2003-04 LOCAL TRANSPORT CAPITAL EXPENDITURE SETTLEMENT

INTRODUCTION

This letter contains the results of the 2003-04 local transport capital settlement for the whole of England (outside London), and the details of your authority’s 2003-04 allocations for major schemes, maintenance and integrated transport (small schemes), as well as feedback on your second Annual Progress Report (APR).

This settlement shows that the Government is continuing to meet the commitment made in December 2000 to provide a high level of funding for local transport. The greater certainty of funding promised is also being provided, to enable the implementation of more sustained and long-term improvements.

Ministers want to see authorities continue to fulfil their role in the Ten Year Plan. They are pleased to see that many authorities have made a good start to delivering the transport improvements that local areas need. However, progress is uneven and it is vital that momentum is both maintained and stepped up where it needs to be. Ministers want to see authorities spending their local transport funding effectively, by implementing schemes that make a difference to people’s lives at the local, day-to-day level and putting into place measures that ensure local and national transport targets are met.

This year’s APRs build on the start made in 2000-01 and provide many examples of schemes and measures delivered. It is encouraging that authorities report they are on track to meet about half of the targets set out in their Local Transport Plans (LTPs). However, almost a fifth of targets are not considered on track and for a further third of targets there is currently no clear evidence of progress. Ministers understand that it takes some time for monitoring data to be established and for trends to be determined, but as the third year of implementation is approached they expect to see authorities collecting and analysing the necessary data to determine whether they are on track to meet targets. Where authorities think there is a risk that targets may not be achieved, they should be taking appropriate remedial action.
The feedback on your 2001-02 APR contains details of the local transport ‘score’ for your authority, which was determined from an assessment of your LTP and APR. This year 30% of the score was derived from an assessment of your LTP with the remaining 70% based on an assessment of your latest APR. From the 2003 settlement onwards, transport scores will be weighted even more heavily on delivery, reflecting Ministers’ wishes that authorities’ ability to plan translates into improvements on the ground.

This year we have provided additional funding for integrated transport to authorities whose APRs have demonstrated they are making good progress in the delivery of schemes, the achievement of targets and showing an improvement on previous years’ performance. This is because we wish to reward those authorities that have demonstrated their ability to make good use of local transport capital funding. We plan to continue rewarding good performance in the 2003 settlement and, in order to free up funds for those that have a proven record of delivering, it is likely we will have to reduce the indicative allocations of authorities that are failing to perform.

In accordance with the guidance on APRs, authorities have set out details of any barriers that are affecting the implementation of their LTPs and the steps they are taking to address these. We have taken careful note of the issues raised and will seek to help authorities address them wherever possible.

In recognition of the need to ensure that local authorities, amongst others, possess the skills and expertise necessary to deliver the Government’s 10 Year Transport Plan, the Department for Transport is part funding the Transport Planning Skills Initiative. The initiative is being managed by the Transport Planning Society in conjunction with professional institutes, training bodies and universities and will look at how more people can be attracted into the transport profession as well as staff training and retention.

NATIONAL PICTURE

The total funding available for 2003-04 is £1.6bn. Our starting point in making this year’s allocations was the 2003-04 indicative allocations for maintenance and integrated transport (smaller schemes) announced in the November and December 2000 decision letters. The commitments arising from major schemes accepted in previous settlements have also been taken into account.

The outcome of the current reforms of the local government finance system, announced in the 2001 Local Government White Paper *Strong Local Leadership – Quality Public Services*, may change the detailed arrangements for funding capital schemes. This will not affect the Government’s commitment to funding individual schemes or to the level of funding being provided for the integrated transport (small schemes) and maintenance block.

**Major schemes**

We are earmarking a total of £348m for major public transport and road schemes in 2003-04, of which £301m is for schemes accepted in previous settlements. The remainder will be for new major schemes once they achieve fully accepted status. There were 42 new major schemes submitted for approval this year, of which 19 were schemes classified as ‘work in progress’ from previous years. As in the last 2 years, all schemes have been assessed using the New Approach to Appraisal (NATA) and we have categorised each new major scheme as accept, provisionally accept, work in progress
or reject. In total we are accepting or provisionally accepting 19 new major schemes, and provisionally accepting 2 amended schemes, which were previously accepted or provisionally accepted in a different form.

Subject to the reforms referred to above the allocations for major schemes will continue to be in the form of a mixture of 1-year Supplementary Credit Approvals (SCAs) and grant (Transport Supplementary Grant and Section 56 grant). These allocations remain outside the Single Capital Pot (SCP).

**Single Capital Pot**

The allocations made to Passenger Transport Authorities (PTAs) for the integrated transport block fall outside the scope of the Single Capital Pot (SCP) because PTAs are single-service authorities. These allocations will be made as 2-year SCAs.

All other authorities will receive their funding for maintenance and integrated transport as part of the SCP. This is awarded as a single Annual Capital Guideline (ACG) to each authority for 2003-04 covering the services included within the SCP. Authorities will have discretion to spend this funding according to their own plans and priorities. Subject to this, we expect authorities to continue to spend sufficient funds on transport to enable them to work towards, and ultimately meet, the objectives and targets contained within their LTPs.

