



Cabinet Meeting on 21 June 2018

Highways and Transport Capital Programme 2018/19

Helen Fisher, Cabinet Member for Highways and Transport 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.

However, maintaining and investing in our huge 6,000km road network, at a time of enormous pressure on council budgets, remains an issue. The particularly cold winter and bouts of snow also have an impact, both in terms of increasing the cost of gritting our major roads to keep people on the move, but also the growing repair bill for carriageways damaged by the freezing conditions.

We are spending more every year on social care, and caring for Staffordshire people young and old, when the income we receive from Government is reducing, so we have to strike a careful balance on where we spend taxpayers money.

The county council has already announced an extra £5m this year to go some way to tackling the historic backlog of low-risk potholes and this annual plan sets out priorities for further maintenance and investment in our roads.”

Report Summary

Approval of the Highways and Transport capital block grant investment programme for 2018/19. The Highways and Transport capital grant block funding is made up of Highway Maintenance (including Bridges) and Integrated Transport improvements. They are not ring-fenced and precise allocation can be determined locally.

Additional capital funding for Highways and Transport comes from other government grants, the County Council’s own investment decisions, contributions from developers and other stakeholders. Major schemes like the A50 Phase 1, Stafford Western Access Route (SWAR) and Lichfield Southern Bypass are funded and monitored separately.

Recommendation(s)

I recommend that:

- a. Cabinet considers the report and approves the Highways and Transport capital investment proposal set out in the supporting appendices.
- b. The Commissioner for Highways and the Built County monitors progress and and makes any necessary in-year alterations in agreement with the Cabinet Member for Highways and Transport.

Local Members Interest
N/A

Cabinet – Thursday 21 June 2018

Highways and Transport Capital Programme 2018/19

Recommendations of the Cabinet Member for Highways and Transport:

- a. Cabinet considers the report and approves the Highways and Transport capital investment proposal set out in the supporting appendices.
- b. The Commissioner for Highways and the Built County monitors progress and and makes any necessary in-year alterations in agreement with the Cabinet Member for Highways and Transport.

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 Integrated Transport Strategies 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:
 - a. Highway Maintenance (including Bridges)
 - b. Integrated Transport improvements.
3. The funding available to deliver the 2018/19 capital programme includes:
 - a. Government Capital Grant Allocation for Maintenance including:
 - i. Highways Maintenance Block – Needs Element
 - ii. Highways Maintenance Block – Incentive Element
 - iii. 2018-19 Pothole Action Fund
 - iv. 2017-18 Pothole Action Fund carried forward (announced in December)
 - v. 2017-18 Flood Resillience Fund (announced in March)
 - vi. 2017 Challenge Fund - (Burton Bridge carried forward)
 - b. Government Capital Grant Allocation for Integrated Transport
 - c. SCC Capital Investment
 - d. Section 106 contributions from developers
 - e. Contributions from stakeholders
 - f. Contributions from other Government grants and bids

4. Table 1 provides the profile of the government capital grant allocations for 2018/19. Integrated Transport Block, Maintenance Block – Needs Element , the Pothole Action Fund and the Flood Resilience Fund are allocated by formula. From 2016/17 an Incentive element of the maintenance block grant is conditional on demonstrating efficient management and delivery.

Table 1: Government Allocated Capital Grant Funding 2018/19

Allocation	18/19 (£'000)
Maintenance Block – Needs element*	15,346
Incentive Element	3,391
Pothole Action Fund	1,666
Flood Resilience Fund	1,639
Challenge Fund (Burton Bridges)	2,758
Total Maintenance	24,800
Total Integrated Transport	3,423
Total	28,223

**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. However, 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

5. 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.
6. Historically capital maintenance grant falls somewhat short of the threshold required to achieve optimum whole-life-cost management of carriageways and footways. Since 2009/10 a number of actions have been taken to help address this:

- a. Varying amounts of grant funding have been diverted each year from the integrated transport allocation;
 - b. Between 2009/10 and 2013/14 an extra £50m capital was also invested from the council's own reserves; and
 - c. In 17/18 the allocated National Productivity Investment Fund (NPIF) was used to support the maintenance programme. This is not an option for 2018/19 onwards as Government has allocated NPIF to specific schemes, with the County benefitting from £5m towards Lichfield Southern By-pass.
7. 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.
8. 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 invested an additional £5m during 2017/18.
9. Road Condition data for 2017/18 shows a steady state across all classifications. However, following the damage caused by another prolonged winter a further £5m is committed in 2018/19: £2.5m to additional pothole repairs; £2m for additional preventative surfacing; and £0.5m towards the backlog of drainage repairs. Additionally, it is proposed to divert a £1m contribution towards highway structural maintenance from the Integrated Transport grant allocation.

