

Report to the Cabinet

Meeting to be held on Thursday, 7 April 2022

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

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Protecting our environment;

Proposed 2022/23 Highway Maintenance New Start Capital Programme - Additional Resources

(Appendices 'A' - 'G' refer)

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Brief Summary

On 3 March 2022 Cabinet approved the proposed apportionment of the 2022/23 New Starts Highway Maintenance capital programme, together with detailed programmes of work, based on an assumed allocation of £20.167 million. Cabinet also approved that any revisions required on receipt of the confirmed funding envelope be developed and presented for approval at a future date.

This report recommends the apportionment of additional funding that has since been confirmed and is set out at Appendices 'A' and 'B'. 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 'C' to 'G'.

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 additional funding detailed in the report be added to the Highway Block of the Capital Programme.

- (ii) Subject to approval at (i) above, approve the proposed apportionment of the additional funding as detailed in the report and at Appendices 'A' and 'B'.
- (iii) then subject to such approval of apportionments in (ii):
- (iv) Approve the proposed additional 2022/23 New Starts Highway Maintenance programmes set out as projects at Appendices 'C' to 'G'.
- (v) Approve that the Localised Deterioration Fund be top sliced to create a £1,321,155 million contingency to allow flexibility to deal with any justifiable emerging issues identified with the proposed programme or at other locations.
- (vi) Authorise the Director of Highways and Transport to approve and publish the proposed schemes/changes in consultation with the Cabinet Member for Highways and Transport.

Detail

On 3 March 2022, Cabinet approved the apportionment of the 2022/23 New Starts Highway Maintenance capital programme, together with detailed programmes of work, based on an assumed allocation of £20.167 million. Subsequently, proposals have been developed to apportion additional resources that have now been confirmed.

Funding Sources

On 17 February 2022 Full Council approved a Highway Responsive Maintenance capital allocation of £2 million to support the structural defects programme.

Confirmation of the 2022/23 highway maintenance grant funding allocations from the Department for Transport, totalling £28.811 million, was received on 28 February 2022. This level of funding from the Department for Transport has also been confirmed until March 2025.

The total funding envelope available in 2022/23 is £30.811 million as detailed below:

Allocation	£million
Highway Responsive Maintenance approved by Full Council	2.0
Department for Transport Highway Maintenance Basic Need	12.805
Department for Transport Incentive Fund (assumes Band 3)	3.201
Department for Transport Pothole Action Fund	12.805
Total	30.811

This report proposes the apportionment of £10.644 million of additional funding (£30.811 minus £20.167 million previously approved).

It should be noted that, as has been the case over the last four years, this level of funding will be augmented by a further £6 million from borrowing 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.

Apportionment

The Transport Asset Management Plan, approved in 2014, sets out how the county council intends to maintain its publicly maintainable vehicular highway assets (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 September 2021 provided an update on highway condition data as at March 2021. Condition data provided annually 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.

The criteria applied to develop the proposed programme detailed in this report is aligned with the Transport Asset Management Plan to ensure that a proactive, preventative intervention maintenance programme is developed. The proposed apportionment is detailed at Appendices 'A' and 'B'.

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.

Programmes

The proposed programme is set out as schemes at Appendices 'C' to 'G'.

The proposed drainage programme contains two elements. One element is aimed at addressing drainage issues identified in the development and delivery of the 2022/23 and 2023/24 carriageway maintenance programmes. The second element is aimed at identifying the risk and impact of flooding to property and highways and addressing these issues.

With regard to the Localised Deterioration Fund (£3 million), it is proposed that this is used to fund small schemes determined on a countywide prioritisation based on

condition, the number of defects, repeat visits to defects, claims and complaints received, along with the route strategic significance.

It is proposed that this allocation is top sliced to create a £1,321,155 contingency to allow flexibility to deal with any justifiable emerging issues identified with the proposed programme or at other locations. It is also proposed that the Director of Highways and Transport be authorised to approve and publish the proposed schemes/changes in consultation with the Cabinet Members for Highways and Transport.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

It should be noted that the Transport Asset Management Plan suggests that an annual allocation of approximately £35 million is required to maintain all highway assets effectively and safely. Therefore, significant risks are associated with a reduced allocation. An allocation of £22.75 million is considered the minimum level of funding to manage the asset within an acceptable level of risk. The Department for Transport allocation of £28.811 million together with funding approved by Full Council on 17 February 2022, apportioned along Transport Asset Management Plan principles, helps to reduce the overall risk. Specifically:

- The proposed increase in funding for the ABC programme will help to maintain the progress already made in Phase 1 of the Transport Asset Management Plan in improving the ABC network.
- The proposed increase in funding for the Urban Unclassified and Drainage programmes, programmed in line with the Transport Asset Management Plan principles, will help to reduce risks on these assets.
- The proposed increase in funding for the Urban Unclassified programme should also help to reduce repeat visits to potholes and pothole numbers overall although this cannot be guaranteed due to unforeseen circumstances such as severe weather.
- Increasing the Street Lighting Column replacement allocation, reduces further the risk of catastrophic column failure. However, a substantial risk of column failure continues without a comprehensive replacement programme, which is estimated at £3.75 million per annum on an ongoing basis or approximately £6 million per annum to the end of Transport Asset Management Plan Phase 3, that is, March 2030. However, a risk-based approach to testing and replacement is in place to help mitigate this risk.
- The proposed increase in funding for the Localised Deterioration Fund will support the management of structural defects and should reduce member concerns by reducing repeat visits to potholes and reduce pothole numbers overall.

The assumed 2022/23 Department for Transport grant funding allocation also assumes that the county council will qualify for Band 3 Incentive funding. The assessment of officers is that the county council will be confirmed as qualifying for Band 3 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 2021/22 highway maintenance programme outturn position which will be reported to Cabinet in May 2022. The delivery programmes may be subject to change after this date.

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

The impact of the COVID-19 pandemic is being managed but may result in delays to delivery or an increase in budget estimates.

Financial

It is proposed that the programmes detailed at Appendices 'C' to 'G' be funded from the total additional funding of £10.644 million detailed above.

All structural defects that meet the safety intervention criteria will be addressed and therefore the actual expenditure will reflect operational demand. It is assumed that £10 million will be required in 2022/23 to be funded by:

- £2 million from the Department for Transport's Highway Maintenance Grant.
- £2 million Highway Responsive Allocation approved by Full Council on 17 February 2022.
- £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.

Though there are contingencies built into individual projects estimates, the current inflationary pressures being experienced in the construction industry as well as potential supply issues may mean that the delivery programme has to be scaled back to remain financially deliverable within the funding envelope.

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