Transport’s contribution to the Single Capital Pot for 2003-04 is £1.1bn or 44% of the total SCP.

A total of 95% of the transport contribution to the SCP has been allocated on the basis of the indicative maintenance and small schemes allocations already announced for 2003-04, plus any additional amounts reflecting the revised maintenance formulae and assessments of authorities’ APRs, including decisions on any supplementary bids, and additional funding to reward good performance.

The remaining 5% of transport funding has been included within the amount being allocated as the ‘discretionary’ element of the SCP. These allocations reflect an assessment of the quality of authorities’ Capital Strategies, Asset Management Plans (AMPs), and performance in the 4 service areas of transport, housing, education and social services. The details of this process are set out on the Office of the Deputy Prime Minister’s website at [www.local.odpm.gov.uk/finance/capital/singpot.htm](http://www.local.odpm.gov.uk/finance/capital/singpot.htm). An announcement on the overall SCP, including the discretionary element, is also being made today. The full BCA booklet is being sent to you by ODPM and will also be posted on the ODPM website.

Transport has again been a major contributor to the total funding in the SCP, including the discretionary element to which LTP funds have contributed £58m. The assessment of LTPs and APRs has been a factor in determining the size of the discretionary element for each authority. However, as the discretionary award is calculated by taking account of several elements including the AMP and Capital Strategy, it is not possible to identify separately the ‘transport’ element of the discretionary award for individual authorities. Whilst all authorities have clear discretion to use the 5% element as they consider appropriate, in line with their overall aims and objectives, we would expect authorities will wish to make use of some of these resources to assist in delivering their LTPs.
Integrated Transport

The indicative allocations for integrated transport (smaller schemes) in 2003-04 total £512m.

In addition to the indicative allocations, £100m is being provided for integrated transport in response to supplementary bids made by authorities as part of their APRs and as an additional reward for authorities performing well.

This is in addition to the £28m that will be distributed as part of the discretionary element of the Single Capital Pot and which may also be used for smaller schemes.

The integrated transport indicative allocations for the remaining 2 years of the LTP period, announced as part of the December 2000 settlement, still stand.

Because of the need to consider allocations as part of the overall settlement process in each of the remaining years of the plan period, we cannot guarantee that additional resources for supplementary bids accepted this year will be provided in future years. The availability of such funding will depend on the total level of uncommitted resource available for local transport at that time. However, we have noted those cases where supplementary bids sought funding over a number of years.

Maintenance

As in the 2000 LTP settlement, we have given indicative allocations for two years to allow authorities to be able to better plan their forward programmes. The allocations for 2003-04 are firm. The allocations for 2004-05 will be reviewed at the time of the 2003 settlement and may be altered in the light of an authority’s progress towards achieving the national target of halting deterioration by 2004 and in tackling its maintenance backlog.

2003-04

The total of the indicative allocations for maintenance already made for this year is £409m. In addition to this we are providing an extra £157m, as well as £10m to continue funding major maintenance schemes. These extra sums are in addition to the £30m which will be distributed as part of the discretionary element of the SCP and which can also be used for maintenance.

Earlier this year we solicited bids for exceptional maintenance schemes in smaller authorities and have accepted 13 of those received. Funding for these is being provided from the allocations detailed above.

2004-05

The total of the indicative allocations for maintenance already made for 2004-05 is £409m. In addition to this we are providing an extra £236m, as well as £6m to continue funding major maintenance schemes.

The bulk of the allocations for the two years have been determined by formulae and the methodology is explained in Annex 2. The awards for these schemes were made after consultation with the Government Offices and the Roads Board.
The methodology for any adjustments to an authority’s 2004-05 allocation, in the light of its performance, will be subject to consultation with authorities through the Government Offices and the Roads Liaison Group.

**Street Lighting**

The Government has an objective in its 10 Year Plan to tackle the backlog in street lighting maintenance over the period of the plan. It is estimated that this amounts to about £1bn in England.

The Government has decided that for 2003-04 and 2004-05 there will be no allocation for street lighting through the LTP process. However, on 17 October 2002, Ministers announced that £300m in PFI credits would be made available in 2003-04 to authorities in England (outside London) for street lighting. A further £85m will be made available over the next three years for street lighting PFI projects in London. This £385m is in addition to the £192.8m of PFI credits already approved for nine street lighting projects. The PFI credits will be allocated through an annual bidding round.

The first stage of the bidding round will be in March 2003 when invitations to submit an expression of interest will be issued. Confirmation of whether an authority should prepare an Outline Business Case for consideration by the Department for Transport and the inter-departmental Project Review Group (PRG) will be made in the December 2003 LTP decision letters. PRG is chaired and administered by the Office of Government Commerce and oversees the approval process for Local Authority PFI and Public Private Partnership (PPP) projects that require Government support.

All authorities will continue to be able to use their LTP funding and other capital resources within their SCP for street lighting capital expenditure. They will also be able to continue to use funding provided through the Revenue Support Grant for street lighting.

