

## **Cabinet Meeting on Wednesday 15 March 2023**

### **Highways and Transport Programme 2023/24**



**Councillor David Williams, Cabinet Member for Highways and Transport said,**

“Staffordshire’s huge road network is vital for keeping our county connected and its residents and businesses on the move.

Over the next two financial years the County Council is planning to invest an additional £30M to support our commitment to fix more roads.

This year will see a total of over £50 million invested in a range of major projects, vital local improvements, and general road maintenance.

The additional investment being made by the County Council will enable five major road reconstruction schemes at key locations into our towns, the resurfacing of nine junctions/roundabouts, an extra 275,000 sq. m of preventative surface treatments and £1M of additional work to repair highway drainage.

We were also successful in securing £19.8M through the Levelling Up Fund for improvements to roads and bus and cycling routes in Staffordshire that will see investment in environmentally friendly buses and active travel between Stafford and Cannock, as well as significant investment around the A38 Branston interchange in Burton upon Trent.

However, we recognise that there is always more to be done and we continue to lobby central Government for the money necessary to keep Staffordshire’s roads in the condition we expect and ensure local communities and businesses can see the benefits of an improved highway network.”

#### **Report Summary:**

Staffordshire County Council’s highway network is valued at over £7 billion, and we know that good roads are vital for communities and businesses to thrive. The highway network is the largest and most visible asset for which the County Council is responsible. The way it is managed and maintained has a direct impact on the County Councils’ ability to deliver the vision of ‘An innovative, ambitious and sustainable county, where everyone has the opportunity to prosper, be healthy and happy’.

In recent years the investment in highway infrastructure and its performance has been increasingly under the spotlight. The current financial challenges and increased public expectations have meant the management of our highway assets has never been more important to ensure we achieve outcomes that benefit everyone.

The Highways and Transport capital grant block funding is made up of two parts, Highway Maintenance (including Bridges) and Integrated Transport improvements. They are not ring-fenced, and precise allocation can be determined at a local level. In recent years this has also been enhanced through government funding via the Pothole Fund.

Capital funding used to replace highway assets that have come to the end of their use is generally provided through government grant. At the time of writing this is assumed to be £25.067M in 2023/24 (including the pothole fund) i.e., the same as 2021/22 and 2022/23. The grant for Integrated Transport improvements is assumed to be £3.449M in 2023/24, again in line with 2022/23.

Additional capital funding for Highways and Transport comes from the County Council's own investment decisions, contributions from developers through S106 agreements, other stakeholders, and other bid applications.

One of the five priorities for the Councils Strategic Plan for the period 2022-26 is to fix more roads and improve transport and digital connections. We know that improving our highways is one of the top priorities for Staffordshire people. Maintaining and improving this network is very challenging, especially in light of reduced government funding, rising costs and increasing road usage. Despite this we want Staffordshire people to see an improvement in our highways over the next three years.

As such we introduced a major transformation programme for our Highways Services. We are shifting our approach to have a greater focus on customer services and to ensure that Staffordshire County Councils Highways Delivery model means we have greater grip and site of day-to-day operations. To support this, last year Cabinet made available over £2M revenue to strengthen our client-side management capacity and support the transformation programme.

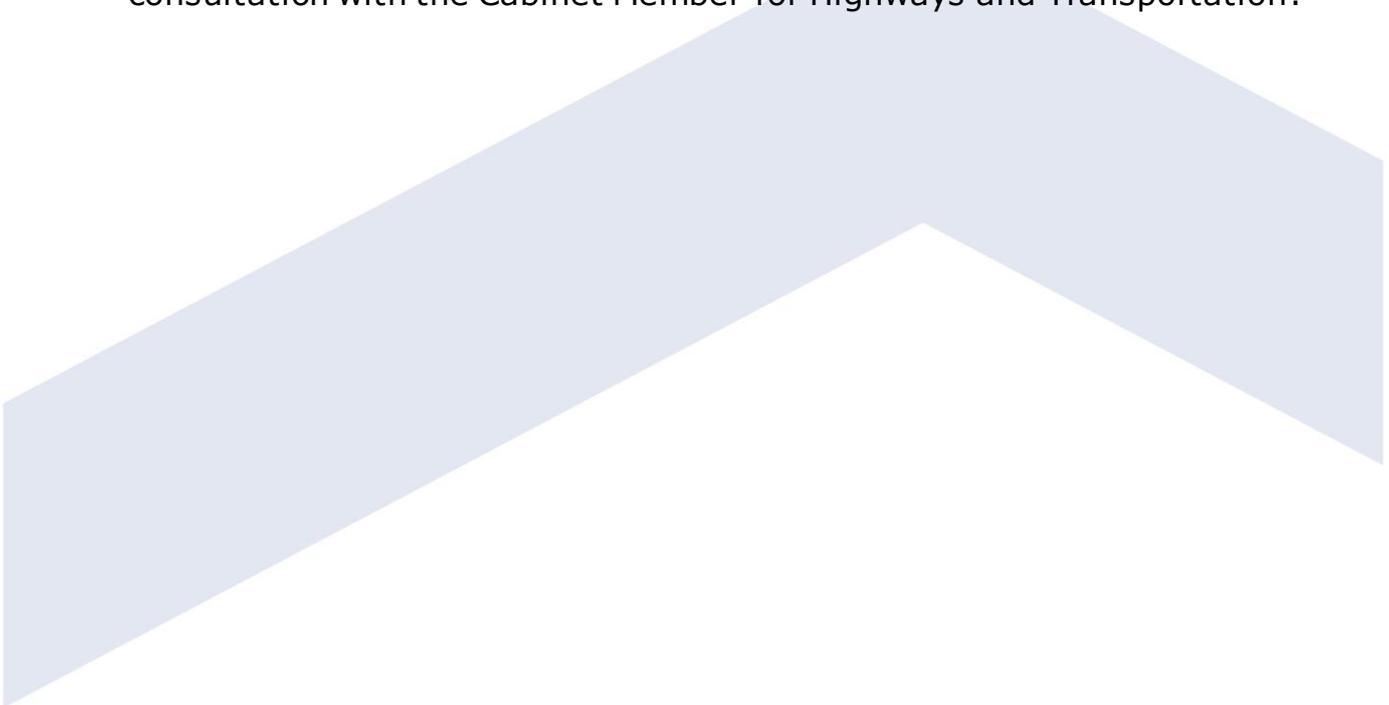
In 2021/22, the government grant provided for highway maintenance was reduced significantly and remained at the same level for 2022/23. Consequently, the Councils Medium Term Financial Strategy (MTFS) included a capital investment of £15M in highways in 2022/23 to help to reduce the maintenance backlog and mitigate the impact of the grant reduction. A further amount of £20M is now included in the County Councils

