



Name of meeting: Cabinet
Date: 19th March 2019

Title of report: Highways Capital Plan 2019/20

Purpose of Report: For Cabinet to consider the detailed 2 year Highways Capital Plan for 2019/20

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Yes
The Decision - Is it eligible for call in by <u>Scrutiny</u>?	Yes
Date signed off by Strategic <u>Director</u> Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Karl Battersby - 6.03.2019 Eamonn Croston - 8.03.2019 Julie Muscroft - 8.03.2019
Cabinet member <u>portfolio</u>	Cllr Naheed Mather - Corporate Peter McBride - Economy

Electoral wards affected: All
Ward councillors consulted: None

Public or private: Public

GDPR - The report contains no personal data and is GDPR compliant

1. Summary

The Highways Capital Plan for 2019/20 is a detailed programme of works to be implemented over the next 2 years.

2. Information required to take a decision

2.1 Background

- The Highways Capital Plan is an investment in the highway asset that includes road surfacing, street lighting, structures, road safety, encouraging walking and cycling, flood management and drainage, traffic signals (UTMC), car parks and public transport provision.
- On 13th February 2019 Council approved the 6 Year Capital Investment Plan 2018/19 – 2023/24. The Plan included a sum of £13,568k for Highways Service in 2019/20 (baseline and one-off projects). The attached detailed Highways Capital Plan (appendix 1) adds individual scheme detail to the approved high level programme for 2019/20 and 2020/21.
- The allocation of capital grants for Highway Maintenance and Integrated Transport is evolving as the new financial year approaches. The grants assumed are indicative but subject to final adjustment.
- The maintenance programmes for highway assets have been determined in line with the highways asset management strategy which demands a lifecycle planning approach in line with National guidance and good practices.

2.2 Department for Transport (DfT) funding through the Local Transport Plan (LTP)

The DfT grant allocations for Highway Maintenance and Integrated Transport schemes identified through the LTP are administered by the West Yorkshire Combined Authority and as such approval to those sections will also have to be sought through their governance procedures.

DfT Highway Maintenance Allocations

This allocation supports the maintenance of roads, street lighting and structures.

In January 2014 the DfT announced a review of how the six year national funding package of £5.853 billion for highway maintenance was allocated. There are now three elements to the Highway Maintenance allocation.

i. Needs Element

The needs element is a formulaic calculation of grant based on asset inventory count of key highway asset types such as road length, bridges, street lighting and cycleways.

The needs grant element to Kirklees is:-

	Allocation	Indicative Allocation	
Year	2018/19	2019/20	2020/21
Kirklees	£4,921k	£4,921k	£4,921k

ii. Incentive Element

An incentive element dependent on an Authority's pursuit of efficiencies and its use of asset management practices.

Every authority has the opportunity to secure additional funding through the incentive element from 2016/17. Highway Authorities have completed a self-assessment of their efficiencies and use of good asset management practices. This assessment will result in placement as a band 1, 2 or 3 Authority and then the adjusted allocations from that part of the fund will follow. The aim is to promote continual improvements in delivery and management efficiency and evidencing this will be part of each Local Authority's self-assessment. An Authority that cannot demonstrate this by 2020 will receive no "incentive element" of the total funding.

% of Incentive Award by Band achieved

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Band 1	100%	90%	60%	30%	10%	0%
Band 2	100%	100%	90%	70%	50%	30%
Band 3	100%	100%	100%	100%	100%	100%

£'000 grant award

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Band 1	0	305	305	308	103	0
Band 2	0	339	458	718	513	308
Band 3	0	339	509	1025	1025	1025

Kirklees has made a submission which we believe will satisfy band 3 criteria for 2019/20. We anticipate an announcement from DfT at the end of March to confirm this. The approved Highways baseline Capital Plan assumes Band 3 in 2019/20 and Band 2 in 2020/21 anticipating changes to the scope of assessment of highway asset management and the requirement for associated evidence. This evident in a reduced allocation for Roads Connecting Communities in 2020/21.

iii. Challenge Fund

The Challenge Fund, which is a top-slice of the total Maintenance Allocation, has been set up to address ageing infrastructure which may now be nearing the end of its lifecycle, has reached the end of its lifecycle earlier than originally envisaged, or which has deteriorated due to recent severe weather events.

This Challenge Fund enables local highway authorities in England to bid for funding from the government for major maintenance projects that are otherwise difficult to fund through the normal allocations they receive.

At present there we have no grant applications submitted for this fund but will actively seek additional grant as new initiatives are announced.

DfT Integrated Transport Allocation

In keeping with recent years, the Integrated Transport Allocation for our area is allocated to the West Yorkshire Combined Authority, for delivery against a West Yorkshire programme of schemes.

In 2019/20 this allocation enables Casualty Reduction Schemes and Community Traffic projects the Safer Roads programme.