**Third APR Guidance**

Revised guidance will be published in March 2003 to assist authorities prepare their third APR. We will seek authorities’ views on revisions to the guidance during our feedback sessions early in the New Year. Further detail on the proposed changes in the next guidance is contained in Annex 3.

**Bus Information Strategies**

Authorities were asked to report progress in developing bus information policies as required by sections 139-141 of the Transport Act 2000. While some good policies have been produced, many authorities appear to have made little progress and are reminded of the importance of adequate bus service information in increasing bus patronage. We would urge those who have not yet done so to develop and adopt appropriate bus information policies by the time of the submission of next year’s APR.

**Good Practice**

The 2002 APRs have clearly demonstrated the level of activity amongst authorities in sharing good practice and learning from each other. The Government firmly believes in the importance and role of good practice in ensuring the most is made of existing skills.
The Centres of Excellence Initiative continues to fund the dissemination of good practice for a range of local transport issues. Details of the proposals can be found in our brochure, which is also available on the Department for Transport website at [www.local-transport.dft.gov.uk](http://www.local-transport.dft.gov.uk). Ministers are keen to see the dissemination of good practice continue and we would urge authorities to keep on taking up the opportunities provided through initiatives such as Centres of Excellence and Beacon Councils.

**Detrunked Roads**

In 2003-04, £7.2m of capital funding is being provided to authorities that took responsibility for detrunked roads before 1 July 2002. Details for the authorities affected are included in their LTP decision letters. Authorities receiving roads on or after this date will receive capital funding resulting from their negotiated settlement with the Highways Agency. The Department will shortly issue a draft Special Grant Report for revenue funding of roads due to be detrunked during 2003-04.

**REGIONAL OVERVIEW – YORKSHIRE AND THE HUMBER**

Once again, we acknowledge the significant efforts which have been made by the Yorkshire and Humber authorities in delivering and monitoring their Local Transport Plan programmes during the past year. Most authorities have responded constructively to the comments in last year’s decision letters and to the revised guidance on the preparation of Annual Progress Reports. We are pleased with the efforts that have gone into the production of the second round of APRs, with the quality and clarity of their production moving the process forward significantly in large parts of the region. Overall, the standard of this year’s APRs has improved. Again they vary in quality from well above average to below average, although every one contains examples of successful schemes contributing towards the achievement of targets. We hope that the individual feedback on the APRs will prove useful in identifying areas for improvement in the preparation of next year’s reports.

We are pleased with the reports of further development of the consultation process, which should allow authorities to keep their strategies and programmes under review in the light of a wide range of responses from the community, individuals, businesses, interest groups and government. Keeping stakeholders and the public ‘on board’ is seen as key to the success of the LTP process. We are particularly keen that all authorities continue to develop a clear monitoring and target setting regime in order that the performance of the plan can be measured in subsequent APRs.

We are also pleased to see that there has been a continuous and growing level of activity in sharing best practice and cross-boundary working both within the region and across regional boundaries. There is a need to ensure that the impact of our transport investment is coherent with, and has a meaningful influence on, the wider issues within authorities.

Road safety is once again prominent as an area of good progress and many authorities also appear to be well on track to meet local targets for the provision of facilities for pedestrians, cyclists and disabled people. Progress on school and workplace travel plans is more varied, with effective work being reported in some authorities, but very little progress in others. The numbers of public transport schemes continue to grow, with new guided bus systems coming on stream and park and ride sites around the region continuing to develop at an increasing rate. We are very pleased to see bus patronage figures increasing, with West Yorkshire and York as notable successes.
A key focus for all must remain delivery of improvements on the ground. Whilst good progress is being made in some authorities, we still have concerns about delays in the delivery of both major schemes and integrated transport block programmes in others. We understand the considerable work required to deliver well-conceived integrated transport schemes, particularly in view of the need to undertake a high level of public consultation. However, in order to safeguard indicative allocations in future years, it is of crucial importance that all authorities are fully spending allocations, and delivering worthwhile schemes on the ground. We would encourage those authorities which have had difficulty in spending to review fully their delivery programmes and procedures, taking on board best practice from other authorities. The apparent slow progress in major schemes is of particular concern. With some 18 ‘active’ schemes in the region, it is disappointing that we are allocating money to only two schemes for next year.

Ministers have made it clear that they will consider reducing indicative allocations to those authorities which are not demonstrating that they are performing well. We hope, therefore, that next year’s APRs will demonstrate that all authorities in the region are making good progress in delivering schemes and in working towards meeting local objectives and targets.

Regional Planning Guidance (RPG) incorporating the Regional Transport Strategy (RTS) was published on 31 October 2001. Authorities will need to keep their plans under review to ensure that they are consistent with regional policy, for example, to ensure that demand management tools are not used in ways which encourage wasteful competition between neighbouring urban centres in the region, or between urban centres and out-of-town development sites. The Yorkshire and Humber Assembly is currently undertaking a selective review of RPG and the RTS. In next year’s APRs, all local authorities will be expected to demonstrate that their LTP is consistent with existing RPG.