Capital Programme to be delivered over the next two years together with £5M each year to support minor capital maintenance.

Work on any major schemes, is funded and monitored separately. Street Lighting in Staffordshire is managed and maintained through a 25-year private finance deal which runs until May 2028 and is not therefore covered in this report.

## **Recommendations**

I recommend that Cabinet:

- a. Cabinet considers the report and approves the Highways and Transport capital investment proposal set out in the supporting appendices noting that at the time of writing the allocations from the Department for Transport have not been provided.
  - b. Approves the additional investment of £20M by the County Council into highway maintenance to be delivered over the next two financial years (2023/24 and 2024/25), which when put together with the already approved £5M each year to support minor capital maintenance, makes a total investment of £30M over the next two financial years.
  - c. Approves progression of the programme of developer funded s.278/s111 highway improvement projects and delegates authority to the Director of Economy, Infrastructure & Skills to agree the details of the works agreements and authorise the contracts for works to be entered into.
  - d. The Assistant Director for Highways and the Built County monitors progress of the overall programme and is given delegated authority to make any in-year alterations and additions to the programme in consultation with the Cabinet Member for Highways and Transportation.
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## **Cabinet – Wednesday 15 March 2023**

### **Highways and Transport Programme 2023/24**

#### **Recommendations of the Cabinet Member for Highways and Transport**

I recommend that Cabinet:

- a. Cabinet considers the report and approves the Highways and Transport capital investment proposal set out in the supporting appendices noting that at the time of writing the allocations from the Department for Transport have not been provided.
- b. Approves the additional investment of £20M by the County Council into highway maintenance to be delivered over the next two financial years (2023/24 and 2024/25), which when put together with the already approved £5M each year to support minor capital maintenance, makes a total investment of £30M over the next two financial years.
- c. Approves progression of the programme of developer funded s.278/s111 highway improvement projects and delegates authority to the Director of Economy, Infrastructure & Skills to agree the details of the works agreements and authorise the contracts for works to be entered into.
- d. The Assistant Director for Highways and the Built County monitors progress of the overall programme and is given delegated authority to make any in-year alterations and additions to the programme in consultation with the Cabinet Member for Highways and Transportation.

**Local Member Interest:** N/A

#### **Report of the Director for 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/Borough Integrated Transport Strategies and the Local Cycling and Walking Infrastructure Plan (LCWIP) ensure spending is clearly aligned to corporate priorities and delivers value for money.

2. Day to day operational costs such as emergency repairs, street lighting, grass cutting and winter maintenance, are funded through an annual revenue allocation. The Highway Maintenance block capital grant from the Department for Transport (DfT) helps fund the replacement of life expired highway assets. At the time of writing this grant is assumed to be £25.067M in 2023/24. The grant for Integrated Transport improvements is assumed to be £3.449M in 2023/24.
3. One of the five priorities for the Councils Strategic Plan for the period 2022-26 is to fix more roads and improve transport and digital connections. We know that improving our highways is one of the top priorities for Staffordshire people. Maintaining and improving this network is very challenging, especially in light of reduced government funding, rising costs and increasing road usage. Despite this we want Staffordshire people to see an improvement in our highways over the next three years.

### **The Highway Asset in Staffordshire**

4. Highway infrastructure is the largest and most visible asset Staffordshire County Council (SCC) is responsible for. It includes over 6,200km of carriageways, 4,360km of footways, over 1,000 structures and more than 115,000 streetlights and illuminated signs.
5. The local road network has an estimated gross replacement value of over £7 billion, the majority of value being within the key asset groups of carriageways, footways and cycleways, structures, street lighting, traffic signals and drainage. Street Lighting is managed through a long-term private finance initiative (PFI) which runs until May 2028 and is outside the scope of this report.
6. Well managed local roads are vital to being able to achieve the key outcomes of the Strategic Plan contributing to the economic, social, and environmental wellbeing of Staffordshire. They provide access for businesses and communities and a key part of an area's local character and quality of life.

