

## **Cabinet Meeting on Wednesday 20 March 2024**

### **Highways and Transport Programme 2024/25 to 2026/27**



#### **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, and we know that good roads are extremely important to our residents.

Over the next three financial years the County Council is planning to carry out at least an extra £50 million worth of repairs and essential maintenance to Staffordshire’s roads, on top of any grant given by government. This includes more road resurfacing schemes and getting potholes repaired quicker.

The investment will enable 34 road reconstruction schemes to be carried out, including the resurfacing of junctions/roundabouts at key locations into our towns, 1.5 million sq. m of preventative surface treatments and £2.75M of work to repair highway drainage.

This year will also see more than £53 million invested in a range of major projects, vital local improvements, and general road maintenance.

In January 2023 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 2023/24 these grants were enhanced through government funding via the 2023 Budget Pothole Fund and the Prime Minister's Network North announcement on 4 October 2023.

Capital funding is used to replace highway assets that have come to the end of their life and is generally provided through government grant.

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 the required government funding for roads not meeting the costs of replacing worn out roads, 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 Councils Medium Term Financial Strategy (MTFS) includes capital investment of £45M in highways in the period 2024/25 to 2026/27 to help to reduce the maintenance backlog including £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 £30M by the County Council into highway maintenance to be delivered over the period from (2025/26 to 2026/27).
- 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.



## **Cabinet – Wednesday 20 March 2024**

### **Highways and Transport Programme 2024/25 to 2026/27**

#### **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 £30M by the County Council into highway maintenance to be delivered over the period from (2025/26 to 2026/27).
- 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.
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, increasing road usage and the impacts of climate change. 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 2024/25 is likely to be in the region of [£40M]. After commitments including the streetlighting PFI, School Crossing Patrols and a range of statutory functions over £14M remains for highway maintenance operations. This largely provides the following functions:
  - a. Routine Maintenance including gully and tree works [£6.7M]
  - b. Cyclical Maintenance [£2.2M]
  - c. Winter Maintenance [£4.0M]
  - d. Structures [£1.2M]
12. In 2024/25 the Council will be investing an additional £1.2M in environmental maintenance activities including.
  - a. Urban Grass Cutting - increasing the number of cuts from six to eight per season. £0.3M
  - b. Weed Control – increasing the number of visits from one to three per year £0.1M
  - c. Environmental Maintenance Teams - £0.8M
13. 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.

14. 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 2024/25 it is proposed that this £5M will again be funded by the County Council, as in previous years.
15. 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 2024/25**

16. The Highways and Transport capital delivery programme is made up of:
  - a. Highway Maintenance (including Bridges)
  - b. Integrated Transport improvements
17. The funding likely to be available to deliver the future capital programme includes:
  - a. Government Capital Grant Block funding allocation for Maintenance including pothole fund and Network North
  - b. Government Capital Grant Block funding allocation for Integrated Transport
  - c. Staffordshire County Council Highway Investment
  - d. Section 106 contributions from developers
  - e. Contributions and awards from stakeholders
  - f. Contributions from other grants and bids



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

Capital Funding Allocations							
Assumed at 9th February 2024							
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26*	2026-27*
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>LOCAL TRANSPORT CAPITAL FUNDING</b>							
Highways Maintenance Block (Needs Element)	16,154	11,141	11,141	11,141	<b>11,141</b>	11,141	11,141
Highways Maintenance Block (Incentive Element)	3,365	2,785	2,785	2,785	<b>2,785</b>	2,785	2,785
Highways Maintenance Block	19,519	13,926	13,926	13,926	<b>13,926</b>	13,926	13,926
Integrated Transport Block	3,423	3,449	3,449	3,449	<b>3,449</b>	3,449	3,449
	22,942	17,375	17,375	17,375	<b>17,375</b>	17,375	17,375
<b>ADDITIONAL DfT FUNDING</b>							
Potential Pothole and Challenge Fund	14,283	11,141	11,141	11,141	<b>11,141</b>	11,141	11,141
Budget 2023 additional sum				4,456			
Network North Investment				3,188	<b>3,188</b>	3,188	3,188
	14,283	11,141	11,141	18,785	<b>14,329</b>	14,329	14,329
<b>SCC CAPITAL INVESTMENT</b>							
	5,000	5,000	15,500	15,000	<b>21,400</b>	11,800	11,800
	42,225	33,516	44,016	51,160	<b>53,104</b>	43,504	43,504
DfT Maintenance Element	33,802	25,067	25,067	32,711	<b>28,255</b>	28,255	28,255

\*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. Similarly this table assumes that the Network North investment remains at its 2023/24 allocation rate.

