

Cabinet Meeting on Wednesday 17 March 2021

Highways and Transport Capital Programme 2021/22



Cllr 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.

This year we are investing £69 million in a range of major projects, vital local improvements and general road maintenance, but 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.”

Report Summary:

Staffordshire County Council is responsible for a highway asset valued at over £7.7 billion providing benefit to all as stakeholders. 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 ‘a connected Staffordshire, where everyone has 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 demands and expectations have meant the management of our highway assets has never been more important to ensure we achieve our outcomes.

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 locally. In recent years this has also been enhanced through government funding via the Pothole Fund

Revenue funding covers day to day expenditure such as emergency repairs, street lighting, grass cutting and winter maintenance and in 2021/22 will equate to £11.7m. However, most of the capital funding for replacing life expired highway assets is generally provided through government grant which in 2021/22 will be £25.067m (including the pothole fund) which is £8.735m less than the amount received in 2020/21. The County Council additional investment of £5m per year provided in recent years also ends on 31 March 2021. The grant for Integrated Transport improvements is £3.449m a slight increase (£26k) on the previous year.

Additional capital funding for Highways and Transport comes from the County Council’s own investment decisions, contributions from developers through S106 agreements and other stakeholders, and other bid applications. Over the last 10 years the County Council has provided in excess of £70m of additional investment to support

highway maintenance activities, including £5m per year in the four years 2017-18 to 2020-21 and additional revenue funding of £1.9m in 2020/21 from Reserves.

This report outlines the approach to highway asset management in Staffordshire, an estimate of the level of investment required to maintain the condition of the local road network at an appropriate level, the funding available in 2021/22 for this purpose and the proposed Highways and Transport capital investment programme.

Major schemes like Stafford Western Access Route (SWAR) and Lichfield Southern Bypass are funded and monitored separately. Street Lighting in Staffordshire is managed and maintained through a 25-year private finance deal which runs until May 2028.

Recommendations

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 Project Team monitors progress, and any significant in-year alterations are approved by the Assistant Director for Highways and the Built County in agreement with the Cabinet Member for Highways and Transportation.
- c. That the additional county council highways investment be extended initially for one more year by £5m, to be funded by earmarking the balance of the £3.6m contingency and £1.4m of usable capital receipts and for this investment to be reviewed as part of the review of the Strategic Plan and MTFs in the summer of 2021. The majority of this is used to support Minor Capital Maintenance £4.6m, with any balance being used on structural maintenance schemes.
- d. The Highway Infrastructure Asset Management Plan is updated and future investment options for the local road network are considered further by Cabinet as part of the budget cycle for 2022/23.

Local Members Interest
N/A

Cabinet – Wednesday 17 March 2021

Highways and Transport Capital Programme 2021/22

Recommendations of the Cabinet Member for Highways and Transport

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- d. The Highway Infrastructure Asset Management Plan is updated and future investment options for the local road network are considered further by Cabinet as part of the budget cycle for 2022/23.

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/Borough Integrated Transport Strategies and the Local Cycling and Walking Infrastructure Plan (LCWIP) ensure capital spending is clearly aligned to corporate priorities and delivers value for money.
2. In addition to capital investment, revenue funding is provided for day-to-day expenditure such as emergency repairs, street lighting, grass cutting and winter maintenance and in 2021/22 will equate to £11.7m. A significant element of capital funding for replacing life expired highway assets is generally provided through government grant which in 2021/22 will be £25.067m including the pothole fund and is £8.735m less than the amount received in 2020/21. The grant for Integrated Transport improvements is £3.449m a slight increase (£26k) on the previous year. Highway maintenance has been supplemented by other funding and over the last 10 years the County Council has provided in excess of £70m of additional

investment to support highway maintenance activities. The County Council additional investment of £5m per year provided in recent years ends on 31 March 2021, however this report includes a recommendation to extend this investment for one more year due to the reduction in Government grant.

The Highway Asset in Staffordshire

3. Highway infrastructure is the largest and most visible asset Staffordshire County Council (SCC) is responsible for. It includes over 6,000km of carriageway, 4,360km of footways, over 1,000 bridges and more than 115,000 streetlights and illuminated signs.
4. The local road network has an estimated gross replacement value of over £7.77 billion with 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.
5. 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 providing access for businesses and communities and a key part of an area's local character and quality of life.