### **What is the challenge?**

7. Managing our highways is a key challenge to local councils such as Staffordshire who have to manage an ageing network with high public expectations for safe and reliable travel.
8. Highways are increasingly fragile and less resilient to damage from wear and tear, ageing, the changing nature of traffic and the impact of climate change. Short term fixes, such as pothole repairs often don't address the

wider problem of aging and weakened road surfaces and are often at the expense of longer-term solutions such as preventative maintenance.

9. The Council has a number of statutory duties in its role as highway authority such as Section 41 of the Highways Act 1980, duty to maintain, and Section 16 of the Traffic Management Act 2004 duty to manage the road network to secure the expeditious movement of traffic. All these obligations must be fulfilled above and beyond the objectives of the Highway Infrastructure Asset Management Plan.
10. The latest version of the Highway Infrastructure Asset Management Plan approved by Cabinet in April 2022 is the link between our strategic objectives and our operational activities, supports delivery of the Council's Medium Term Financial Strategy and ensures we are able to maximise DfT Incentive Fund resource, make the case for additional funding, and optimise our ability to defend claims. The annual investment required to maintain the asset in a steady state (carriageways and structures) is estimated to be at least £50m per annum. Historically the level of capital funding provided by Government has fallen significantly below this level and, despite additional support from the County Council, continues to do so.
11. The revenue budget for the highway service in 2023/24 is likely to be in the region of £40M. After commitments including the streetlighting PFI, School Crossing Patrols and a range of statutory functions approximately £15M remains for highway maintenance operations. This largely provides the following functions:
  - a. Routine Maintenance including gully and tree works (£7.8M)
  - b. Cyclical Maintenance (£2.1M)
  - c. Winter Maintenance (£3.9M)
  - d. Structures (£1.2M)
12. Capital funding is used to provide renewal and replacement of all highway assets including carriageways, footways, structures (bridges), safety fencing, drainage, traffic signals and signs but as noted above, excludes street lighting in Staffordshire.
13. Since 2015-16, the block grant for maintenance has been used to provide for minor capital maintenance covering elements of the day-to-day repairs such as patching, potholes and drainage activities which previously were funded through the revenue budget. In 2023/24 it is proposed that this £5M will again be funded by the County Council, as in 2022/23.

14. A sum of £1M of the Integrated Transport Block has been allocated each year towards capital structural and preventative maintenance in recent years and is included in the above.

### **Capital Funding for 2023/24**

15. The Highways and Transport capital delivery programme is made up of:

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

16. The funding likely to be available to deliver the 2023/24 capital programme includes:

- a. Government Capital Grant Block funding allocation for Maintenance
- b. Government Capital Grant Block funding allocation for Integrated Transport
- c. Staffordshire County Council Highway Investment
- d. Government Pothole fund
- e. Section 106 contributions from developers
- f. Contributions and awards from stakeholders
- g. Contributions from other grants and bids

17. Historically, the Integrated Transport Block, Maintenance Block – Needs Element and the pothole funding additional maintenance funding announced in the March 2020 budget were allocated by formula based mainly on road length. Since 2015/16 an Incentive element of the maintenance block grant was conditional on demonstrating efficient management and delivery and asset management. The County Council's highway service has been able to demonstrate that they met the criteria for the highest level of the incentive funding, and this is currently worth £2.785M per year. As noted, this is dependent on the authority continuing to be able to demonstrate that it is operating an asset management led approach to the local road network.

18. At Budget 2020, the government announced that councils would get a new round of pothole funding with an extra £500 million in 2020/21 as part of a new £2.5 billion Potholes Fund that would also be available for local authorities to undertake longer-term road resurfacing works to prevent potholes from appearing in the first place. The work in repairing potholes and preventing them from forming is only one element to improving the condition for all road users and the Department for Transport (DfT) recognises that well maintained highways not only improve local productivity but also the environment by reducing delays, also making cycling, horse riding and walking more attractive. The value

of this funding is assumed to be £11.141M in 2023/24 i.e., the same as 2022/23.

19. In recent years the government has also made additional funding available through a Challenge fund to enable local highway authorities to bid for funding for major maintenance projects that were otherwise difficult to fund through the normal needs-based formula funding. In 2020/21 £100m challenge fund was incorporated into the 2020/21 funding allocation and distributed to local highways authorities by formula. At the time of writing this report it has been assumed that there will not be a separate Challenge fund in 2023/24.
20. The Government Spending Review published in October 2021 committed the highway maintenance funding between tax years 2022 and 2025.<sup>1</sup> At the time of writing this report it is assumed that the funding will be as published which although it remains at the same value does mean a significant reduction in real terms due to inflationary pressures.