## Capital Programme Structural and Preventative Maintenance

18. 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 has been developed in line with the above.

19. 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 2024/25 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, 2023/24 and, the anticipated funding through to 2026/27. DfT Funding is assumed to stay the same over the period with the exception of the Budget 2023 additional pothole fund.



**Table 2a: Highway Capital Funding 2023-24 to 2026-27  
Programme Resources\* (indicative subject to 2023/24 outturn)**

HIGHWAYS CAPITAL PROGRAMME RESOURCES					
as at February 2024					
INCOME					
	2023-24 Funding £000s	2024-25 Funding £000s	2025-26 Assumed Funding £000s	2026-27 Assumed Funding £000s	
<b>LOCAL TRANSPORT CAPITAL FUNDING</b>					
Assumed Highways Maintenance Block (Needs Element)	11,141	11,141	11,141	11,141	
5% Top-slicing	(557)	(557)	(557)	(557)	
Sub total	10,584	10,584	10,584	10,584	
Assumed Highways Maintenance Block (Incentive Element)	2,785	2,785	2,785	2,785	
	13,369	13,369	13,369	13,369	
From Integrated Transport Block	1,000	1,000	1,000	1,000	
Allocate Needs Element to Bridges	(1,828)	(1,828)	(1,828)	(1,828)	
Allocate Needs Element to Minor Capital Maintenance	0	0	0	0	
	12,541	12,541	12,541	12,541	
<b>Additional work delivered in year</b>	(721)				
	12,541	12,541	12,541	12,541	
<b>ADDITIONAL DfT FUNDING</b>					
Assumed Pothole and Challenge Fund	11,141	11,141	11,141	11,141	
Allocate to Bridges	(3,000)	(3,000)	(3,000)	(3,000)	
Allocate to Minor Capital Maintenance	0	0	0	0	
Member Schemes	0	0	0	0	
	20,682	20,682	20,682	20,682	
<b>Network North Investment</b>	<b>2,160</b>	<b>4,216</b>	<b>3,188</b>	<b>3,188</b>	
	<b>22,842</b>	<b>24,898</b>	<b>23,870</b>	<b>23,870</b>	
<b>ADDITIONAL COUNTY COUNCIL INVESTMENT</b>					
Additional Capital Investment	15,000	21,400	11,800	11,800	
Allocate to Minor Capital Maintenance	(5,000)	(5,000)	(5,000)	(5,000)	
Member Pothole Fund	(2,000)	(2,000)			
	8,000	14,400	6,800	6,800	
	30,842	39,298	30,670	30,670	
<b>OTHER FUNDING</b>					
From Integrated Transport Programme	0	0	0	0	
From Revenue	0	0	0	0	
2023 Budget additional DfT funding	4,456	0	0	0	
<b>TOTAL AVAILABLE FUNDING</b>	<b>35,298</b>	<b>39,298</b>	<b>30,670</b>	<b>30,670</b>	

20. Table 2b below provides an overview of the proposed allocation of capital funding across carriageways, drainage and footways from 2023/24 onwards based on the programme of works identified in Annexe 1 to this paper. An overcommitment is currently forecast based on the programme identified and this will be adjusted and reviewed as schemes are delivered and any further funding announcements made

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

<b>SUMMARY WORKS PROGRAMME</b>					
	2023-24 Funding £000s	2024-25 Funding £000s	2025-26 Assumed Funding £000s	2026-27 Assumed Funding £000s	
<b>Structural Maintenance</b>					
DfT Maintenance Grant	5,820	635	970	150	
Network North Investment	1,560	4,070	3,032	3,022	
SCC Capital Investment	3,650	10,515	1,367	2,400	
	<b>11,030</b>	<b>15,220</b>	<b>5,369</b>	<b>5,572</b>	
<b>Preventative Maintenance (Carriageway)</b>					
DfT Maintenance Grant	17,177	18,530	16,240	16,760	
Network North Investment	600	0	0	0	
SCC Capital Investment	4,800	4,100	5,100	4,050	
	<b>22,577</b>	<b>22,630</b>	<b>21,340</b>	<b>20,810</b>	
<b>Preventative Maintenance (Footway)</b>					
DfT Maintenance Grant	300	0	1,950	1,950	
Network North Investment	0	0	0	0	
SCC Capital Investment	0	0	0	0	
	<b>300</b>	<b>0</b>	<b>1,950</b>	<b>1,950</b>	
<b>Drainage Replacement</b>					
DfT Maintenance Grant	775	400	450	450	
Network North Investment	0	0	0	0	
SCC Capital Investment	0	600	0	0	
	<b>775</b>	<b>1,000</b>	<b>450</b>	<b>450</b>	
<b>SCRIM (Skid Resistance Sites)</b>					
DfT Maintenance Grant	350	400	350	350	
Network North Investment	0	0	0	0	
SCC Capital Investment	0	0	0	0	
	<b>350</b>	<b>400</b>	<b>350</b>	<b>350</b>	
<b>Total</b>	<b>35,032</b>	<b>39,250</b>	<b>29,459</b>	<b>29,132</b>	
<b>SCC Design, Supervision, Management &amp; Testing costs</b>					
DfT Maintenance Grant	703	737	1,012	1,079	
Network North Investment	60	150	156	166	
SCC Capital Investment	224	513	333	355	
	<b>987</b>	<b>1,400</b>	<b>1,500</b>	<b>1,600</b>	
<b>Grand Total</b>	<b>36,019</b>	<b>40,650</b>	<b>30,959</b>	<b>30,732</b>	

