



Cabinet Meeting on Wednesday 19 July 2017

Highways and Transport Capital Programme 2017/18

Cllr Mark Deaville, Cabinet Member for Commercial said,

“Good roads are important for the council, for communities and for businesses, not just for getting from A to B safely, but for supporting economic growth and better access to jobs, education and learning.

“As a county council we have already announced an extra £5m this year to tackle the historic backlog of low-risk potholes and this annual plans sets out priorities for further maintenance and investment in our huge road network.”

Report Summary

Approval of the Highways and Transport capital grant investment programme for 2017/18.

The Highways and Transport capital grant funding is made up of two elements, but is not ring-fenced and its precise allocation can be determined locally:

- a. Highway Maintenance (including Bridges); and
- b. Integrated Transport (IT) improvements.

Additional capital funding for Highways and Transport comes from other government bid grants e.g. National Productivity and Investment Fund (NPIF), the County Council’s own investment decisions, LEP growth deal funding awarded for local sustainable transport packages, contributions from developers and other local stakeholders.

Recommendations

I recommend that:

- a. Cabinet considers the report and approves the proposed capital investment detail set out in the supporting appendices; and
- b. The Commissioner for Highways and the Built County reports progress and proposed in-year alterations on a quarterly basis for approval by the Cabinet Member for Highways and Transport.

Local Members Interest	
N/A	N/A

Cabinet – 19th July 2017

Highways and Transport Capital Programme 2017/18

Recommendations of the Cabinet Member for Commercial:

- a. Cabinet considers the report and approves the proposed capital investment detail set out in the supporting appendices; and
- b. The Commissioner for Highways and the Built County reports progress and proposed in-year alterations on a quarterly basis for approval by the Cabinet Member for Commercial.

Report of the Director of Economy, Infrastructure and Skills.

Reasons for Recommendations:

1. It is widely recognised that a well maintained, functional built environment is an essential ingredient to a prosperous, safe, well-connected and sustainable society, which encourages inward investment and promotes healthy lifestyles and social cohesion. Staffordshire's Highway Infrastructure Asset Management Plan (HIAMP) and District Transport Strategies (DTS) ensure capital spending is clearly aligned to corporate priorities and delivers value for money.

Summary

2. The Highways and Transport capital delivery programme is made up of two elements:
 - a. Highway Maintenance (including Bridges)
 - b. Integrated Transport improvements.
3. The funding available to deliver the 2017/18 capital programme includes:
 - a. Government Capital Grant Allocation for Maintenance including:
 - i. Maintenance Block
 - ii. Pothole Action Fund
 - iii. Incentive Fund
 - iv. Challenge Fund
 - b. Government Capital Grant Allocation for Integrated Transport
 - c. National Productivity Investment Fund
 - d. SCC Capital Investment
 - e. Stoke-on-Trent and Staffordshire LEP Growth Deal awarded for Local Sustainable Transport Packages
 - f. Section 106 contributions from developers
 - g. Contributions from local stakeholders

4. Table 1 provides the profile of the government funding allocations for 2017/18. Maintenance Block and the Pothole Action Fund, introduced in 2015, are allocated by formula. From 2016/17 an Incentive Fund element of the maintenance grant is conditional on demonstrating efficient management and delivery.
5. The Integrated Transport Block allocation of £3.423m is complemented by the Local Enterprise Partnership (LEP) Growth Deal.
6. The Autumn Statement 2016 announced a new National Productivity Investment Fund (NPIF) for local highway and transport improvements that aim to improve the maintenance of local highway assets; reduce congestion at key locations; upgrade or improve access to employment and housing; and develop economic and job creation opportunities. For 2017/18 this has been allocated on a formulaic approach, but from 2018/19 will be subject to government bidding rounds.

Table 1: Government Allocated Capital Grant Funding 2017/18

Allocation	17/18 (£'000)
Maintenance Block*	16,956
Pothole Action Fund	1,582
Incentive Funding	1,716
Total Maintenance	20,254
Integrated Transport Block	3,423
LEP Growth Deal Award	1,537
Total Integrated Transport	4,960
National Productivity Investment Fund	3,711
Total	28,925

* *Maintenance allocation after the 5% internal top slice (see note below).*

Note: The Allocations for Highways and Education Block are not ring-fenced and their precise allocation can be determined locally. There are significant areas of County Council activity, such as Economic Development, Waste Management, Libraries etc., which receives no such allocation and the County Council is required to identify alternative sources of funding to undertake any capital projects in these areas. The prime source of such funding has traditionally been capital receipts although the availability has been diminishing in recent years. For a number of years, Cabinet has agreed that this funding should be enhanced by a 5% top-slice of Highways Maintenance and Education capital resources in order to provide Cabinet with some flexibility and 'headroom' to facilitate projects in other areas. The pump priming of Economic Development projects has been a particular beneficiary of this source of funding in recent years.

Highway Maintenance

7. Staffordshire County Council has been a front runner in the development of whole-life-cost Asset Management for highway infrastructure, as advocated by the All Party Parliamentary Group in October 2013. Staffordshire's current Highway

Infrastructure Asset Management Plan (HIAMP) was approved by Cabinet in January 2017.