**Table 1: DfT Capital Funding Allocations (assumed at time of writing the report)**

DfT Capital Funding Allocations					
Assumed at 20th February 2023					
	2020-21	2021-22	2022-23	2023-24*	2024-25*
	£000s	£000s	£000s	£000s	£000s
<b>LOCAL TRANSPORT CAPITAL FUNDING</b>					
Highways Maintenance Block (Needs Element)	16,154	11,141	11,141	<b>11,141</b>	11,141
Highways Maintenance Block (Incentive Element)	3,365	2,785	2,785	<b>2,785</b>	2,785
Highways Maintenance Block	19,519	13,926	13,926	<b>13,926</b>	13,926
Integrated Transport Block	3,423	3,449	3,449	<b>3,449</b>	3,449
	22,942	17,375	17,375	<b>17,375</b>	17,375
<b>ADDITIONAL DfT FUNDING</b>					
Potential Pothole and Challenge Fund	14,283	11,141	11,141	<b>11,141</b>	11,141
	37,225	28,516	28,516	<b>28,516</b>	28,516
Maintenance Element	33,802	25,067	25,067	<b>25,067</b>	25,067

*\*The incentive level funding is dependent on the County Council being able to demonstrate Level 3 in its Asset Management assessment.*

### **Impact of 2022/23 Additional Investment by Staffordshire County Council**

21. One of the five priorities for the Councils Strategic Plan for the period 2022-26 is to fix more roads and improve transport and digital connections. We know that improving our highways is one of the top

1. <sup>1</sup> [DfT Highways Maintenance and ITB Funding formula allocations, 2022 to 2025](#)

priorities for Staffordshire people. Maintaining and improving this network is very challenging, especially in light of reduced government funding, rising costs and increasing road usage. Despite this we want Staffordshire people to see a further improvement in our highways in the next two to three years.

22. In the 2022/23 financial year the County Council made available an additional £15.5M of capital funding in highway maintenance to deliver £5.2M of major resurfacing schemes at eight key gateway sites, £5M on minor capital maintenance to repair 9,000 extra potholes, preventatively treat an extra 64km of roads and carry out over 200 extra drainage repairs, an extra £2.5M to carry out over 10,000 extra defect repairs and £1M to carry out pilots to fix places not just defects which has included trials on thermal road patching and velocity patching over the winter period. A further £0.5M is being invested in customer service improvements.
23. Further additional revenue investments in year have included £0.1M towards an early season grass cut to be carried out in March 2023, £0.3M for additional locally identified gully emptying to target hot spots, £0.5M to replace deteriorated high friction surfacing and £0.1M to replace damaged pedestrian railings and worn-out road markings.

### **Capital Programme Structural and Preventative Maintenance 2023/24**

24. In line with Staffordshire's Highway Infrastructure Asset Management, Strategy, Policy and Plan, the authority is committed to an asset management approach encompassing the benefits of whole cost life cycle. This includes ensuring the most effective and efficient use of the available highway budget, so the appropriate treatment is utilised at the right time, focussed on preventative work and prioritising high risk safety defects for repair. The programme of capitally funded work for 2023/24 has been developed in line with the above.
25. Historically, Cabinet has agreed that a 5% top-slice of Highways Maintenance and Education capital resources are used to support other centrally funded capital projects in areas such as Economic Development, Waste Management and Libraries, which receive no such allocation from government. Provision has similarly been made for 2023/24 and this has been taken account of in the preparation of the programme. Table 2a below shows the available funding and proposed distribution including for comparison, 2022/23 and, the anticipated funding through to 2025/26. DfT Funding is assumed to stay the same over the period.

**Table 2a: Highway Capital Funding 2023-24 to 2025-26- Programme Resources\***

HIGHWAYS CAPITAL PROGRAMME RESOURCES 2023/24				
as at 27th February 2023				
2022-23 £000s		2023-24 Assumed Funding £000s	2024-25 Assumed Funding £000s	2025-26 Assumes Static DfT Block & No SCC Investment £000s
	<b>LOCAL TRANSPORT CAPITAL FUNDING</b>			
11,141	Highways Maintenance Block (Needs Element)	11,141	11,141	11,141
(557)	5% Top-slicing	(557)	(557)	(557)
10,584	Sub total	10,584	10,584	10,584
2,785	Highways Maintenance Block (Incentive Element)	2,785	2,785	2,785
13,369		13,369	13,369	13,369
1,000	From Integrated Transport Block	1,000	1,000	1,000
(1,828)	Allocate Needs Element to Bridges	(1,828)	(1,828)	(1,828)
0	Allocate Needs Element to Minor Capital Maintenance	0	0	0
12,541		12,541	12,541	12,541
	less potential Over-Achievement in 2020-21			
12,541		12,541	12,541	12,541
	<b>ADDITIONAL DfT FUNDING</b>			
11,141	Potential Pothole and Challenge Fund	11,141	11,141	11,141
(2,500)	Allocate to Bridges	(3,000)	(3,000)	(3,000)
0	Allocate to Minor Capital Maintenance	0	0	0
(186)	Member Schemes	0	0	0
20,996		20,682	20,682	20,682
	<b>ADDITIONAL COUNTY COUNCIL INVESTMENT</b>			
15,500	Additional Capital Investment	10,000	10,000	0
(5,000)	Allocate to Minor Capital Maintenance	0	0	0
31,496		30,682	30,682	20,682
	<b>OTHER FUNDING</b>			
0	From Integrated Transport Programme	0	0	0
0	From Revenue	0	0	0
31,496	<b>TOTAL AVAILABLE FUNDING</b>	30,682	30,682	20,682

*\*The incentive level funding is dependent on the County Council being able to demonstrate Level 3 in its Asset Management assessment. It has also been assumed that there is no additional investment from the County Council from 2025/26 onwards.*

26. The proposed programme of works increased the amount of funding for design work and replacement of structures from 2022-23 onwards to reflect the increasing risk to a number of structures including Moss Pit Footbridge, School Lane Footbridge, Chetwynd Bridge.
27. Table 2b below provides an overview of the proposed allocation of capital funding across carriageways, drainage and footways from 2023/24 onwards.