Following the principles of sustainability, it is important for authorities in the region to ensure that the five key elements – analysis of problems and opportunities, objectives, a robust long term strategy, a costed and affordable five year programme and a set of targets and performance indicators with appropriate monitoring – are in place and form a comprehensive and consistent strategy. Local authorities need to keep under review how their LTP’s strategies, targets and objectives will be delivered; how they provide for ‘integrated transport’; and how they fit alongside the RTS, local plans/UDPs, PPG13 principles and the national Ten Year Plan objectives.

A number of major regional studies have now been completed, including the South and West Yorkshire Multi-modal Study (SWYMMS) and the Hull Multi-modal Study (HUMMS). Following a period of consultation, Ministers are expected to take initial decisions on the study recommendations in the new year. Where study recommendations involve initiatives that would be delivered through the LTP, local authorities need to consider the implications for their current plans and programmes. The local authorities will need to demonstrate that any measures for additional LTP funding flowing from the multi-modal studies are additional to existing LTP programmes and cannot be funded wholly or partially from within the authority’s indicative allocation.

We are pleased to be able to provide some £8.4m additional Integrated Transport funding for 2003-04 over and above the indicative funding announced in December 2000. In determining the allocation of these funds, we have taken into account the quality and content of the APRs, supplementary bids that did not meet national criteria for funding, and an assessment of need across all authorities in the region in relation to previously unmet bids. In doing so, we took account of
evidence of improvements made by authorities, evidence of delivery on the ground and the extent to which authorities demonstrated they could make good use of additional funds.

Summarised below are the allocations for the Yorkshire and Humber region. The total Block allocation for 2003-04 is £153.023m. Within this, the provision made for integrated transport is £85.175m, and provision for maintenance is £67.848m. These funds are issued as a single block for authorities to use in accordance with the priorities set out in their plans. We are also awarding £13.439m for major schemes. In addition, two new major schemes are provisionally accepted in this settlement and 18 ongoing current major schemes are still being supported (one completed in autumn 2002, three under construction).

Yorkshire and Humber Allocations 2003-04 (£m)

<table>
<thead>
<tr>
<th>Authority</th>
<th>Integrated Transport</th>
<th>Maintenance</th>
<th>Total Block Allocation</th>
<th>Total Allocation Including Majors</th>
</tr>
</thead>
<tbody>
<tr>
<td>S Yorks</td>
<td>25.475</td>
<td>10.432</td>
<td>35.907</td>
<td>37.346</td>
</tr>
<tr>
<td>W Yorks</td>
<td>25.800</td>
<td>28.894</td>
<td>54.694</td>
<td>66.694</td>
</tr>
<tr>
<td>East Riding</td>
<td>4.800</td>
<td>6.076</td>
<td>10.876</td>
<td>10.876</td>
</tr>
<tr>
<td>Hull</td>
<td>5.800</td>
<td>1.678</td>
<td>7.478</td>
<td>7.478</td>
</tr>
<tr>
<td>N E Lincs</td>
<td>3.600</td>
<td>1.128</td>
<td>4.728</td>
<td>4.728</td>
</tr>
<tr>
<td>N Lincolnshire</td>
<td>2.900</td>
<td>2.109</td>
<td>5.009</td>
<td>5.009</td>
</tr>
<tr>
<td>York</td>
<td>6.600</td>
<td>1.281</td>
<td>7.881</td>
<td>7.881</td>
</tr>
<tr>
<td>TOTAL</td>
<td>85.175</td>
<td>67.848</td>
<td>153.023</td>
<td>166.462</td>
</tr>
</tbody>
</table>

The following new major schemes are being taken forward;

<table>
<thead>
<tr>
<th>Scheme Title</th>
<th>Gross Cost (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reighton Bypass, North Yorkshire</td>
<td>6.550</td>
</tr>
<tr>
<td>Sheffield Sheaf Square</td>
<td>13.217</td>
</tr>
<tr>
<td>Scarborough Integrated Transport (see note)</td>
<td>26.895</td>
</tr>
</tbody>
</table>

Note. Scarborough Integrated Transport was originally approved as a PFI scheme. This has now been accepted as a conventionally funded scheme.

The YorCard smartcard scheme proposed by South and West Yorkshire is still under development for resubmission next year. In addition the Minister has asked for more work to be undertaken on the following 2 Major Scheme proposals, before making a decision;

Halfpenny Transportation Initiative in Sheffield (£16m)
Manor Park Bends Improvement at Burley in Wharfedale in Bradford District (£6m)
NORTH YORKSHIRE SETTLEMENT

Overview

The APR demonstrates a significant improvement on previous documents. It is well written, easy to read and covers the areas required by the guidance at the right level. It is well supported by the clearly laid out annexes. A much more thorough approach to target setting and monitoring is also evident. The length of the document is reasonable, given the size of the authority and the annexes are well written and not too technical. We are pleased that the county is now putting increased resource into the production of the APR and Local Transport Plan work.

