

PACTS response to DfT Consultation on Integrated Transport Block Funding, March 2013

PACTS

The Parliamentary Advisory Council for Transport Safety (PACTS) is a registered charity and associate all-party Parliamentary group. Its charitable objective is: To protect human life through the promotion of transport safety for the public benefit. It was established over 30 years ago by MPs to press for legislation on seat-belt wearing.

Summary

In PACTS view, the current IT Block Grant formula is excessively complex, lacks transparency and has a mix of elements that tend to cancel one another out. We support the responses from other organisations, such as the RAC Foundation, who suggest that the system be simplified with grants based on population. We believe such an arrangement could deliver a higher level of investment in road safety, more consistently and with greater effectiveness in terms of casualty and danger reduction, *provided* that is it combined with robust monitoring of spending and outcomes. If the DfT decides to continue with a modified version of the current formula, as this consultation indicates, PACTS favours inclusion of an incentive element to encourage local authorities to, and reward them for, investing in road safety.

Introduction

PACTS is very concerned that, since 2010, spending on road safety measures by local authorities has reduced substantially and expertise, structures and programmes established over long periods, with proven success at casualty reduction, have been substantially reduced or, in some cases, lost entirely. PACTS has monitored the situation through a series of reports. These show that the cutbacks in road safety spending have been greater than the general reductions in local authority spending. This is a result of the way that central government has implemented local authority grant reductions, the impression given by central government that road safety spending was not a priority

and the lack of monitoring by the DfT of how local authorities have spent funds intended for transport (as recently reported by the NAO).

PACTS believes that the changes proposed to the IT block grant funding could give a modest incentive to local authorities to invest in road safety measures once again. We indicate our preferred options.

Given that the IT Block Grant is not ring-fenced, and presumably will remain so, this represents both an opportunity and risk in terms of road safety funding. It places a responsibility on central government to make the case for road safety, by showing leadership and emphasising to local authorities their statutory duty and the importance and benefits of road safety investment. It is not an optional service.

Background on funding for road safety in local authorities

Following the general election in 2010, PACTS tracked the impact on local road safety of the government's deficit reduction policy. Three reports in the series 'Tackling the Deficit' found that road safety teams in local authorities faced financial struggles, loss of experienced staff members and a blow to morale.

The Government's first year

The second report, published in March 2011 following the Comprehensive Spending Review found road safety sitting in a complex financial context, with increased competition for reduced funds. In the questionnaire issued by PACTS, 92% of respondents from local authorities answered 'negative' or 'potentially negative' to the question 'With regard to the Budget and Spending Review, how do you view the impact on road safety in 2011?'. Respondents reported already having been affected by major budget cuts, job losses and a reduction in activities.

These effects were also partly attributable to the perception that road safety was not a priority for central government, with funding consequentially being directed towards other services. At this time, the previous road safety strategy, *Tomorrow's Roads, Safer for Everyone*, had come to an end and its replacement, the *Strategic Framework for Road Safety* had not yet been published.

This policy vacuum was seen to be very damaging to road safety. Local road safety delivery teams were facing the following difficulties due to the lack of a current relevant strategy:

- difficulty in, or impossibility of, securing funding;
- difficulty generating interest in or prioritising road safety;
- re-allocation of resources (including staff) to other policy areas;
- difficulty in maintaining partnerships; and
- perceived failure of the relationship between national and local government.