**Table 2b: Highway Capital Funding 2023-24 to 2025-26 – Programme\***

<b>HIGHWAY MAINTENANCE CAPITAL PROGRAMME 2023/24 (Excluding Structures)</b>					
as at 27th February 2023					
2022-23 Assumed Funding £000s		2023-24 Assumed Funding £000s	2024-25 Assumed Funding £000s	2025-26 Assumed Funding £000s	
	<b>PROPOSED STRUCTURAL, PREVENTATIVE &amp; DRAINAGE PROGRAMME</b>				
	<b>Structural Maintenance (Carriageway)</b>				
1,796	DfT Maintenance Grant Element	300	1,100	100	
3,200	SCC Highway Investment	4,100	6,750	0	
4,996		4,400	7,850	100	
	<b>Drainage replacement</b>				
600	DfT Maintenance Grant Element	775	800	0	
	SCC Highway Investment	1,000	0	0	
		1,775	800	0	
191	<b>SCRIM (Skid Resistance) Sites</b>	350	250	250	
	<b>Preventative Maintenance (Carriageway)</b>				
13,600	DfT Maintenance Grant Element	16,500	16,050	15,500	
1,300	SCC Highway Investment	5,100	3,450	0	
14,900		21,600	19,500	15,500	
2,950	<b>Preventative Maintenance (Footway)</b>	300	0	3,000	
	<b>Other SCC Highway Investment</b>				
500	Customer Improvements				
1,500	Right First Time Pilots				
4,000	Reduction of Winter Workstack	0	0	0	
6,000		0	0	0	
1,899	<b>Programme Management, Design, Supervision and other works costs</b>	2,272	2,276	1,855	
31,536	<b>Total</b>	30,697	30,676	20,705	

*\*It has been assumed that the Governmental incentive level funding for capital maintenance activity on highways assets (needs elements) is to remain at the 2021/22 grant allocation rate. The incentive level funding is dependent on the County Council being able to demonstrate Level 3 in its Asset Management assessment and that the Pothole and Challenge Fund contribution remains the same.*

28. The £30M County Council additional investment strategy will be delivered over a two-year period starting with the 2023/24 financial year.
29. This will include a £5M contribution each year to minor capital maintenance activities that will typically enable 9,000 pothole repairs, patching to allow over 50km of preventative surface treatment, and 200 minor drainage defect repairs.
30. It is proposed that the further County Council investment of £20M will be spent over the two-year period 2023/24 and 2024/25 as described below.

31. It should be noted that Highway Authorities can be more efficient in the delivery of operations with greater funding certainty. The commitment of 2 years of additional funding will allow us to plan for and deliver schemes in a more efficient manner and invest in the investigation and design of future schemes to enable earlier delivery as and when additional funding becomes available.

**Structural Maintenance Key Gateways & Local Junction/ Roundabout Repair and Levelling Up Fund 2 programme.**

32. Over £10M to be invested in major structural repairs of life expired roads at the key gateway locations into major towns at the sites listed below to be delivered across the two-year investment period.

- i. A5121 Claymills, Burton upon Trent
- ii. A5121 Derby Road (2 phases), Burton upon Trent
- iii. C0306 (formerly A5127) Birmingham Road, Lichfield
- iv. A34/A449 Queensway roundabout (part), Stafford
- v. A513 Upper Gungate, Tamworth.
- vi. A522 Uttoxeter Road, Uttoxeter (junction/roundabout)
- vii. A511 Ashby Road, Burton upon Trent (junction/roundabout)
- viii. A527 Meadows Way, Biddulph (junction/roundabout)
- ix. A524 Higherland, Newcastle under Lyme (junction/roundabout)
- x. A52 Ash Bank Road, Werrington (junction/roundabout)
- xi. A449 Wolverhampton Road, Himley (junction/roundabout)
- xii. A519 Brook Lane, Newcastle under Lyme (junction/roundabout)
- xiii. A5195 Burntwood Way, Burntwood (junction/roundabout)
- xiv. A53 Buxton Road, Leek (high friction surfacing site)
- xv. C0306 (formerly A5127), Trent Valley Road, Lichfield (junction)
- xvi. B5027 Lichfield Road, Stone (high friction surfacing site)
- xvii. A5192 Eastern Avenue, Lichfield (high friction surfacing)

33. This additional investment will be delivered alongside £1.3M programme of structural maintenance expected to be funded from the DfT Highway Maintenance Block Grant over the next two years.

34. The success of the County Council in being awarded £19.8M from the Governments Levelling Up Fund 2 will enable an investment in structural maintenance of £5.76M in total over the next two years on the main routes between Stafford and Cannock. Details of the proposed structural maintenance schemes are identified in Appendix 1.