However, evidence of the impact of individual schemes needs to be improved to demonstrate how they are contributing to the wider objectives of the LTP and to national objectives. There is a continuing need to focus LTP targets towards outcomes rather than process, and we are pleased to see that the county has started to do this.

All local authorities’ APRs have been assessed against the published guidance. In comparison with all other transport authorities, we are pleased your transport plan score has risen to the average category, reflecting the good progress you have made in delivering your LTP. Our detailed comments on your APR are set out below and we trust you will take these into account when reviewing how to continue to improve your performance. Attached at annex 1 is an explanation of the methodology used to produce your transport plan score.

Allocations

Your total block allocation for 2003-04 is £26.450m. This covers all items of transport capital expenditure other than major schemes and is explained in greater detail below.

Your integrated transport block and maintenance funding will be allocated as part of your transport Annual Capital Guidelines (ACG) in the Single Capital Pot (SCP). You will therefore be able to spend it in accordance with your local priorities, although we would expect such spending to be in line with the objectives and strategies contained in your LTP.

In addition, you may receive a SCP ‘discretionary element’ award. This is detailed in the letter to you dated 10 December 2002 from Isobel Mills in the Government Office. The total amount distributed through the discretionary element includes a substantial amount top sliced from LTP resources. Your authority may use the discretionary element according to your own local priorities, including of course on transport measures.

Integrated Transport

Ministers have considered carefully the evidence of performance in your APR and the additional funding available. In the light of these factors and reflecting the progress you have made, we are pleased to be able to increase your indicative allocation by £2.1m and award a total of £10.2m for integrated transport. Included in your integrated transport allocation above is £0.12m in respect of the work needed to progress the National Cycle Network in North Yorkshire.
Because of the need to consider allocations as part of the overall settlement process in each of the remaining years of the plan period, we cannot guarantee that additional resources for the National Cycle Network in future years will be provided. We are however aware of the projected spend in future years and will endeavour to reflect this requirement in future settlements; but the availability of such funding will depend on the total level of resource available for local transport at that time, taking into account other commitments.

We are aware of the proposed detrunking of the A65 in North Yorkshire. Should you wish, some of the additional Integrated Transport money we have been able to award today would enable you to develop a strategy and proposals for the A65 should it be detrunked next year.

**Maintenance**

As explained earlier, the capital maintenance allocation for 2003-04 has been calculated on a formulaic basis, which takes account of the road and bridge maintenance data submitted with your 2001-02 APR. The maintenance allocation for your authority is £16.250m.

As explained, this settlement gives allocations for two years to allow authorities to be able to plan better their forward programmes. Your proposed allocation for 2004-05 is £18.447 million. This will be reviewed at the time of the 2003 LTP settlement and may be altered in the light of your authority's performance towards achieving the national target of halting deterioration by 2004, and in tackling its maintenance backlogs. Further details of the maintenance methodology and an illustrative breakdown of the allocations is contained in Annex 2.

**Major Schemes – New Proposals**

**Reighton Bypass**

The Reighton Bypass scheme has been provisionally accepted subject to successful completion of statutory procedures and final approval by Ministers. We recognise the transport case for the scheme in its current form but this view is given solely in respect of its appraisal case and is entirely without prejudice to any view that the Secretary of State may take on any future application for statutory powers or in accordance with any of his other functions.

Subject to the scheme and its gross cost remaining unchanged in any significant way following completion of the statutory processes or for any other reasons, we would be prepared to provide a total contribution of £6.550m towards the cost of the scheme.

We shall need to be kept informed of progress towards completion of the statutory processes through the monitoring arrangements for major schemes. Funding allocations need to be confirmed each year and are open to amendment, and Ministers reserve the right to reconsider their decision on this scheme if the outcome of the statutory process leads to any significant changes to the scheme. We can give no guarantees on meeting any increase in costs over and above the Government’s agreed total contribution.
Major Schemes – Existing Commitments

Scarborough Integrated Transport Initiative

As you know Ministers had previously accepted the transport case for the Scarborough Integrated Transport Scheme and considered that the scheme was suitable for funding via the Private Finance Initiative (PFI). The subsequent appraisal work did not conclusively show that this funding route would provide value for money and it was decided to consider funding the scheme via conventional LTP resources.

I am pleased to inform you that, subject to successful completion of statutory procedures and final approval by Ministers, we can confirm that we will provide sufficient resources for completion of the scheme up to a maximum of £26.895m.

We recognise the transport case for the scheme in its current form but this view is given solely in respect of its appraisal case and is entirely without prejudice to any view that the Secretary of State may take on any future application for statutory powers or in accordance with any of his other functions. We have provisionally earmarked £0.699m in 2003-04. An SCA certificate for this amount will be provided if the scheme is fully accepted in-year. We shall need to be kept informed of progress towards completion of the statutory processes through the monitoring arrangements for major schemes. Funding allocations need to be confirmed each year and are open to amendment, and Ministers reserve the right to reconsider their decision on this scheme if the outcome of the statutory process leads to any significant changes to the scheme. We can give no guarantees on meeting any increase in costs over and above the Government’s agreed total contribution.

