual basis although a two year programme is agreed where practical and feasible. Cabinet approval can be at any time between the autumn and February depending on the need to update the programme or Cabinet workloads. Variations may be made to the capital programme throughout the year via the FIN letter process if additional funds are secured, for example through a successful bid.

The capital programme for transport is made up from a large variety of internal and external funding sources, some of which come with specific timescale, geographic, match funding and other specific conditions. These have to be carefully managed to meet the conditions they come with which may mean varying allocations within agreed delegated limits to meet changing circumstances.

Core Integrated Block Funding

The only certain core funding is the Integrated Block (IB) allocation from DfT. This is currently approx. £3.6m per annum but may vary in future years as DfT adjusts it in response to various factors. The level has reduced from around £10m per annum back in 2010. The Council's strategy is to maximise the leverage value of this funding to secure as much external funding as possible, particularly competitive funds awarded by the Government but also more localised ones such as District Council contributions. This means that IB may be used to prepare scheme designs for future funding bids or provide match funding where this is required.

Strategic Policy Framework

The Local Transport Plan sets out the strategic growth areas where investment will be particularly focussed. These include Exeter, Newton Abbot, Barnstaple / Bideford, Sherford and Tiverton. These are areas where the investment is aimed at accelerating and encouraging new housing and employment growth and where much of central government (and LEP) funding is focussed. The strategic growth areas are also likely to generate significant match funding for external bids from sources such as Community Infrastructure Levy (CIL) and Section 106 agreements.

The Walking and Cycling and Multi-use Trail strategy sets out the priorities for the longer strategic routes in rural areas and which will guide priorities for investment and securing external funding. Similarly the Transport Investment Plan sets out the anticipated programme of key schemes across the County. Both of these documents have been approved by Cabinet.

Other Issues

The above does not mean that areas outside the growth locations will not receive IB or have potential to secure external funding sources. There are a number of ongoing countywide programmes including walking and cycling improvements focussed on access within market towns and improving access to schools / employment along with bus real time information provision. Developer funding will still be important in a number of locations subject to viability and other infrastructure requirements such as education, open space and affordable housing. It may be possible to use this as match for external funding in some circumstances where a suitable source exists.

The On-street Car Parking account also provides funding for a number of schemes across the county including TRO priorities agreed by HATOCs – the programme for this is normally agreed around February / March each year. Other County Council sourced funds such as Invest in Devon and corporate funding have generally been allocated or exhausted with few or no additional allocations expected.

The geographic spread of capital spending may vary considerably year by year and it is therefore important not to just focus on one year's allocation.

Developer contributions are frequently secured through S106 or CIL. Actual cash receipts may however be sometime in the future and are often linked to the actual occupation of houses or premises (this may be 5-10 years from the signing of an agreement in some cases). The County Council can, in limited circumstances, 'forward fund' works reliant on these sources until the funds are received and has indeed done so in a number of cases around the county. This mechanism is particularly used to match fund external funding bids or to prepare a design for a future bid. The County Council is however close to the limit where it can forward fund significant new schemes so this mechanism will have to be applied very carefully and sparingly. There may also be a risk in some cases that developments may not proceed at all, seek to renegotiate a previous agreement or reduce the development's size or type. It cannot therefore be assumed that developer contributions can be spent as soon as an agreement is in place.

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