

Report to the Cabinet

Meeting to be held on Thursday, 4 March 2021

Report of the Head of Service - Policy Information and Commissioning (Age Well)

Part I

Electoral Division affected:
(All Divisions);

Proposed 2021/22 Highway Maintenance and Transport New Starts Capital Programmes

(Appendices 'A' - 'J' refer)

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Executive Summary

This report recommends approval of the addition of the Department for Transport's grant funding allocations for Highway Maintenance and Integrated Transport, together with the additional capital funding allocations approved by Full Council on 11 February 2021, to the relevant blocks of the capital programme. The report also recommends the proposed apportionment of this funding. The reference to New Starts refers to this "new" funding. The report also requests approval of a number of detailed programmes of work relating to this funding set out at Appendices 'D' to 'J'.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to:

- i. Approve that the Department for Transport Highway Maintenance funding of £28.811 million, Integrated Transport funding of £6.101 million and additional capital funding approved by Full Council on 11 February 2021 be added to the appropriate Highway and Transport Blocks of the Capital Programme.
- ii. Subject to approval at (i) above, approve the proposed apportionment of the 2021/22 Department for Transport Highway Maintenance funding and the additional capital funding approved by Full Council on 11 February 2021 as detailed in the report and at Appendices 'A' and 'B', and additionally approve the proposed apportionment of the 2021/22 Department for Transport Integrated Transport Funding at Appendix 'C'.

- iii. then subject to such approval of apportionments in (ii) –
- iv. Approve the proposed 2021/22 New Starts Highway Maintenance programmes set out as projects at Appendices 'D' to 'I'.
- v. Approve that the proposed drainage allocation of £1 million be split equally as described in the report and drawn down as required to allow flexibility to address emerging issues.
- vi. Approve that £1.5 million of the £5 million additional funding approved by Full Council for flood defence be allocated to highway flood alleviation works aimed at preventing future flooding to property and highways and that this funding be drawn down as required to allow flexibility to address emerging issues.
- vii. Approve that £1 million of the £2 million additional funding approved by Full Council for walking and cycling be used to improve existing walking and cycling networks and that funding be drawn down as required to allow flexibility to address emerging issues.
- viii. Approve the proposed 2021/22 New Starts Public Rights of Way programme set out at Appendix 'J'.
- ix. Approve that further programmes/projects identified in the report be developed and presented for approval at a future date.

Background and Advice

Funding Sources and the Capital Programme

i. Department for Transport Highway Maintenance Grant Award

In the 2020 autumn Spending Review the Chancellor emphasised the need for a well-maintained local road network with the Government proposing to invest £1.7 billion in local roads in 2021/22 and a commitment of £1.125 billion of local roads maintenance funding in 2021/22 including £500 million for the Potholes Fund to fix potholes and resurface roads. The allocations for individual authorities were publicised by the Department for Transport on 15 February 2021 although the grant determination letter has not yet been received. The announcement included the following allocations for the county council:

Allocation	£m
Highway Maintenance Basic Need	12.805
Incentive Fund (assumes Band 3)	3.201
Pothole Action Fund	12.805
Total	28.811

Final confirmation regarding the Incentive Fund element will be received in the coming months following the submission of a self-assessment return. The assessment of officers is that the county council will be confirmed as qualifying for Band 3 funding.

ii. Additional Funding approved by Full Council

On 11 February 2021 Full Council approved the following additional capital allocations:

- £10 million of funding for highways
- £5 million for flood defence
- £2m for walking and cycling

Based on the above the overall funding available in 2021/22 includes:

- £38.811 million for highway maintenance subject to confirmation of the Incentive Fund element
- £5m for flood defence
- £2m for walking and cycling

It is recommended that the said funding be added to the Highway Block of the Capital Programme and apportioned to the various programmes and works below

iii. 2021/22 New Starts Integrated Transport Programme

2020/21 was the final year of a three-year settlement from the Department for Transport's Integrated Transport funding. Since 2018/19 the county council has received £6.054 million a year from this funding source for transport schemes. On 15 February 2021 the Department for Transport publicised the 2021/22 allocations which include £6.101 million of Integrated Transport funding. However, the grant determination letter has yet to be received.

It is recommended that the said funding be added to the Transport Block of the Capital Programme and apportioned to the various programmes and works below.

2021/22 New Starts Highway Maintenance Programme

Apportionment

The Transport Asset Management Plan approved in 2014 sets out how the county council intends to maintain its publicly maintainable vehicular highway assets (i.e. A, B and C roads, unclassified road network, footways, street lighting, traffic signals and structures) over the period 2015/16 to 2029/30. The performance of the plan is reviewed annually and the latest review presented to Cabinet in November 2020 provided an update on highway condition data as at March 2020. This data was used to review the Transport Asset Management Plan priorities for Phase 2 (2020/21 to 2024/25) and the proposed apportionment, along with the relevant service standards and was approved by Cabinet in December 2020.

The proposed apportionment of the 2021/22 New Starts Programme, set out at Appendices 'A' and 'B' is aligned with the Transport Asset Management Plan to

ensure that a proactive, preventative intervention maintenance programme is developed

The proposed apportionment takes account of:

- Extensive life cycle modelling that indicates that the level of capital funding received from central government is less than the requirement to maintain the assets to a good condition.
- The publication of the Well Managed Highways Infrastructure: Code of Practice document, (UK Roads Liaison Group: 2016) that has formalised highway authorities' approach to management of risk when maintaining highway assets and the need to fund additional asset related activities.