Feedback on the APR

Progress towards targets and objectives

We are pleased to see that the APR demonstrates a more thorough approach to target setting and monitoring. Your APR demonstrates you are making progress towards you aims and objectives and that you have made good progress in terms of reducing child road casualties and increases in bus patronage in the National Park. Next year, we would expect see a further shift from process targets to outcome targets and you will need to ensure they are robust enough to measure accurately the progress you are making towards your objectives.

Delivery of schemes

The tables in the APR are well laid out and easy to read, and they show clearly what you have been doing through the year, reporting the types of measures and initiatives that are being put in place. The linkages between schemes delivered and the achievement of both Local Transport Plan objectives and national targets could be made clearer still, although we are pleased that this has improved significantly from last year. However, it is important that your authority does more to identify linkages between the LTP and the wider authority’s business. In some cases, and perhaps as a result of the organisational changes that have taken place, this has been done and is a significant improvement.
Effective spending programme

The APR has set a good standard for financial reporting. We recognise the impact that the Foot and Mouth Disease outbreak had on your ability to deliver the spending programme and we support rolling forward the underspend into 2002-03. However, this will create an ambitious spend programme for the current year, and hope you have measures in place to ensure that this can be managed effectively. Together with the allocation we’re making today, it provides a significant opportunity to make real progress towards achieving your LTP objectives, meeting targets and delivering on the ground.

Issues raised in the 2001 Decision Letter

The majority of the issues raised by the 1st APR assessment have been covered in the report. In particular, you have looked closely at developing targets which relate to outcomes rather than outputs and monetary spend. The process of monitoring the outcomes has been moved forward quite significantly and is now providing a clear indication of improvements over baseline, and in some areas enabling baseline figure to be clearly established. Linkages between the LTP and the wider authority’s business has partly been addressed, but this needs strengthening.

Clear consultation arrangements

The APR explains the consultation arrangements clearly and how the results of the consultations will flow into a mid term review by North Yorkshire County Council which will sample the views of all households in North Yorkshire. However, we would like to understand how consultation results are fed into the LTP process and impact on scheme delivery and outcomes.

Best Practice

The APR demonstrates that North Yorkshire have made a significant effort to share and receive good practice with neighbouring authorities and regional groups. Good examples of what has been done over the last year are given, and how practices have changed as a result.

Clarity of Annual Progress Report

The format and ease with which this year’s APR can be read is a great improvement from last year. It is clear and contains the appropriate amount of technical and detailed analysis in the accompanying annexes.
Any questions?

The Integrated Transport Team in the Government Office will be pleased to discuss any aspect of this year’s settlement on which your authority may require further details or clarification. Phil Jones will be arranging to meet with your LTP team in the New Year. In the meantime, if you have any questions please contact Phil Jones by telephone on 0113 283 6608 or by e-mail on pjones.goyh@go-regions.gsi.gov.uk

MARGARET JACKSON
TRANSPORT ‘SCORES’

Use of scores

This year, assessment of local transport plans and annual progress reports has been used to produce a transport plan score for each local transport authority for two main purposes: Comprehensive Performance Assessment and the 5% Single Capital Pot 'discretionary element'. The scores also provide a useful summary for the Department of your performance in developing and delivering your local transport plan.

Comprehensive Performance Assessment (CPA)

The local transport plan score produced for each authority forms one component of the transport element of the CPA ‘Environment’ block. Other components of the transport element are performance as measured by transport related BVPIs and the outcome of any transport-related Best Value inspections which the Audit Commission has undertaken for your authority. The other elements of the ‘Environment’ block are land use planning and waste management. Further details of the CPA process can be found on the DfT website [www.dft.gov.uk] under the local transport heading.

Single Capital Pot (SCP) ‘discretionary’ service performance element

In the same way as last year, the 5% 'discretionary element' of the SCP is based on an assessment of the quality of your capital strategy, asset management plan, and performance in four service areas: transport, housing, education and social services. The same local transport plan score used as part of CPA has been used as the transport performance score for the SCP 'discretionary element'. See the ODPM's website on www.local.odpm.gov.uk/finance/capital/singpot.htm for an explanation of how the 'discretionary element' is calculated.

Details of the assessments for your authority for the other services in the SCP, as well as your scores for your Asset Management Plan and Capital Strategy will be sent separately.

How your score was determined

In 2001, your authority’s performance assessment was based on an assessment of your LTP against the 27 criteria contained at Annex D of the Guidance on Full Local Transport Plans, and evidence of improvement to the LTP contained in your first APR (covering 2000-01). Feedback on the quality of your LTP was contained in your December 2000 decision letter, and feedback on your first APR was contained in your December 2001 decision letter.

This year, we have undertaken an assessment of your second APR (covering 2001-02) against the criteria contained in Annex D of the Guidance on LTP Annual Progress Reports Second Edition. Feedback on your second APR is contained in this letter.