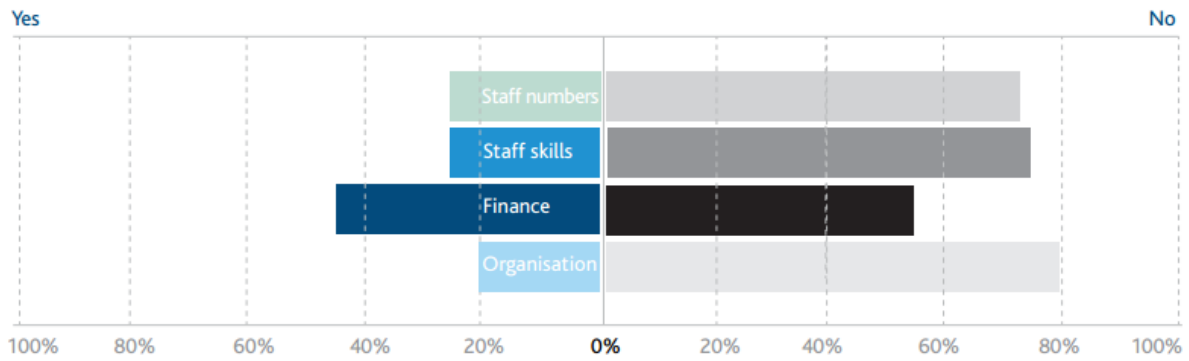
The Government's second year

The *Strategic Framework for Road Safety* was published one year prior to PACTS' third report, which was issued in May 2012. A survey of English local authorities conducted for this report did not find much support for the government's strategy, with 44% of respondents saying it had no effect on road safety in general, and 39% saying the effect had been negative.

The survey also found that most local authorities had seen budget and staffing reductions in recent years. They were asked the question:

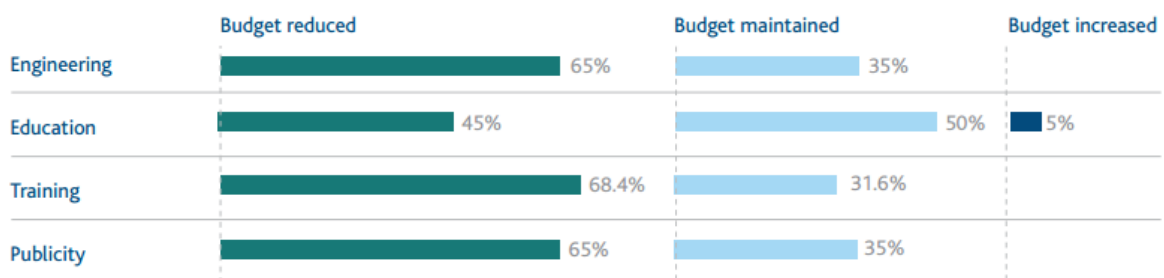
'Do any of the following factors put your statutory duty to promote road safety at risk?'

The results were as follows:

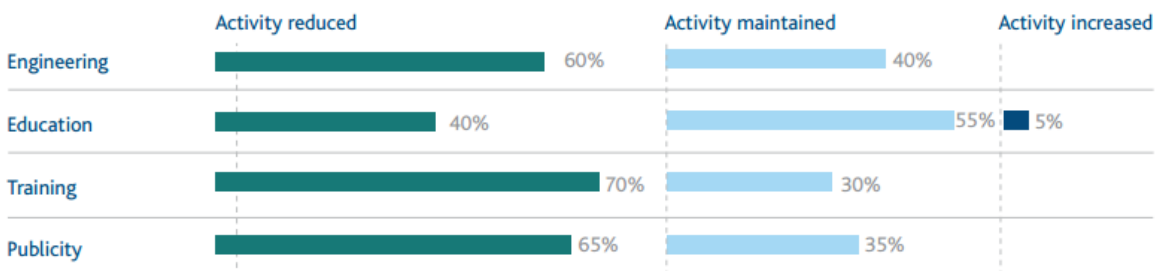


The following two questions were asked to ascertain what changes were going on in which areas, and to discover if any local authorities were managing to maintain output while budgets were reducing. Engineering schemes were shown to have been badly affected with one local authority reporting a reduction from £2 million to £200,000 in this area.

Compared to this time last year, which areas have been most affected in terms of budget?



Compared to this time last year, which areas of activity have been most affected in terms of output?



The general feeling at this time appeared to be that local authorities were prepared to work hard to overcome the current financial challenges and adapt to organisational changes, but they still needed leadership and recognition from central government. Therefore to move forward PACTS recommended that the government find a meaningful way to give leadership, vision and encouragement, within their agenda of decentralisation and localism.

Response to consultation questions

PACTS' answers relate to road safety.

1 Do you have any objections to the principle of updating the formula to reflect current transport priorities?

We do not object in principle but we have serious concerns about the complexity, opacity and contradictory nature of the current arrangements. We favour a simpler arrangement, probably based on population, *provided* that is it combined with robust monitoring of spending and outcomes. This would provide greater transparency while still allowing local decision making. We believe such an arrangement could deliver a higher level of investment in road safety, more consistently and with greater effectiveness in terms of casualty and danger reduction. However, we have answered the questions below on the assumption that the DfT will continue with the present system, perhaps in modified form.