The report to Budget Council in February 2019 estimated an Integrated Transport grant allocation of £500k. The final amount has still to be determined through project discussions with WYCA and will be confirmed soon.

2.3 Pothole Action Fund

The Pothole Action Fund is a specific grant award by the Department for Transport for permanent pothole repairs or road resurfacing to help prevent potholes from forming. It is determined pro rata of the national award on road length maintained. There is a forward programme to 2020/21 however the annual allocation varies year on year. The allocation is to add to rather than replace planned Council investment in pothole repairs. The Capital Plan assumes a grant allocation of £452k in 2019/20 and this would usually be announced in late March, however Kirklees has already benefitted by an additional allocation of £2,711k in November Budget 2018 so there is some air of caution around further allocation for 2019/20.

2.4 Network Management

West Yorkshire Combined Authority have approved two programmes of improvements to UTM equipment.

- i) A £600k programme to improve facilities at key junctions on the West Yorkshire Key Route Network funded through The West Yorkshire Plus Transport Fund
- ii) A three year programme of additional investment to renew the traffic signal asset and address life expired UTM equipment on the West Yorkshire Key Route Network funded through the Ltp Integrated Transport grant. A £340k per year allowance has been made in the Capital Plan and the final settlement will be an update in a future update of the Capital Plan.

2.5 Flood Management

The council continued to be successful securing Environment Agency Grant for flood studies and to extend its understanding of local flood risk.

A grant of £1,300k, secured over a 6 year period, will deliver a rolling programme of repairs and improvements to old culverts around the district. £230k of the grant is earmarked for 18/19 and requires £50k of Kirklees Capital match funding from within the existing approved Flood Management programme for 18/19, and for the 4 years thereafter. The grant will reduce flood risk to 750 properties near the culverts and reduce some of the maintenance burden for landowners, including the Council.

2.6 Road Surfacing Programme

The road surfacing programme for higher use roads is determined by machine condition surveys and is maintenance grant funded.

The Local Community Road surfacing programme for low traffic and local roads is determined by visual condition surveys and is funded through the Council borrowing element of the programme. In 2018/19 there has been a near complete survey of current road condition and a prioritisation of roads to strengthen / resurface.

2.7 Asset Management

A summary report on works completed 2018/19, current condition and methodology for scheme selection for all assets will be presented to Cabinet early in the new financial year.

2.8 Council Funding

Council capital investment in the 2019/20 Highways Capital Plan amounts to £5,700k funded through prudential borrowing.

2.9 Other points to Note

- Acceptance by the council of the pothole grant funding is on the understanding that it is additional to and not a replacement of council or other funding for highways.
- Highways schemes are sometimes delayed to allow works by 3rd parties, notably utility companies, so in some programme areas additional schemes are shown below the cut off line as contingency schemes and introduced to the programme if other schemes are deferred.
- In addition to works within the Highways Capital Plan a number of major transport improvement schemes are being developed for implementation in future years as part of the £1bn. West Yorkshire Plus Transport Fund.

3. Implications for the Council

3.1 Working with People

Schemes will be developed in conjunction with communication, consultation and feedback from the community and their representatives.

3.2 Working with Partners

Maintenance and improvements to the transport network are vital for the development of local businesses and helps develop Kirklees as a quality place where people want to live, work and visit.

3.3 Place Based Working

Programmes are shaped to follow good asset management practice. Sites will be promoted where community access need is greatest e.g. schools, shops, community facilities.

3.4 Improving Outcomes for Children

There will be no impact.

3.5 Other

The detailed plan will be managed and monitored by the service in accordance with 3.10 of the Council's Financial Procedure Rules that delegates authority to manage the Plan at Service Director level.

4. Consultees and their opinions

This report has been prepared in consultation with Strategic Directors, Service Directors, Heads of Service, Portfolio Holder for Communities and Environment, through discussion at Senior Leadership Team, Portfolio Briefing, and the Executive Team.

Strategic Finance have been consulted and are in agreement with the contents of this report.

5. Next steps

Highways will continue to manage the delivery of schemes within the Capital Plan by updates throughout the financial year to Cabinet.

6. Officer recommendations and reasons

- a) That Cabinet approve the detailed Capital Plan 2019/20 in the sum of £13,568k as shown in Appendix 1.

7. Cabinet portfolio holder's recommendations

Councillor Peter McBride on behalf of Councillor Naheed Mather

The Capital Plan is currently a modest program, partly funded from the centre and partly from local borrowing. In recent years we have become more dependent on West Yorkshire, for income for strategic schemes or for responding to government bidding processes. Mostly what we see here, is proposed expenditure on maintenance which is hardly sufficient to meet demands of major and strategic routes, which leaves the backlog on the rest, ie the majority of roads widening still further.

8. Contact officer

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9. Background Papers and History of Decisions

Papers:
Appendix 1 - Highways Detailed Baseline Capital Plan 2019-20 and 2020-21

10. Service Directors responsible

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