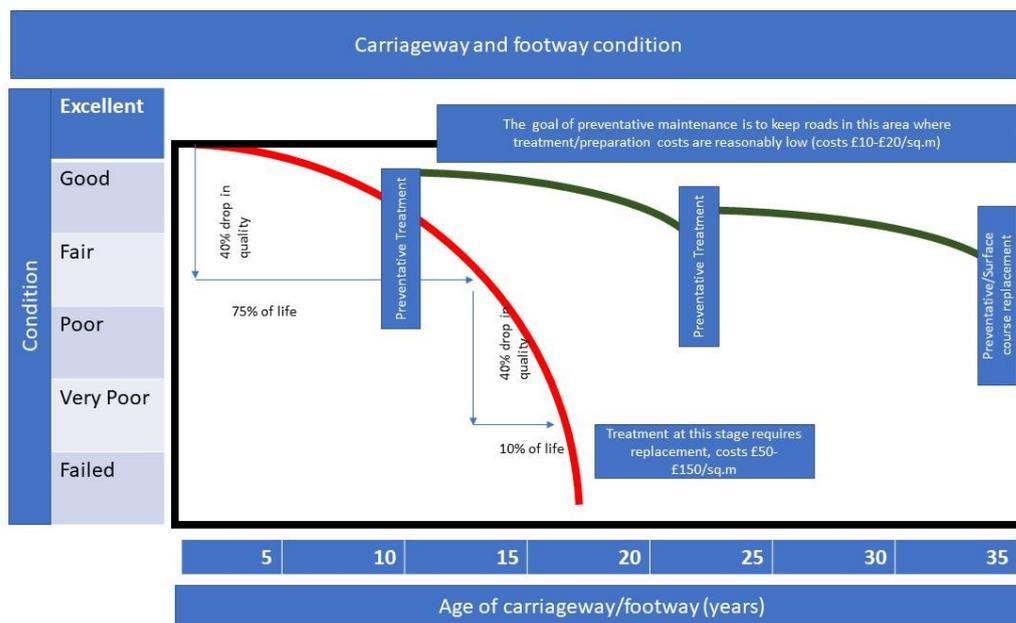
What is the challenge?

6. 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.
7. 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. Public pressure can result in short term fixes, to potholes for example, rather than properly planned and implemented longer term solutions such as preventative maintenance.
8. Public opinion surveys such as the National Highway and Transport Public Satisfaction Survey (NHT) continually highlight dissatisfaction with the condition of local roads. The 2020 survey carried out in Staffordshire received 923 responses, the highest level of satisfaction was with street lighting at 68%, the lowest for condition of the highway at 27%.
9. The recent and current economic climate poses big challenges to councils to make the best use of limited resources in providing an acceptable day to day highway service to the public whilst seeking to maintain the integrity of the road network for the future.
10. Asset management promotes a long-term view of how highways may be managed and is endorsed by the Department for Transport (DfT) and national sector led professional bodies such as the UK Roads Liaison Group. Being able to demonstrate an effective asset management led approach to the maintenance of the local road network is now a key element of achieving the highest level of funding

from the DfT for maintenance. The County Council's Highway Infrastructure Asset Management Plan (HIAMP) approved by Cabinet in November 2019 is a key document in this respect.

11. Carriageway asset modelling in 2019 carried out on behalf of the County Council by Yotta a company who specialise in highway asset modelling for local authorities, 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.
12. This figure rises to above £50m/year ongoing when taking account of other highway assets such as bridges and retaining walls. Similar condition modelling for structures estimates an average required annual spend on renewals of £6m per year compared to the circa. £2m per year currently allocated via the government grant. This figure excludes other key asset groups such as drainage and footways where other similar information is not currently available.
13. Clearly the funding provided to local authorities via Central Government grants falls below that required to maintain local roads which is why we make our own investments into Highways.
14. Preventative maintenance by surface treatments early in the life of a road is significantly more cost effective (typically £10-£20/sq.m) than allowing roads to deteriorate to the point where they require replacement (£50-£150/sq.m) or continuous repairs to potholes. The chart below illustrates how effective asset management and early treatment can significantly extend the life of the asset and is a fundamental part of the County Councils Highway Infrastructure Management Plan (HIAMP). The 'red line' shows the typical change in condition of a pavement over time. The use of preventative maintenance ('green line') such as surface dressing early in the life of the pavement, combined with subsequent further treatment can significantly extend the period of time until replacement is eventually required. Leaving maintenance work until later in the life results in the formation of defects and, replacement of the surface and/or underlying structure at significantly increased cost as noted above.