8. Historically capital maintenance grant falls somewhat short of the threshold required to achieve optimum whole-life-cost management of carriageways and footways and in 17/18 it is proposed that the formula allocated NPIF is used to support the maintenance programme.
9. From 2009/10 to 2014/15 varying amounts of grant funding have been diverted each year from the integrated transport allocation and an extra £50m capital was also invested between 2009/10 to 2013/14 from the council's own reserves.
10. The impact of Staffordshire's HIAMP together with the additional funding from the council has been significant. The condition of Staffordshire's road network (proportion where maintenance should be considered) improved by more than 10% between 2009 and 2015, with the improved durability ensuring that the network was better able to withstand the increasing frequency of wet and cold weather that has had a devastating effect on road condition elsewhere across the UK.
11. This added durability then enabled an ongoing reduction in revenue contributions to the capital programme since 2011, in support of the Council's wider Medium Term Financial Strategy (MTFS). However, in 2016/17 Road Condition data showed deterioration across all classifications. Together with the associated pressure on reactive maintenance operations, reduced public satisfaction levels and increasing trend in 3rd party damage and injury claims the Council intends to invest an additional £5m during 2017/18.

Table 2: Available Maintenance Budget (17/18)

Maintenance Budget	(£'000)
Total Maintenance Provision after internal top-slice	20,254
Block grant reduction to meet minor capital maintenance (MTFS saving)	-2,119
National Productivity Investment Fund NPIF	3,711
SCC Extra investment	5,000
Total Available	26,846

12. Appendix 1 provides the recommended detail of capital maintenance investment for 2017/18. It is based on the knowledge that preventative maintenance offers the most effective use of resources over the asset lifecycle as promoted by DfT.
13. SCC additional funding is allocated to additional patching works to reduce potholes, the formation of potholes and in readiness for increasing preventative maintenance treatments in 2018/19 to help manage the recent proliferation of structural failures occurring on the aging network.

Integrated Transport Improvements

14. The 2017/18 integrated transport programme will help to deliver the eight Integrated Transport Strategies that have been developed for the District/Boroughs. The Transport Strategies are produced in line with the County Council's Strategic Plan for 2014 to 2018 which has three interconnected priority outcomes as follows:
 - a. Be able to access more good jobs and feel the benefit of economic growth
 - b. Be healthier and more independent
 - c. Feel safer, happier and more supported in and by their community
15. The programme will help to achieve the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP) objectives of creating Competitive Urban Centres and a Connected County. A priority for the LEP up to 2021 is to develop our local transport networks to provide sustainable connections and unlock housing, town centre and employment growth. There is also strong policy support for the delivery of the Integrated Transport Strategies in the District/Borough Council Local Plans.
16. The combined funding available in 2017/18 is summarised in Table 3. From experience, it is suggested that the Integrated Transport Block should also be over-allocated by approximately £0.5m in order to provide contingency for programme slippage that may occur from unforeseen events, including delays in land acquisition and outcome of local consultations.

Table 3: Total 2017/18 Integrated Transport Improvement Funding

Source	Funding (£'000)
Integrated Transport Block Grant	3,423
Integrated Transport Block Grant over-allocation	504
LEP Growth Deal	1,537
S106 developer contributions	1,874
Other 3rd party contributions*	38
TOTAL	7,376

**Note: A further £100k community grant funding from the Staffordshire Safer Roads Partnership (SSRP) operating budget is also available to support to local bids for local road safety initiatives.*

17. Appendix 2 includes the detailed schedule with descriptions, justifications and an assessment of the contribution each scheme makes towards the three Strategic Plan outcomes.
18. The Integrated Transport Block supports road safety with an overall allocation of £0.75m, including targeted engineering improvements, wet road skidding sites and Vehicle Actuated Signs. It also supports the devolved local Member's Divisional Highway Programme (£0.434m) with a further £0.295m allocated to higher value community liaison schemes recommended through this Member's Programme. Other countywide commitments (excluding road safety) total

£0.575m and it is proposed that the remaining funding will help to deliver the wider Integrated Transport Strategies through a package of traffic management, public transport, walking and cycling improvements with a focus on the main urban areas.

Other Capital Funding

19. Further capital funding may become available in-year as a consequence of government highway improvement grants or private local developments. Traditionally, new grants such as the Local Sustainable Transport Grant Fund (LSTGF) most often require a degree of match funding and individual business cases will be developed as these opportunities arise.

List of Background Documents:

Community Impact Assessment

Appendix A - Detail of maintenance proposals 17/18

Appendix B - Detail of integrated transport proposals 17/18

- a. [Highways Infrastructure Asset Management Plan \(HIAMP\)](#)
- b. [Cannock Chase District transport strategy](#)
- c. [East Staffordshire Borough Transport Strategy](#)
- d. [Lichfield District Transport Strategy](#)
- e. [Newcastle Borough Transport Strategy](#)
- f. [South Staffordshire District Transport Strategy](#)
- g. [Stafford Borough Transport Strategy](#)
- h. [Staffordshire Moorlands Borough Transport Strategy](#)
- i. [Tamworth Borough Transport Strategy](#)

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