### **Structural Maintenance and Levelling Up Fund 2 programme.**

21. Over £26M to be invested in major structural repairs of life expired roads at the sites listed in Appendix 1a during the period .

## **Preventative Maintenance Surface Treatments**

22. 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.
23. A list of the sites that are proposed to receive preventative carriageway treatment in 2024/25 can be found at Appendix 1b.
24. 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**

25. 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 time settlement, ingress of tree roots and roadworks by third parties has caused widespread deterioration and damage.
26. Highway drainage features include gullies, kerb offlets, grips, backdrains, soakaways, catchpits, associated pipework and outfalls.
27. In recognition of the challenge of managing an aging drainage asset, the County Council is planning to invest £1.9M in total over the next three financial years on drainage repairs, targeted at locations where poor drainage is leading to premature road surface deterioration.

## **Structures**

28. 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.

29. The structures asset is currently valued at £1.4 billion with annual depreciation estimated to be around £15.5M.
30. For the next three years, the County Council is planning to invest up to £14.5M in structures funded from the DfT Grants.

### **Footways**

31. 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.
32. 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.
33. We previously recognised that this would have an impact on the delivery of our highway renewal works and suspended resurfacing work to footways to minimise this risk.
34. The forward programme now plans to recommence footway resurfacing schemes from the 2025/26 financial year as the digital programme reduces.

### **Potential Highway Risks**

35. 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.
36. 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.

37. 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 a review of programmes for future years should this occur. 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.
38. 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.
39. 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.
40. 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.
41. 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.
42. 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**

43. 2024/25 is the final year of current Department for Transport funding period. The authority is drafting the fourth Local Transport Plan (LTP4) this year which will include an Implementation Plan for the period 2025-30. The Integrated Transport programme is aligned with the objectives of the current District Integrated Transport Strategies but also recognises the emerging vision for LTP4 which has been scrutinised twice by Prosperous Overview and Scrutiny Committee.
44. The LTP's two guiding principles are:
- a. Provide a transport system that promotes high quality, prosperous places and puts people first. Transport can have positive and negative, direct and indirect, impacts on individuals and businesses. LTP4 will support sustainable economic growth, protect individuals' health and quality of life, and ensure accessibility is not a barrier to participation in community life.
  - b. Reduce dependency on petrol and diesel vehicles. To meet the 2050 net zero target, LTP4 must deter travel, switch travel to more sustainable modes, and improve the efficiency of vehicles and of highway maintenance activities.
45. To support scheme delivery from the beginning of the Implementation Plan period in 2025, the Integrated Transport programme includes design and feasibility studies.
46. The Local Cycling and Walking Infrastructure Plan (LCWIP) and Bus Service Improvement Plan (BSIP) will be refreshed as part of the LTP4 development this year. 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 current 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 current BSIP was published in October 2021 and will help to deliver the National Bus Strategy for England 'Bus Back Better'.
47. As well as generally contributing £1M towards highway structural maintenance, the Integrated Transport block provides £0.130M for Targeted wet road skidding sites 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 indicative Integrated Transport programme for 2024/25 is summarised in Table 3.