Diagram 1: Typical deterioration curve for carriageway/footways



15. The Council also 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 which must be fulfilled above and beyond the objectives of the HIAMP.
16. 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 which is managed under a PFI contract.
17. 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. Between 2009/10 and 2013/14 an extra £50m capital was also invested from the Council's own reserves
 - b. Between 2017/18 and 2020/21 an extra £21.9m was similarly invested from the Council's own funds.
 - c. A limited amount of grant funding has been diverted each year from the Integrated Transport Block allocation
18. The impact of Staffordshire's HIAMP together with the additional funding from the Council between 2009/10 and 2013/14 was 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 had a significant effect on road condition across the UK. Subsequent reductions in the level of funding available for asset renewal or preventative maintenance have since resulted in an increase in both the percentage

of roads in poor condition requiring renewal (red) and, preventative maintenance (amber). The percentage of carriageways requiring renewal in each class (red condition) and, renewal/preventative treatment (red and amber condition) between 2011 and 2019 is shown in the charts below. Further details of condition by road classification are provided in Annexe 1.

Chart 1: Percentage of roads by classification ('A', 'B', 'C', and unclassified) requiring replacement (red condition)

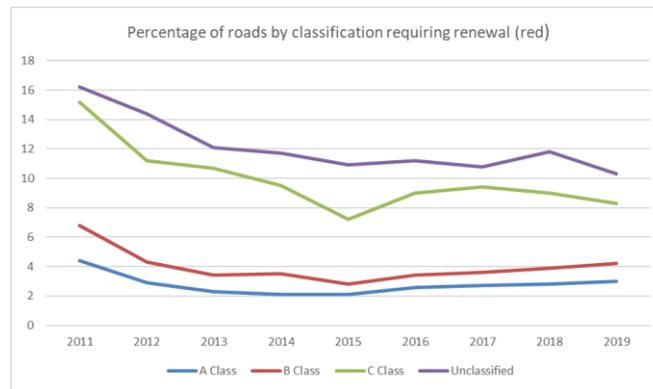
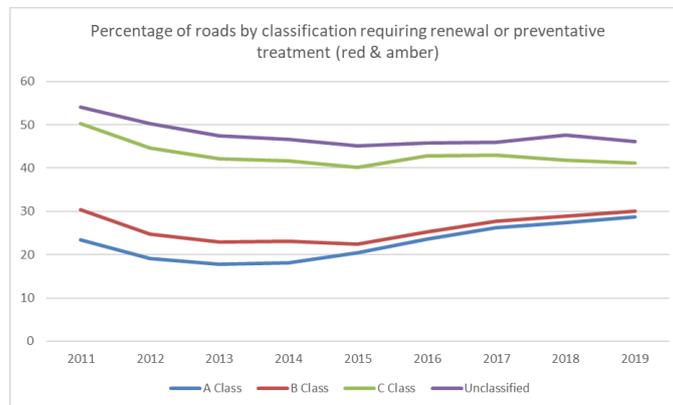


Chart 2: Percentage of roads by classification ('A', 'B', 'C', and unclassified) requiring replacement (red condition) or preventative (amber condition) maintenance



19. The added durability because of the earlier investment 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). Over the past decade, the service has made savings of over £13m/year (57%) ongoing to ensure we can live within our means.

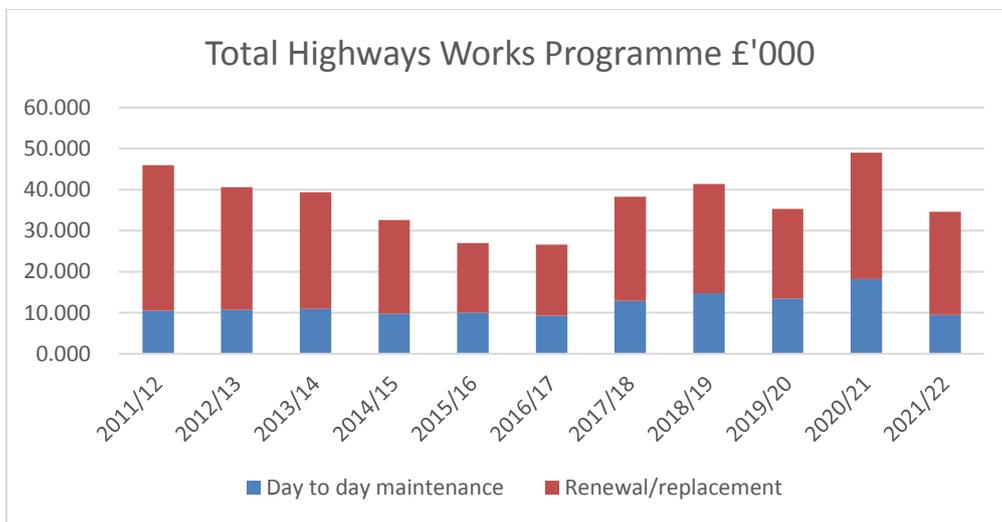
20. Road Condition data for 2019/20 continues to show a slight deterioration ('red' condition) across 'A' and 'B' classified roads although there was a slight improvement across 'C' classified and Unclassified roads due to the increased use of innovative 'additional lifecycle' treatments. It should be noted that these treatments, also being used on 'A' and 'B' roads, can extend the life of a road by a further 10-year period but it should be noted that we are now approaching the period