Proposed Programmes

Highway Maintenance - £38.811 million

Due to the uncertainty over recent months regarding the level of grant funding from the Department for Transport for 2021/22 the proposed programmes of work detailed at Appendices 'D' to 'I' have been developed on the assumption that the level of funding would be in line with that received in 2020/21 which was approximately £22.434 million. It is proposed that subject to approval of the apportionment detailed at Appendices 'A' and 'B' that the programmes of work detailed in Appendices 'D' - 'I' are able to be approved and that further projects be identified in line with the available financial envelope and presented for future approval.

With regard to the proposed drainage programme, this contains two elements. One element is aimed at addressing drainage issues identified in the development and delivery of the 2021/22 and 2022/23 carriageway maintenance programmes. The second element is aimed at identifying the risk and impact of flooding to property and highways and addressing these issues. It is proposed that the total allocation of £1 million be split equally between the two elements and that funding is drawn down as required to allow flexibility to address emerging issues.

Flood Defence - £5 million

It is proposed that £3.5 million is allocated to address the estimated capital cost of damage caused by recent severe weather and damage caused by Storm Christoph. A further report detailing the proposed programme of work will be presented to Cabinet for approval once the programme has been finalised.

It is proposed that £1.5 million is allocated to other capital highway flood alleviation works aimed at preventing future flooding to property and highways and that funding is drawn down as required to allow flexibility to address emerging issues.

It is proposed that the proposals are funded from the additional funding approved by Full Council on 11 February 2021.

Walking and Cycling - £2 million

It is proposed that a £1 million allocation is approved for improvements to existing walking and cycling networks. These networks have been more important than ever

for outdoor access and exercise in the periods of lockdown. It is proposed that funding is drawn down as required to allow flexibility to address emerging issues.

It is proposed that a programme of work is developed to maximise the use of the remaining allocation and presented for approval in due course.

It is proposed that the walking and cycling proposals are funded from the additional funding approved by Full Council on 11 February 2021.

2021/22 New Starts Integrated Transport Programme

2020/21 was the final year of a three-year settlement from the Department for Transport's Integrated Transport funding. Since 2018/19 the county council has received £6.054 million a year from this funding source for transport schemes. On 15 February 2021 the Department for Transport publicised the 2021/22 allocations which include £6.101 million of Integrated Transport funding. However, the grant determination letter has yet to be received. It is proposed that the Transport proposals detailed at Appendices 'C', and 'J' be funded from this 2021/22 Integrated Transport grant which has been recently advertised as £6.101 million.

Apportionment

This proposed programme apportionment is detailed at Appendix 'C'.

Proposed Programmes

The proposed Public Rights of Way programme is detailed at Appendix 'J'. This network of minor highways has been important for outdoor access and exercise in the periods of lockdown and yet is vulnerable to severe weather incidents.

The Road Safety and Cycling Safety programmes are currently being developed. It is proposed that these programmes are presented for approval once finalised.

Future years Integrated Transport Block will need to provide for the annual commitment to South Lancaster Growth Catalyst totalling £4.6m over 10 years. This represents an annual commitment of £0.46m from 2022/23 onwards.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The Incentive Funding detailed above assumes that the county council will qualify for Band 3 funding. This will be confirmed in the coming months following the submission of a self-assessment return. The assessment of officers is that the county council will be confirmed as qualifying for Band 3 funding but funding may be reduced if Band 3 status is not achieved.

It should also be noted that the delivery of the proposed programmes/projects is dependent on the 2020/21 highway maintenance and transport programme outturn positions which will not be known until spring 2021. The programmes may be subject to change after this date.

There is a risk that some of the detailed highway and transport programmes/projects set out at Appendices 'D' to 'J' may not be delivered or could be delayed due to changes to estimated costs, other priorities emerging within year as a result of bad weather or other unforeseen circumstances.

Due to the fact that the bridges and structures programme will require design and consultation, it is anticipated that some elements of the programme may to be delivered over two years. It is proposed that the programme will be subject to review to ensure work is delivered in the most effective time frame with funding being brought forward as required.

The impact of the COVID-19 pandemic is being managed but may result in delays to delivery.

Financial

Highways Maintenance

It is proposed that the programmes detailed at Appendices 'D' to 'I' be funded from the 2021/22 highway maintenance grant funding from the Department for Transport and the additional £10 million of funding approved by Full Council for highways on 11 February 2021. Should the level of funding in the Determination of Grant letter be different to the publicised allocations then the implications will be reported to Cabinet.

Due to the nature of the development of the Bridges programme the expenditure profile is:

- 2021/22 - £1.000 million
- 2022/23 - £2.500 million

All structural defects that meet the safety intervention criteria will be addressed and therefore the actual expenditure will reflect operational demand. Based on recent levels of expenditure the total forecast level of funding required in 2021/22 is £8 million and any pressure on this amount will be dealt with within programme where possible under the direction of Capital Board. The £8 million budget is funded by:

- £2 million from the Department for Transport's Highway Maintenance Grant
- £6 million from other funding within the capital programme with Grants received including Highway Maintenance Basic Need and incentive grants being the priority funding and prudential borrowing being a last resort.

Flood Defence - £5 million

It is proposed that the proposals are funded from the additional funding approved by Full Council on 11 February 2021.

Walking and Cycling - £2 million

It is proposed that the walking and cycling proposals are funded from the additional funding approved by Full Council on 11 February 2021.

Transport

It is proposed that the Transport proposals detailed at Appendices 'C' and 'J' be funded from the 2021/22 Integrated Transport grant which has been recently advertised as £6.101 million

Legal

The Authority has a duty to maintain publicly maintainable highways, both vehicular and those which are in the Public Rights of Way network.

Maintenance includes drainage and includes maintaining various structures such as some bridges, culverts, etc.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A