**Table 3: Total 2024/25 Indicative Integrated Transport Funding**

Source	2024/25
	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	578
Active Travel Fund	788
Paths for Everyone	308
HS2 Road Safety Fund	445
Parish Council contributions	50
Network Rail	500
East Staffordshire Borough Council Towns Fund	695
Newcastle-under-Lyme Borough Council Towns Fund	650
HS2 Vision for Active Travel	50
Ideal Standard (£10.9k)	11
Revenue Capability Funds	25
County Inflationary Fund available to Highways	750
Over allocation of programme	369
<b>TOTAL</b>	<b>7,668</b>

48. The Integrated Transport programme includes indicative S106 contributions of around £0.578M that are expected to deliver a range of transport schemes throughout Staffordshire to help mitigate the impact of new housing and employment developments.

49. Active Travel Funds in Table 3 include a £0.332M award from the Government's Active Travel Fund (Tranche 4) in 2023, in addition to the Tranche 3 funds not yet spent, 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 design and behaviour change initiatives.
50. 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 programme includes four schemes within Lichfield and the County Council intends to continue the delivery of the approved programme during 2024/25.
51. Part of the Vision for Active Travel for Communities Living Beside the HS2 Railway allocation of £2,097M awarded in 2022 will be spent in 2024/25 in Newcastle.
52. The proposed indicative 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 £7.668M, which includes a £0.75M allowance for inflation and a projected over-commitment of £0.369M, which will provide contingency for programme slippage that may occur from unforeseen events, including delays in land acquisition and outcome of local consultations.
53. 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 2024/25 were assessed and prioritised in January 2023. All schemes proposed were able to be accommodated within the programme.
54. Appendix 3 shows the locations of schemes across the County. Countywide schemes cannot be mapped.
55. 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 2023/24 programme are continuing to minimise the potential for overspend on the 2023/24 programme, which would be a first call on the funding available for 2024/25.



56. There is also the likelihood of the award of additional funding during 2024/25 which has not been included in this report or the appended capital programme. Staffordshire is awaiting the announcement of funding for Active Travel Fund (Tranche 4 extension), Zero Emission Bus Regional Areas (Tranche 2) and Traffic Signal Obsolescence Grant. In advance of the announcement of obsolescence funding the Integrated Transport programme contains £0.8M to refresh equipment as described above. There is the potential to review the value of this allocation if the Traffic Signal Obsolescence Grant bid is successful.
57. In 2023 £19.8m was awarded from Government's Levelling Up Fund (LUF2). This will deliver improvements including on the A38 and A511, to unlock housing, improve bus lanes and journey times and will include active travel. Existing spend in 2023/24 is £2.37m and £3.05m is forecast to be spent in Q4 2023/24. Table 4 below shows the forecast spend for the remaining LUF2 funds in 2024/25 and 2025/26 across the three LUF projects.

**Table 4: Projected Levelling Up Fund Project spend**

Project	2024/25			2025/26		
	LUF	Other	Total	LUF	Other	Total
	£m	£m	£m	£m	£m	£m
Project 1: A38 Branston Interchange	£4.5	£3.7	£8.2		£0.2	£0.2
Project 2: Access for All on the MRN	£5.4	£0.7	£6.1	£0.4		£0.4
Project 3: Greener Buses on the MRN	£1.5	£0.1	£1.6	£2.7		£2.7
<b>Total</b>	<b>£11.3</b>	<b>£4.5</b>	<b>£15.8</b>	<b>£3.1</b>	<b>£0.2</b>	<b>£3.3</b>

### Developer Agreements

58. 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.
59. 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**

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

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

61. It is expected that the programmes of work referenced in the body of this report will be managed within known available funding sources, including the assumed continuation of Capital Maintenance grants from the Department for Transport, in line with the previous year. Any change in grant would mean that the programme would have to be reviewed.

62. Monitoring of the capital programme is in line with set governance processes and quarterly updates are provided as part of the Integrated Performance reports. These updates will reflect any financial variations that may arise including additional and confirmed funding announcements, revised project completion timelines, finalisation of 2023/24 outturn position.

63. 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**

64. 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.

65. 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.

66. With more climate extremes likely over the coming years, local road networks are likely to become more susceptible to an increased frequency and severity of extreme weather events. Such risks have already presented themselves, with the vulnerability of the local authority highway networks to flooding, wind, extreme winter conditions, coastal erosion and extreme heat becoming increasingly evident. The HIAMP recognises that this may require changes to the way roads are designed and, maintained to ensure an appropriate degree of resilience but, that this will come at an additional cost which will only be fully understood as the impacts of climate change are dealt with.

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

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

**Appendix 2** - Proposed Integrated Transport Improvements 24/25

**Appendix 3** - Proposed Integrated Transport Improvements 24/25 Plans

### **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](#)

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