where long term solutions are necessary as more roads move to a condition where replacement rather than preventative treatment is required.

Value of the Highway Maintenance Works Programme

21. As noted above, the highway maintenance service is funded through a variety of sources including revenue, the DfT highway maintenance grant and, additional investment from the County Council. The chart below indicates the total value of the highway maintenance works programme each year (revenue and capital) from 2011/12 onwards. The variable nature of Government funding year on year impacts on the ability of the service and its supply chain to plan and invest in resources and the future workforce.

Chart 3: Total value of annual highway works programme (day to day maintenance and renewal/replacement) £'000



22. Early in 2017 due to the pressure on highway resources, and a deterioration in road condition data across all classifications, and customer feedback, Cabinet approved a £5m/year extra investment strategy between 2017/18 and 2020/21. The aim of this money was to reduce the backlog, and associated reputational and financial liability, of long-standing low-risk pothole defects. The investment strategy during 2020/21 has provided an extra:

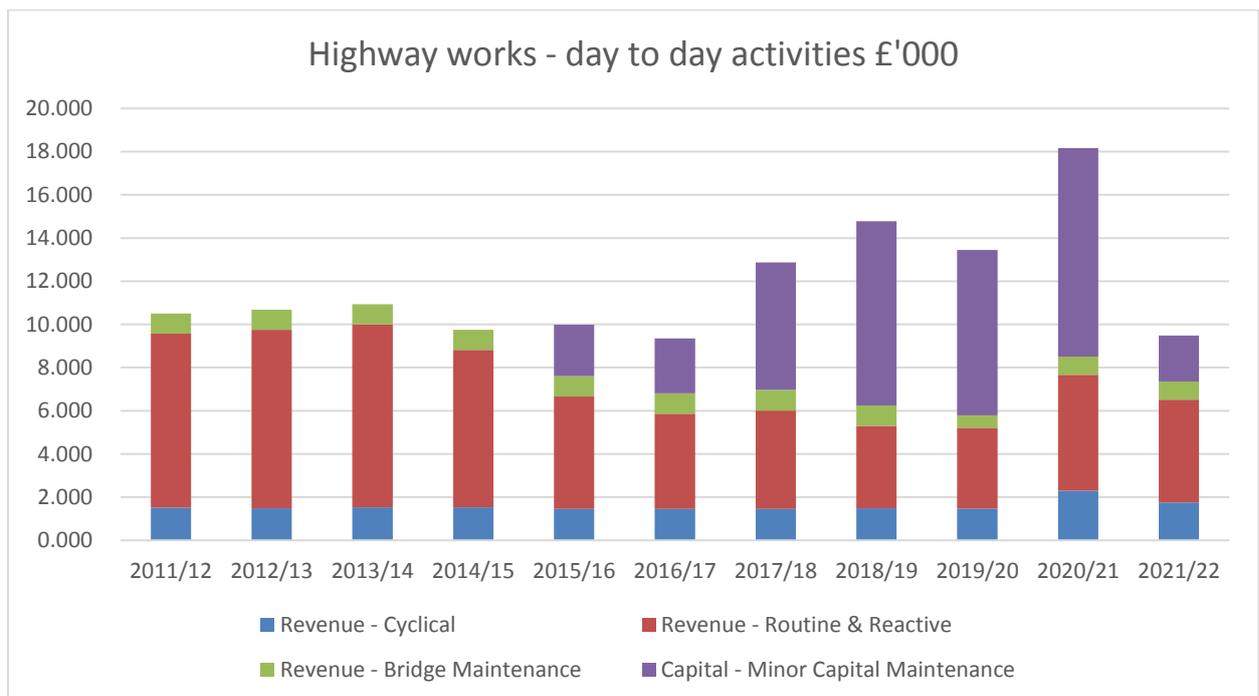
- a. £2m to provide a further 40,000m² of extra pothole repairs (approx. 9,000 individual defects);
- b. £2m to provide approximately 40 miles of additional low-cost pothole prevention surface treatments; and
- c. £1m towards additional drainage repairs, targeted at locations where poor drainage is leading to premature road surface deterioration.