Your overall local transport plan score has been determined by combining these two scores. This is because the Government wishes to assess authorities’ performance based on how well they are delivering local transport improvements, but recognises
that authorities have only completed the first year of a 5-year programme. We have taken into account the scores determined in 2001 because these were largely based on authorities’ 5-year LTPs. They therefore remain relevant and are a good indication of authorities’ performance in transport planning. The second APRs are the latest information on authorities’ performance against their LTP targets and in the delivery of improvements on the ground. To take into account the importance of delivery, the two scores have been weighted with 70% of the overall score based on the assessment of the second APR and 30% based on the 2001 scores.

Any improvements to authorities’ strategies have been recognised and reflected on the score for the second APR.

As last year, the scores for all local transport authorities have been determined relative to each other. Most authorities, or groups of authorities which produce an LTP (46) fall into the ‘average’ category, with 14 in ‘above average’, 9 in ‘below average’, and 8 each in ‘well above average’ and ‘well below average’. To allow authorities to consider their performance on an absolute basis as well as this relative basis, we are this year providing percentage scores as well as a relative category.

**Your score**

Your overall score, determined as described above, was 67%. This is made up of a score of 48% in 2001 and 75% in 2002. It means that relative to other transport authorities you fall into the ‘average’ category. The amount of funding you will receive as SCP discretionary element was set out in the letter dated 10 December 2002 from Isobel Mills in the Government Office, and is also included in the full BCA booklet being sent to you by ODPM; the booklet will also be posted on ODPM’s website. The results of the first round of CPA are due to be announced by the Audit Commission on 12 December.

When determining your firm LTP allocations for small schemes in 2003-04, Ministers have taken account of your overall score, with a focus on evidence of your performance, delivery and improvement demonstrated in 2001-02, as well as the case made in your 2002 APR for any additional funding.
FORMULAIC MAINTENANCE ALLOCATIONS – METHODOLOGY

The methodology used for determining maintenance allocations differs from that used in 2000. It was decided after consultation with authorities through the Government Offices and the Roads Liaison Group and its Boards earlier this year.

The procedure used was as follows:-

- Amounts for major maintenance schemes, exceptional maintenance schemes, and reserves were deducted from the control total for a year.

- The remaining sum was divided into the total allocations for principal roads, non-principal roads, and bridges taking into account the relative sizes of the maintenance backlogs nationally.

- The allocations for principal and non-principal roads were based on the length of an authority’s network and its condition as indicated by BVPIs 96, 97a, and 97b supplied with the APRs. A minimum value of 5% in need of structural treatment was assumed (as in 2000), and the raw data was separated into one of four bands that represented the range of condition across the country for a particular road class. This was done to cater for the fact that, although these are the latest BVPIs, the Audit Commission has not yet formally certified them. Where BVPI data was not supplied, national averages were assumed.

- Bids for structures on the primary route network were met in full to meet our obligation under EU Directive to accept 40 tonne lorries on these routes. The other bridge funding was distributed on the basis of the numbers of structures requiring strengthening or major maintenance within an authority, and on the size of their bridge stock. Where data on the size of the bridge stock was not supplied, the data in the 2000 CSS survey of the bridge stock was used. Failing that, national averages were used where there was no information. The proportion of bridges requiring major maintenance was capped at 40% to ensure that relatively minor work was not being included. A minimum allocation for bridges of £100,000 was applied to take account of complaints by small authorities during the consultation.

- The allocations were then adjusted to ensure that an authority’s total formulaic allocation in 2003/04 was not less than 75% of their allocation in 2002/03, as guaranteed in the 2000 LTP settlement. A cap of 125% of the 2002/03 allocation was also applied to prevent too violent swings between years. Similarly, a minimum of 87% and a maximum of 138% of the 2002/03 allocation have been applied to the 2004/05 allocations, reflecting the increase in the control total.

An illustrative breakdown of your authority’s allocations for maintenance in the next two years is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Principal Roads</th>
<th>Non-Principal Roads</th>
<th>Bridges</th>
<th>Primary Route Network</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003/04</td>
<td>7.056</td>
<td>7.482</td>
<td>1.712</td>
<td>0.000</td>
<td>16.250</td>
</tr>
<tr>
<td>2004/05</td>
<td>7.438</td>
<td>8.706</td>
<td>2.303</td>
<td>0.000</td>
<td>18.447</td>
</tr>
</tbody>
</table>

The breakdown in these allocations is for information only. You have discretion to vary actual expenditure in accordance with your own priorities.
LTP DECISION LETTER ANNEX – THIRD APR GUIDANCE

1. The purpose of revising the APR Guidance for a second time is to ensure that next year’s reports provide as robust a basis as possible for assessing delivery and progress on the ground. We need the clearest picture possible of the contribution the LTP programme as a whole is making towards our national Public Service Agreement (PSA) and 10 Year Plan targets. We also need the best and most objective measures we can find of authorities’ relative performance in delivery, in order to inform both the capital allocation process and to identify the areas on which we should work together to secure improvements. As we move further into the 5-year LTP period, progress against the targets authorities have set themselves should become a more reliable test of relative performance – though the targets themselves may in some cases need supplementing or modification (see below). We should also be able to make more use of quantitative data than has been possible up to now. This will include the information authorities provide on their progress against targets, as well as on planned and actual delivery of schemes and planned and actual spend. As well as looking at the text of the APR, we will be analysing the LTP-F4 finance forms to determine whether authorities are delivering the schemes they planned. It remains for authorities to determine their priorities on a year-by-year basis, but where delivery is diverging significantly from plans we will expect an explanation.