## **Future scheme investigation and design**

35. To enable earlier delivery of any future funding, £0.25M is to be invested in the identification, site investigation and design of future structural maintenance schemes.

## **Preventative Maintenance Surface Treatments**

36. Surface Dressing has been a time proven solution to seal road surfaces, prevent water ingress and improve skid resistance of roads. Developments in materials and technology over recent years have seen a number of innovations that offer additional durability and customer care benefits as well as significant savings in carbon when compared to the replacement of surfacing.

37. Over £8M of the County Council's additional investment will be spent on preparation for and, preventative surface treatments over the next 2 years. This will enable an extra 275,000 sq. m (circa 45km) of additional roads to receive preventative treatment adding 10-15 years of life.

38. This additional investment will be delivered alongside £32.55M programme of preventative treatment expected to be funded from the DfT Highway Maintenance Block Grant over the next two years.

39. A list of the sites that are proposed to receive preventative carriageway treatment in 2023/24 can be found at Appendix 1. The additional County Council investment will allow sites to be brought forward from the 2024/25 programme and the list of sites will be updated with these and published on the County Councils website on the Highways Programme page.<sup>2</sup>

40. Preventative treatment is a seasonal activity and programmes in year can change as a result of weather, coordination with the activity of utilities, and developments and the Highways Programme page will be regularly updated throughout the year.

## **Drainage**

41. Highway drainage is provided to ensure that surface water is removed from carriageways, footways, and cycleways as quickly as possible to avoid ponding and flooding which can be a danger to the public. This is achieved through a combination of preventative maintenance and action to deal with reported flooding where this occurs. Much of the County's drainage infrastructure was installed when the roads were originally constructed, some of which date back to late 1800s/early 1900s. Over

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<sup>2</sup> [Highways Programme Page](#)

time settlement, ingress of tree roots and roadworks by third parties has caused widespread deterioration and damage.

42. Highway drainage features include gullies, kerb offlets, grips, backdrains, soakaways, catchpits, associated pipework and outfalls.
43. In recognition of the challenge of managing an aging drainage asset, the County Council is planning to invest an additional £1M in total over the next two years on extra drainage repairs, targeted at locations where poor drainage is leading to premature road surface deterioration.
44. This additional County Council investment will be delivered alongside £1.57M programme of drainage repairs expected to be funded from the DfT Highway Maintenance Block Grant over the next two years. A list of the sites currently identified for drainage repairs is provided in Appendix 1. The additional County Council investment will allow additional repairs and the list of sites will be updated and published on the County Councils website on the Highways Programme page.

## **Structures**

45. Highway structures comprise critical infrastructure that support the safe passage of highway over rail, river, and other features. The structures asset is widely varied in form and age, many of which go un-noticed by the travelling public. Many structures also support essential utilities apparatus and are part of the resilient network. There are over 5,000 assets identified on the structures database, including bridges, tunnels, culverts, retaining walls, and sign gantries.
46. The structures asset is currently valued at £1.4 billion with annual depreciation estimated to be around £15.5M.
47. For the next two years, the County Council is planning to invest up to £4.828M each year in structures funded from the DfT Maintenance Block Grant.
48. The programme includes funding to progress investigation and design work for the A449 Stafford Railway bridge, A513 Chetwynd Bridge, A449 Moss Pit Footbridge and U3031 School Lane Footbridge.
49. There will also be £0.7M of additional investment over the same period as a result of the successful Levelling Up Fund 2 bid. This will enable work to take place at the A34 Radford River Bridge and, the A34 Queensville railway bridge in Stafford.

50. Appendix 1 provides an outline programme of the proposed investment into structures for the next two years.

## **Footways**

51. The footway, footpath and cycleway asset in roads terms is one of the most valuable highway infrastructure asset groups with an estimated replacement cost of £765M. For utility companies that provide essential supplies to households and businesses footways are often the place where these services connect the property to the main supply.

52. The government's ambition of the country having access to 100% gigabit by 2030 is and will continue to have an impact on the highway whilst the fibre infrastructure to homes and business is installed. Whilst statutory undertakers have a legal right to work on the highway, no one wants to see newly surfaced roads or pavements dug up to install apparatus. We recognise that this will have an impact on the delivery of our highway renewal works and this will include the suspension of resurfacing work to footways for the next few years to minimise this risk albeit, this will mean that there will need to be consideration given to a catch-up programme once this activity resumes to minimise the longer-term risks of deterioration where preventative surface treatments have not been able to be carried out.

53. In 2023/24 a small amount of capital investment of £0.3M funded from the DfT Maintenance Block Grant is proposed to complete works at sites where work commenced in the 2022/23 financial year before the footway programme is suspended.

## **Potential Highway Risks**

54. That the capital maintenance grant from the Department for Transport has not been confirmed at the time of writing this report but is assumed to be in line with the previous year. Any change in grant would mean that the programme would have to be reviewed.