23. The revenue budget for the highway service in 2021/22 is £29.7m which equates to approximately 5% of the Councils total annual revenue budget. After commitments including the streetlighting PFI, School Crossing Patrols and a range of statutory functions approximately £11.7m (2% of the Council's total revenue budget) remains for highway maintenance operations. This provides the following functions –

- a. Winter Gritting operations (£3.4m)
- b. Routine Maintenance of Structures (£0.9m)
- c. Cyclical Maintenance (Grass Cutting and Weed Control) (£1.7m)
- d. Gully emptying (£1.4m)
- e. Reactive Maintenance including Tree Works (£3.3m)
- f. Safety and routine highway inspections (£0.7m)
- g. Inspection of Structures (£0.3m)

24. 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 2020/21 this minor capital maintenance, plus, a the further £1.9m invested in year during 2020/21, focussed on drainage and other environmental activities totalled £9.6m. The chart below shows the funding for day-to-day maintenance activities and includes the minor capital maintenance support. This use of capital money does have the consequence of reducing the amount of funding available for preventative maintenance or renewal.

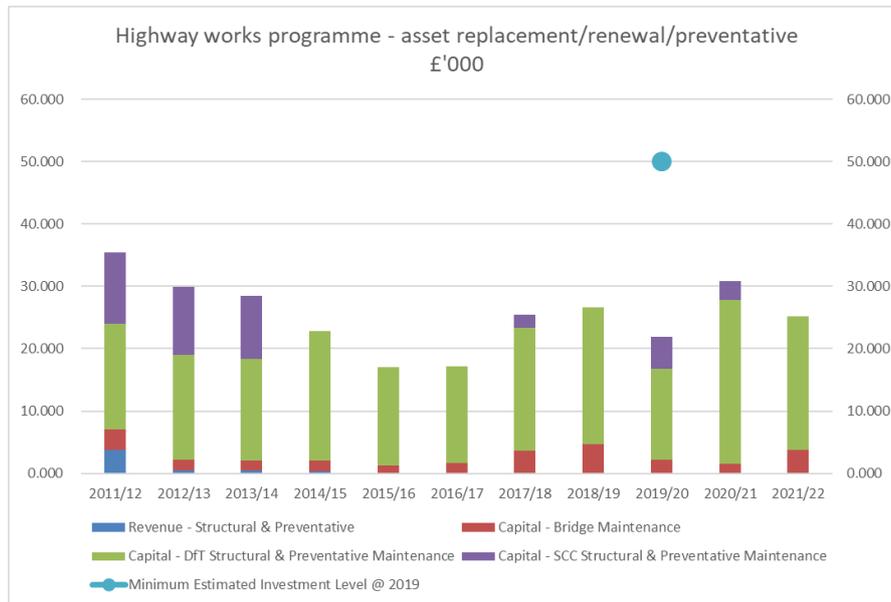
Chart 4: Highway works Day to Day activities £'000



25. The value of asset renewal and preventative maintenance work is shown in the chart below. As noted in paragraph 13 above, the annual investment required to maintain the asset in a steady state (carriageways and structures) is estimated to be at least £50m per annum and is also included below. This excludes the one-off investment of £75m required to bring the asset back to the required condition. This backlog will increase year on year whilst investment remains below the minimum required. **Construction price inflation and other issues such as reduction of carbon will also add to the gap year on year.** The authority has, in recent years been reliant on securing additional funds for bridges via competitive bidding processes from DfT known as the Challenge Fund. These successful bids have

enabled major work to take place on the two bridges in Burton upon Trent and, at Chetwynd Bridge on the A513 near the National Memorial Arboretum (NMA) which has been subject to single lane traffic signal-controlled working and hence increased delay to traffic and impact on events at the NMA.

Chart 5: Highway works asset renewal, replacement and preventative maintenance £'000



26. 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 2021/22

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

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

28. The funding currently known to be available to deliver the 2021/22 capital programme includes:

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

29. 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. From 2015/16 to 2020/21 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 provided up to £3.365m per year. It was originally understood that a different method of allocation would replace the incentive element from 2021/22 but it has now been confirmed that this is being continued. 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.