2 Do you think IT Block funding should continue to be based solely on need?

No, there should also be incentives for effective action, and rewards for good performance. In principle, the idea of having an element of reward funding is a good idea. Even though the funding is not ring-fenced and not guaranteed to be spent on road safety, it is of benefit. It means that in a time of significant financial pressure good road safety teams can raise their profile by bringing extra money in to an authority and show that they are providing real value for money, which should help teams avoid cuts at the very least so expertise is not lost. Whilst there may be areas where road safety appears to be worse than others it is only worth directing funds to these areas if there is confidence that they will be used for road safety measures and used effectively. The DfT needs to improve its level of monitoring of how local authorities spend IT block grant.

3 Do you have any comments on the proposed new formula to eliminate perverse incentives?

Currently there is the perverse situation that if an authority did nothing with regard to road safety it could well get increasing funding from the formula year on year as the 'need' became more significant. This cannot be allowed and there should be a penalty for consistent failure to improve or to maintain an agreed minimum level of performance.

4 Do you have any suggestions for trend data for any of the elements of the current formula?

If trend data are used we would support the continued use of KSI data. We are sceptical about the proposals for congestion data.

5 Do you have any views on the proposed balance (75%:25%) between 'need' and 'improvement'?

This is inevitably arbitrary but not unreasonable. The "need" element is probably more reliable and significant than the "improvement" element.

6 Do you have any further comments on Option 1?

No.

7 Should carbon be part of the IT Block formula?

In principle this seems a sound idea as reducing carbon emissions is a key government objective. Whether or not it should be included must depend on the capacity of local authorities to influence carbon emissions and the robustness of the data.

8 Do you have any comments on the suggested data set for adding a carbon element to the formula? Are there further alternatives you would like to suggest?

No comment.

9 Should economic growth be part of the IT Block formula?

Our answer regarding Carbon in Q7 applies also to economic growth.

10 Do you have any comments on the use of employee earnings for measuring economic growth? Are there further alternatives you would like to suggest?

No comment.

11 Do you have any further comments on Option 2?

See answers to Qq 7-10.

12 Do you have any comments on Option 3?

See answers to Qq 7-10.

13 Do you have any suggestions for how walking and cycling data might be included in the funding formula?

PACTS supports any changes that encourage walking and cycling. It is conceivable that areas with high levels of walking and cycling might be disadvantaged relative to areas with high levels of public transport use or congestion. If so, it suggests a case for including cycling and walking data so that the needs of these benign modes can be addressed. However, see our comments in answer to Q1 about complex and contradictory formula elements. PACTS also questions whether the Active Travel Survey would be sensitive enough to accurately report local trends.

14 Do you think the Department should base weightings on current transport priorities, rather than historic spend patterns?

Yes, but the Department lacks a rounded strategy, and it does not have clear objectives or targets for road safety.

15 Which elements in the formula should be given the heaviest weighting?

You would expect PACTS to argue for the highest possible weight to be given to road safety. No doubt other organisations representing other objectives and interests, such as business or the environment, will argue their case. We suggest that the DfT uses economic assessment (benefit cost ratios) to weight the elements. Small scale road safety interventions have consistently proven to provide some of the highest BCRs – even higher when health benefits are included.

16 The Department is not considering changes to the data sets used for four elements of the existing formula: Objective One Areas, public transport, accessibility and air quality. Do you agree with this approach?

No comment.

17 Do you have any comments on the two alternatives for the road safety element of the formula? Are there further alternatives you would like to suggest?

There is no clear relationship between casualties and distance travelled (billion vehicle miles). A needs based measure using casualties/ 100,000 population should be considered.

With regard to any incentive element, this should be based on casualty reduction performance.

Cycling is one particular mode where this may be problematic. Increases in cycling, desirable for many reasons, may result in increased casualties. The Government's Road Safety Strategic Framework acknowledges this and includes a rate based indicator. Some adjustment would be needed in this case. It would be very costly for local authorities to accurately monitor local levels of cycling, even more so annually. It might be desirable to reward absolute KSI reductions while discounting changes in slight injuries.

18 Do you see any problems with the current measure for congestion? Do you have any comments on the suggested alternative? Are there further alternatives you would like to suggest?

No comment.

19 The Government is keen for local authorities to provide more transparency around spending on small transport projects. Do you have any views on how this might be achieved?

We would support moves to greater transparency, and consistent reporting and monitoring.

20 Do you have any other issues that you would like to raise about the calculation or distribution of the IT Block Funding?

See Q1.

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