Table 2: Available Maintenance Budget (2018/19)

Maintenance Budget	(£'000)
Total Maintenance Provision after internal top-slice	24,800
SCC Extra investment	5,000
Contribution from Integrated Transport	1,000
Total Available	30,800

10. Appendix A provides the recommended capital maintenance investment strategy for 2018/19. It is based on the knowledge that preventative maintenance offers the most effective use of resources over the asset lifecycle as promoted by DfT.

11. 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 2019/20 to help manage the recent proliferation of structural failures occurring on the ageing network.

Integrated Transport Improvements

12. The 2018/19 integrated transport programme will help to deliver the eight Integrated Transport Strategies that have been developed for the District/Boroughs. The Transport Strategies are being reviewed in line with the County Council's new Strategic Plan for 2018 to 2022 which has three interconnected priority outcomes as follows:
- a. Be able to access more good jobs and feel the benefits of economic growth
 - b. Be healthier and more independent
 - c. Feel safer, happier and more supported in and by their community
13. 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.
14. After contributing £1m towards highway structural maintenance the combined capital funding available for Integrated Transport improvements during 2018/19 is summarised in Table 3. From experience, it is suggested that the Integrated Transport Block should 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 2018/19 Integrated Transport Improvement Funding

Source	Funding (£'000)
Integrated Transport Block Grant	2,423
Integrated Transport Block Grant over-allocation	576
Other capital funding *	4,374
TOTAL	7,373

**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.*

15. Appendix B includes the detailed schedule with descriptions, justifications and an assessment of the contribution each scheme makes towards the three Strategic Plan outcomes.

16. The Integrated Transport Block supports road safety with an overall allocation of £0.702m, including targeted engineering improvements and wet road skidding sites. It supports the devolved local Member's Divisional Highway Programme (£0.434m) with a further £0.811m allocated to higher value community liaison schemes recommended through this Member's Programme. Other countywide commitments (excluding road safety) total £0.555m 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

17. A significant level of other capital funding is available in 2018/19 to contribute to the overall programme. This funding includes developer contributions received through S106 Agreements, National Stations Improvement Programme funding for Kidsgrove rail station, a Defra Air Quality grant to investigate electric vehicle charging points, HS2 Limited grants and contributions from parish councils and the police.

18. Staffordshire County Council has received an allocation of £2.975m from the HS2 Phase One Road Safety Fund (HS2-RSF) for the period 2018 to 2026. The origins of this funding is to support integration of HS2 with sustainable local transport infrastructure e.g. walking and cycling, and not to address safety concerns caused directly by the HS2 construction works that will continue to need to be resolved by HS2 limited at the time of construction. Applications for release of the HS2-RSF will be made to HS2 Limited on a scheme-by-scheme basis over the funding period. The County Council plans to draw down a small proportion of funding in 2018/19 to enable the development of a programme for delivery from 2019/20 onwards. The funding is in addition to the route wide £40 million of HS2 Community and Environment Fund and the Business and Local Economy Fund, which can be bid for by community groups and businesses.

19. Other funding opportunities may become available in-year as a consequence of government highway improvement grants or private local developments. Traditionally, new grants most often require a degree of match funding and individual business cases will be developed as these opportunities arise.

Appendices

Appendix A - Proposed Maintenance Investment Strategy 18/19

Appendix B - Proposed Integrated Transport Improvements 18/19

List of Background Documents:

- [Highways Infrastructure Asset Management Plan \(HIAMP\)](#)
- [District Integrated Transport Strategies](#)

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