30. 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.
31. In recent years the government have 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.
32. The overall level of funding from DfT for the Highway Maintenance Block grant was announced on 15th February 2021 and for Staffordshire County Council consists of £11.141m for the highway maintenance needs element, £2.785m highway maintenance from the incentive fund (subject to the authority remaining a level 3 authority for asset management), £11.141m from the 'pothole' fund and £3.449m for Integrated Transport. **Overall, this represents an £8.709m reduction compared to 2020/21** the majority of the change being in the highway maintenance grants. The County Council additional investment of £5m per year provided in recent years ends on 31 March 2021 resulting in around £13.7m less being available for 2021/21 compared to 2020/21.

Table 1: DfT Capital Funding Allocations

DfT Capital Funding Allocations			
Announced 15th February 2021			
	2020-21	2021-22	Difference 2021-22 to 2020-21
	£000s	£000s	
LOCAL TRANSPORT CAPITAL FUNDING			
Highways Maintenance Block (Needs Element)	16,154	11,141	-5,013
Highways Maintenance Block (Incentive Element)	3,365	2,785	-580
Highways Maintenance Block	19,519	13,926	-5,593
Integrated Transport Block	3,423	3,449	26
	22,942	17,375	-5,567
ADDITIONAL DfT FUNDING			
Pothole and Challenge Fund	14,283	11,141	-3,142
	37,225	28,516	-8,709
Maintenance Element	33,802	25,067	-8,735

Capital Programme Structural and Preventative Maintenance 2021/22

33. 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 ensuring the most effective and efficient use of the available highway budget to ensure 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 2021/22 has been developed in line with the above.

34. 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 and provision has similarly been made for 2021/22 and this has been taken account of in the preparation of the programme. Table 2 below shows the available funding and proposed distribution including for comparison, 2020/21.

Table 2: Highway Capital Funding 2021-22 - Proposed distribution

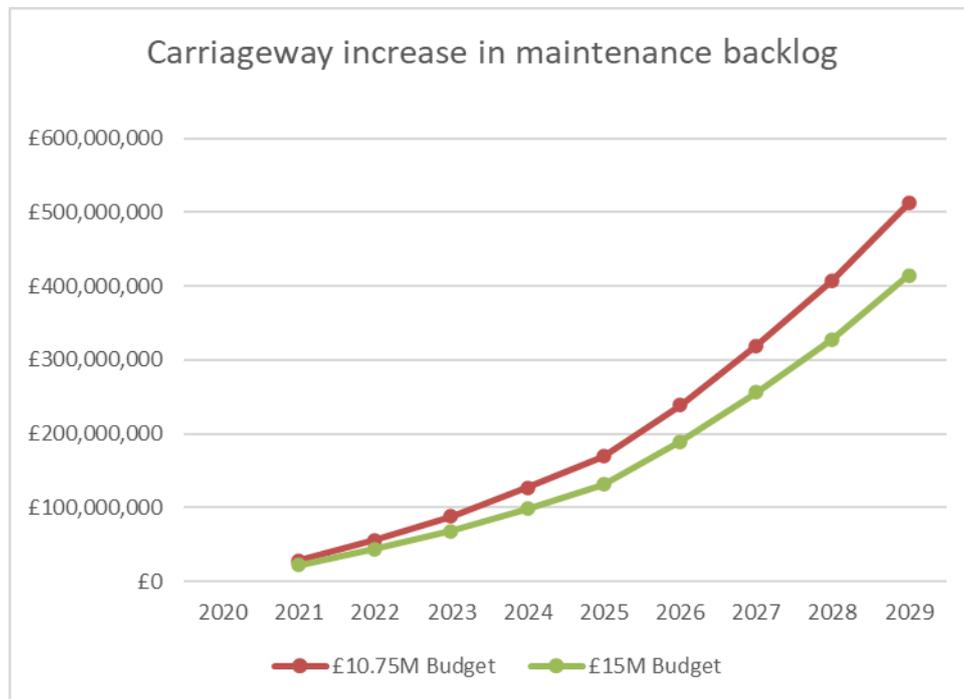
HIGHWAYS CAPITAL PROGRAMME STRUCTURAL & PREVENTATIVE MAINTENANCE RESOURCES 2021/22				
as at 15 February 2021				
2020-21 Current Programme		2021-22 Scenario 1 Funding DfT Only £000s		Differenc e 2021-22 compared to 2020- 21
£000s				
	LOCAL TRANSPORT CAPITAL FUNDING			
16,154	Highways Maintenance Block (Needs Element)	11,141		(5,013)
(808)	5% Top-slicing	(557)		251
15,346	Sub total	10,584		(4,762)
3,365	Highways Maintenance Block (Incentive Element)	2,785		(580)
18,711		13,369		(5,342)
1,000	From Integrated Transport Block	1,000		0
(1,328)	Allocate Needs Element to Bridges	(1,328)		0
(2,119)	Allocate Needs Element to Minor Capital Maintenance	(2,119)		0
16,264		10,922		(5,342)
(664)	less potential Over-Achievement in 2020-21	To be added		
15,600		10,922		(4,678)
	ADDITIONAL DfT FUNDING			
14,283	Potential Pothole and Challenge Fund	11,141		(3,142)
(210)	Allocate to Bridges	(500)		(290)
(4,602)	Allocate to Minor Capital Maintenance Member Schemes			4,602
25,071		21,563		(3,508)
	ADDITIONAL COUNTY COUNCIL INVESTMENT			
5,000	Additional Capital Investment			
(2,000)	Allocate to Minor Capital Maintenance			
28,071		21,563		(6,508)
	OTHER FUNDING			
130	From Integrated Transport Programme			
63	From Integrated Transport Programme			
24	From Integrated Transport Programme			
1,075	From Revenue			
29,363	TOTAL AVAILABLE FUNDING	21,563		(7,800)
	PROPOSED PROGRAMME			
160	Structural maintenance scheme preparation	100		(60)
1,100	Footway preventative schemes	1,056		(44)
2,100	Footway preventative preparation	1,320		(780)
7,600	Carriageway preventative schemes	7,500		(100)
6,500	Carriageway preventative preparation	6,330		(170)
750	Lining & studs	660		(90)
150	Carriageway preventative Traffic Management	132		(18)
250	Footway micro asphalt schemes	704		454
800	Structural Drainage Schemes	880		80
7830	Structural Maintenance Schemes	1,093		(6,737)
	Response to annual scrim assessment	78		78
1289	Other Indirect Costs	873		(416)
762	Design and other non-works e.g. testing	837		75
29,291		21,563		(7,728)