55. The Department for Transport (DfT) wrote to local highway authorities (18<sup>th</sup> February 2022) indicating that it is committed to allocating funding, including the Potholes Fund, so they can most effectively spend this funding on maintaining and improving their respective network, based upon their local knowledge, circumstances, and priorities. The Department strongly advocates a risk-based, whole lifecycle asset management approach to local authorities' highways maintenance programmes. This considers all parts of the local highway network, such as bridges (and other highways infrastructure assets such as culverts and retaining walls), cycleways, and lighting columns - not just the fixing of

potholes. It is up to the respective highway authority how best to spend this funding to fulfil their statutory duty under Section 41 of the Highways Act 1980.

56. Despite the additional investment from the County Council, overall, the current budget is insufficient to maintain the asset in its current condition. The majority of the deficit is attributable to the main asset groups of carriageway, footways, and drainage. There are also pressures in other assets particularly structures that in the absence of any additional opportunity for grant funding on top of the DfT Maintenance Grant will require reductions in spending on carriageway, footways, drainage, minor capital maintenance and member schemes from 2025/26 onwards. If appropriate levels of investment in the asset are not made, the ability of the local road network to support the outcomes of the County Councils strategic objectives and its statutory duty through providing a safe and reliable road network are increasingly put at risk.
57. Carriageway asset modelling in 2019 estimated that, based on the carriageway condition at that time, a network the size of Staffordshire's, required a one-off investment of around £75m to bring it up to target condition followed by £42m/year ongoing to achieve 'steady state' condition in carriageway condition alone.
58. The reduction in the highway maintenance grant and one-year settlements from Government causes short and medium-term issues including, reductions in efficiency and effectiveness in programmes of work and the ability of the supply chain to plan and invest in both their workforce and equipment for the future. National Highways for example receive a five-year settlement. With the amount of work for major projects such as HS2 in and around Staffordshire starting to increase, there is a risk that local suppliers seek other longer-term arrangements which would impact on the ability of the service to scale back up following any additional investment.
59. Roads requiring major maintenance i.e., structural maintenance will continue to deteriorate and lead to an increasing number of safety defects that places additional demands on the reactive maintenance service, increased level of customer contact/complaints and claims against the authority for damage or personal injury.
60. Whilst the £5M per annum additional County Council investment towards minor capital maintenance will enable additional defects to be repaired, it is likely that the workstack of low-risk safety defects will continue to grow.

61. The authority sees an increasing number of notices or potential notices served against it under Section 56 of the Highways Act 1980 for highways out of repair.
62. Clearly there is much uncertainty around future funding levels which makes financial planning for a long-term asset incredibly challenging. This lack of clarity over future funding levels has been raised with ministers and local MPs and will continue to feature in the councils financial lobbying messages.

### **Integrated Transport Programme**

63. The 2023/24 Integrated Transport programme will help to deliver the eight Integrated Transport Strategies that have been developed for the District/Boroughs, together with the Local Cycling and Walking Infrastructure Plan (LCWIP) and Bus Service Improvement Plan (BSIP). The Transport Strategies are updated to support the District/Borough Local Plans and the County Council's Strategic Plan for 2022 to 2026 which has three interconnected priority outcomes, as follows:
  - a. Have access to more good jobs and share the benefits of economic growth;
  - b. Be healthier and independent for longer;
  - c. Live in thriving and sustainable communities.
64. The LCWIP will be pivotal in helping the County Council continue to make the case for future walking and cycling funding. Investment in walking and cycling infrastructure is needed throughout Staffordshire, including at least £31M of investment up to 2030/31 in Burton upon Trent, Cannock, Lichfield, Newcastle-under-Lyme, Stafford and Tamworth. The LCWIP was scrutinised by the County Council's Prosperous Select Committee on 15 April 2021 and received approval in June 2021 through the Cabinet Member Delegated Decision process. Staffordshire's BSIP was published in October 2021 and will help to deliver the National Bus Strategy for England 'Bus Back Better'.
65. As well as generally contributing £1M towards highway structural maintenance, the Integrated Transport block contributes £0.130M to Targeted wet road skidding sites (reflected in the funding to support Highway Structural Maintenance in Table 2 above) and £0.800M towards the maintenance and refurbishment of traffic signal assets, to help reduce the growing number that are in a very poor condition. Both items appear in the Integrated Transport programme for ease of completeness. In addition, specific schemes in the proposed programme have been able to attract additional funding and the combined capital funding available

for the Integrated Transport programme for 2023/24 is summarised in Table 3.

**Table 3: Total 2023/24 Integrated Transport Funding**

Source	2023/24
	Funding (£'000)
Integrated Transport Block Grant	3,449
Less funding to support Highways structural Maintenance	(1,000)
	2,449
Other capital funding	
S106 developer contributions	1,303
Active Travel Fund	333
Paths for Everyone	1,200
HS2 Road Safety Fund	1,465
Cannock Chase Council Community Infrastructure Levy	162
Heritage Lottery Fund	80
Parish Council contributions	89
Network Rail	500
East Staffordshire Borough Council Towns Fund	1,524
Newcastle-under-Lyme Borough Council Towns Fund	950
Kidsgrove Town Deal	3,719
Revenue Capability Funds	20
<b>TOTAL</b>	<b>13,662</b>

66. The Integrated Transport programme includes S106 contributions of around £1.303M that are expected to deliver a range of transport schemes throughout Staffordshire to help mitigate the impact of new housing and employment developments.
67. In 2023 £19.8m was awarded from Government's Levelling Up Fund. This will deliver improvements including on the A38 and A511, to unlock housing, improve bus lanes and journey times and will include active travel. A further £0.35M was awarded from the Government's Active Travel Fund (Tranche 3) in 2022 that will contribute to the delivery of the LCWIP. DfT Capability Funds are revenue funds that have also been awarded to help progress active travel scheme designs and behaviour change initiatives.