2. The Guidance on Full Local Transport Plans made clear that where Government has established transport or transport-related national targets, LTPs should include associated targets. Further national targets were set out in the 10 Year Plan, published after authorities had completed work on their LTPs. In the Guidance on LTP Annual Progress Reports – Second Edition we asked authorities to report against a set of ‘core indicators’ reflecting the relevant national targets.

3. Authorities have generally made some progress in broadening their range of targets in light of the 10 Year Plan, but more remains to be done and in some instances there may be scope for adjusting targets to ensure that they are both realistic and sufficiently stretching in all the local circumstances. We now expect authorities, which have not already done so, to complete the process of setting themselves targets reflecting those of our national PSA and 10 Year Plan targets that are particularly relevant to local authorities. These are listed at the end of this annex. Authorities will be required to report against the same set of core indicators in their 2003 APRs, including setting out clearly the progress that they have made in delivering their related targets.

4. Authorities should note that the Department’s work to establish congestion benchmarks for local authorities is not yet complete and at this stage we do require authorities to set congestion targets. We will however expect the APRs of the large urban areas (and others where congestion is considered by the authority to be a problem) to set out clearly what steps they are taking to reduce congestion, how to make best possible use of local road space, and what impact they expect these steps to have.

5. The Department’s road safety PSA target now includes the need to tackle the higher incidence of road accidents in disadvantaged communities. In October 2002, we announced a targeted initiative to work with the authorities experiencing the worst problems of road safety and disadvantage. We will also be issuing
more general guidance on tackling the road safety implications of disadvantage early in the New Year, which will complement the overall APR guidance.

6. When making future resource allocation decisions we will take particular account of delivery on matters that are covered by national targets.

7. The second edition of the APR Guidance drew attention to the fact that we expect the second round LTPs to give greater attention to accessibility issues. We also asked authorities to include brief reports in their second APRs on action being taken to measure accessibility and to meet identified needs. These reports, and subsequent discussions, showed that many authorities are making progress in terms of mapping, assessing accessibility needs, and working through partnerships to tackle barriers to accessibility more effectively. However, there are considerable variations in both the amount and type of work that authorities have devoted to accessibility issues. This is a clear indication that more joint working to develop consistent approaches and spread good practice is needed.

8. As we said in the APR Guidance, the Social Exclusion Unit’s current work on transport and accessibility has identified a need for a process of accessibility planning to be built into LTPs. This would involve authorities undertaking a more systematic assessment of whether people, particularly those without access to a car, can get to opportunities such as employment sites, learning and healthcare. It would also ensure that local service providers work more closely together to identify solutions to accessibility problems. The Department intends to establish a working group with a number of local authorities to develop consistent and agreed methods of mapping, assessing and monitoring accessibility. We will also prepare guidance for authorities on accessibility planning during 2003-04, with a view to this work being undertaken in preparations for authorities’ next LTPs. In the meantime we will expect all authorities to continue to place emphasis on assessing and meeting accessibility needs.

9. When evaluating an authority’s progress towards targets and objectives, we intend to take into account the quality of core indicator data provided in response to the requirements in our APR guidance. We will be providing more specific and prescriptive guidance on how the core indicators are to be reported as part of the revised monitoring guidance.

10. We will clarify aspects of the monitoring guidance by issuing revised guidance in March 2003 (following up How to Monitor Indicators in Local Transport Plans and Annual Progress Reports – 2002 update). The changes to the current version will be changes of detail rather than substantial alterations.

11. We would encourage authorities to use the recommended non-core performance indicators contained in the monitoring guidance wherever this is appropriate.

12. The revised APR guidance will also incorporate technical guidance on completing the finance forms. We do not anticipate significant changes to the forms but we shall be looking to address the problems encountered by some authorities in completing certain sections of the forms. The guidance will emphasise the importance of the APRs providing a complete picture of spend on local transport schemes and projects, including the use of the transport contribution to the Single Capital Pot and contributions from the authorities’ own resources.
National transport targets of particular relevance to local authorities (as revised following Spending Review 2002):

- Reduce congestion on the inter-urban trunk road network and in large urban areas in England below 2000 levels by 2010.

- Secure improvements to the accessibility, punctuality and reliability of local public transport (bus and light rail), with an increase in use of more than 12% by 2010 compared with 2000 levels.

- Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40%, and the number of children killed or seriously injured by 50%, by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.

- By 2010 to triple the number of cycling trips compared with a 2000 base.

- To achieve a one-third increase in the proportion of households in rural areas within about 10 minutes walk of an hourly or better bus service by 2010.