35. In minimising the impact on the preventative maintenance programme, and the structural drainage programme, the minor capital maintenance fund has been reduced to the need's element only, a circa. £4.6m reduction.
36. The footway preventative programme will be £3.45m compared to £3.08m in 2020/21. Carriageway preventative maintenance will be £14.62m compared to £15.0m in 2020/21. The footway and carriageway preventative programmes combined will deliver surface treatments to over 650 streets across the county. The majority of the reduction in capital spend is proposed to be in structural maintenance which will be £1.09m compared to £7.83m in 2020/21 plus additional funding of £0.4m subject to recommendation c. Details of the schemes to be delivered in the structural maintenance and drainage programme are provided in Appendix 1a.

Highway Risks

37. 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. 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. As noted in paragraphs 11 and 12 above, 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. Based on the distribution of funds in Table 2 above, the value of work on carriageways in 2020/21 will be circa. £14.6m.
39. Chart 6: below shows how the potential increase in the size of the backlog of carriageway works in 10 years' time is reduced by the impact of the £5m/year funding from the County Council. Over a period of 10 years this could reduce the increase in the backlog by £97m.

Chart 6: Estimated increase in Carriageway Maintenance backlog for £15m and £10.75m per annum spend on carriageway preventative/structural maintenance.



40. 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. Highways England for example receives 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.
41. 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.
42. 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.
43. Whilst repairs to high-risk highways will continue to be prioritised, the reduction in the minor capital maintenance budget would mean a significant reduction in the number of other lower risk repairs such as potholes, minor patching and drainage repairs that are completed. This could equate to between ten and twenty thousand repairs depending on the type of defect.

Integrated Transport Programme

44. The 2021/22 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). The Transport Strategies are updated to support the District/Borough Local Plans and the** County Council's Strategic Plan for 2018 to 2022 which has three interconnected priority outcomes that were refreshed in 2020, as follows:
- Have access to more good jobs and share the benefits of economic growth
 - Be healthier and independent for longer
 - Feel safer, happier and more supported in their community
45. The Integrated Transport programme will help to support the housing and employment allocations in Local Plans and 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 is to develop our local transport networks to provide sustainable connections and unlock housing, town centre and employment growth.
46. The LCWIP will be pivotal in helping the County Council to 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 will be reported to the County Council's Prosperous Select Committee on 15 April 2021 before a final version is published.
47. 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 £0.634m 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 2021/22 is summarised in Table 3.