68. The HS2 Phase One Road Safety Fund allocation of £2.975M available to Staffordshire County Council will be delivering a programme of works between 2021/22 and 2025/26. This programme was approved by Cabinet on 17 March 2021. The funding is in addition to the £40M of HS2 Community and Environment Fund and the Business and Local Economy Fund. The schemes expected to be funded will benefit communities in Lichfield District that stand to be most affected by HS2 construction traffic. As well as road safety schemes, the Department for Transport encourages use of the fund to support cycling projects. The County Council intends to continue the delivery of the approved programme during 2023/24.
69. Schemes to be included in the Integrated Transport programme are assessed by officers and scored against the 3 priority outcomes and a long list of potential schemes for 2023/24 were assessed and prioritised in January 2023. Delivery of two schemes put forward to the virtual team have been deferred for delivery in a future year.
70. The proposed programme is set out in Appendix 2 and includes the detailed schedule with descriptions, justifications, and an assessment of the contribution each scheme makes towards the three Strategic Plan outcomes. The value of the programme currently amounts to £16.493M, which includes an allowance for inflation and a projected over-commitment of £0.642M, which will provide contingency for programme slippage that may occur from unforeseen events, including delays in land acquisition and outcome of local consultations.
71. The programme will be reviewed from the outset when DfT funding is confirmed and progress on delivery will be monitored monthly with significant in-year amendments to the programme reported to the Assistant Director - Highways and the Built County, and subsequent approval for any changes sought from the Cabinet Member for Highways and Transportation. Regular reviews of the 2022/23 programme are continuing to minimise the potential for overspend on the 2022/23 programme, which would be a first call on the funding available for 2023/24.
72. There is also the likelihood of the award of additional funding during 2023/24 which has not been included in this report or the appended capital programme. This includes a further round of Active Travel Funding (ATF4) and Get Building Fund.

### **Developer Agreements**

73. A separate programme of developer funded highway improvement works is also delivered to facilitate development as part of the planning

approval process. In Staffordshire larger, more complex developer projects are traditionally delivered through s.278 agreements with smaller scale projects delivered through s.111 agreements. The primary difference is that in a s.278 agreement the County Council contracts directly with the developer's chosen construction contractor providing the County Council with absolute control over the works, whilst in a s.111 agreement the developer delivers the works directly under close supervision by the Council.

74. However due to the Public Contract Regulations 2015 works contract threshold, where s.278 schemes that exceed £5.33M (including VAT), despite being fully funded by the developer, must follow public sector procurement procedures detailed in the Public Contract Regulations 2015. Any schemes below that threshold are subject to the County Council's internal procurement regulations.

### **Legal Implications**

75. There are no direct legal implications arising from the Highways and Transport Programme.

### **Resource and Value for Money Implications**

76. It is unclear whether the real terms reductions in the Department for Transport highway maintenance block grant are a sustained reduction or whether, like other local government funding announcements, are only known for the next 12 months only. Clearly there is much uncertainty around future funding levels which makes financial planning for a long-term asset incredibly challenging. This lack of clarity over future funding levels has been raised with ministers and local MPs and will continue to feature in the councils financial lobbying messages.

### **Climate Change Implications**

77. A well-managed local road network in combination with the Integrated Transport programme, the Local Cycling and Walking Infrastructure Plan (LCWIP) and Bus Service Improvement Plan (BSIP) supports the provision of a sustainable transport system which will help to achieve the ambition of a net zero transport system.

78. The highway service has a long history of innovation including the use of low temperature asphalt, recycling of hard materials, recycling of gully emptying arisings, use of electric vehicles and electric hand tools, recycling of bituminous materials, use of biofuels to reduce the carbon impact. We are currently working with a number of other authorities piloting the development of a carbon calculator and accounting tool, to

better understand the journey that we need to take to support the achievement of net zero for highways.

## **List of Background Documents/Appendices:**

**Appendix 1** - Proposed Structural, Preventative and Maintenance, Drainage and Structures Programme

**Appendix 2** - Proposed Integrated Transport Improvements 23/24

### **List of Background Documents:**

- [Highways Infrastructure Asset Management Plan \(HIAMP\)](#)
- [Cannock Chase District transport strategy](#)
- [East Staffordshire Borough Transport Strategy](#)
- [Lichfield District Transport Strategy](#)
- [Newcastle Borough Transport Strategy](#)
- [South Staffordshire District Transport Strategy](#)
- [Stafford Borough Transport Strategy](#)
- [Staffordshire Moorlands Borough Transport Strategy](#)
- [Tamworth Borough Transport Strategy](#)
- [Local Cycling and Walking Infrastructure Plan](#)

## **Contact Details**

**Report Author:** James Bailey  
**Job Title:** Assistant Director for Highways and the Built County  
**Telephone No.:** 01785 276591  
**E-Mail Address:** james.bailey@staffordshire.gov.uk