Table 3: Total 2021/22 Integrated Transport Funding

Source	Funding (£'000)
Integrated Transport Block Grant	3,450
Less funding to support Highways structural Maintenance	<u>(1,000)</u>
	2,450
Other capital funding	
S106 developer contributions	1,074
Active Travel Fund (Tranche 2)	1,830

HS2 Phase One Road Safety Fund	726
LEP Getting Building Fund	463
Cannock Chase Council Community Infrastructure Levy	162
Heritage Lottery Fund	50
Highway England	75
West Midlands Railway (CCIF fund)	35
Bus lane enforcement revenue	83
Parish Councillor contributions	19
TOTAL	6,967

48. The Integrated Transport programme includes S106 contributions of around £1.074m that are expected to deliver a range of transport schemes throughout Staffordshire to help mitigate the impact of new housing and employment developments. A separate programme of S278 highway works is also delivered through the Infrastructure+ partnership to facilitate development as part of the planning approval process.
49. In 2020, £1.83m was awarded from the Government's Active Travel Fund (Tranche 2) which exceeded our indicative allocation of £1.446m. It will help to deliver the LCWIP. Four permanent schemes estimated to cost around £2.26m were included in the bid and all four schemes will be taken forward to consultation. Public opinion will be tested thoroughly before any of the four schemes are delivered to ensure that there is majority support.
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. 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 draw down around £0.726m of this funding in 2021/22. Appendix 4 outlines the process that has been undertaken to identify the proposed programme of works.
51. Stoke on Trent & Staffordshire LEP has awarded the County Council with £0.651m funding under the Getting Building Fund, with £0.188m allocated to schemes in 2020/21 and £0.463m allocated to schemes in the 2021/22 programme. The project entails 3.6km of walking/cycling infrastructure in Tamworth, Biddulph, Burton upon Trent, Uttoxeter, Burntwood and Eccleshall, facilitating a Green recovery and continuing the rediscovery of active travel seen throughout the COVID-19 pandemic.
52. 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 2021/22 were assessed and prioritised in January 2021. To fund all these schemes from within the Integrated Transport block would have required £3.352m, significantly in excess of the available Transport block and 14 schemes had to be deferred for consideration in future years.

53. The proposed programme is set out in Appendix B 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 £7.151m, a projected over-commitment of £0.184m, which will provide contingency for programme slippage that may occur from unforeseen events, including delays in land acquisition and outcome of local consultations.
54. 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 2020/21 programme are continuing to minimise the potential for overspend on the 2020/21 programme, which would be a first call on the funding available for 2021/22.
55. There is also the likelihood of the award of additional funding during 2021/22 which has not been included in this report or the appended capital programme. The Department for Transport has announced that the total walking and cycling funding settlement for 2021/22 is £257m. From this total, £173m capital funds and £30m revenue funds will be provided to local authorities in England outside London. Subject to final decisions from Ministers, the majority of this funding will go to authorities who have developed a completed Local Cycling and Walking Infrastructure Plan (LCWIP), based on a formula that balances delivery of DfT outcomes (levelling up / local growth, health, air quality, carbon etc) with deliverability and value for money. Full details of this funding have not yet been announced.

Medium Term Financial Implications

56. The reductions in capital grant allocations from government come at an unfortunate time as they are straight after the end of the previous additional investment from the county council. It is unclear whether the government reductions 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.
57. In the meantime, it is suggested that to reduce the level of the programme to balance with the funding to be made available by government at this late stage in the planning process would be most harmful. To this end it is proposed that the additional investment programme be extended for a further 12 months. This will allow a more appropriate programme to be delivered which, whilst not ideal, will be more in line with that delivered in recent years. It will also allow further time for review and reflection of the council's Strategic Plan which is planned in the summer and also may result in some more insight into the thinking into government funding allocations for future years (2022/23 and beyond) as part of the 2021 Budget and Spending Review.

58. It is recommended that an additional £5m be funded by earmarking the remaining balance on the 2020/21 contingency of £3.6m together with £1.4m of usable capital receipts to be generated next year. This additional funding can be made available immediately and may facilitate some early starts to the planned projects and works outlined in this report.

List of Background Documents/Appendices:

Appendix 1 – Carriageway condition by road classification
Appendix 1a – Proposed Structural Maintenance and Drainage Programme
Appendix 2 – Proposed Integrated Transport Improvements 21/22
Appendix 3 – HS2 Phase One: Road Safety Fund Briefing Note

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

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