

**Name of meeting:** Cabinet

**Date:** On the Agenda for 1<sup>st</sup> June 2021

**Title of report:** Highways 2 year detailed Capital Plan 2021/22 and 2022/23

**Purpose of report:** For Cabinet to approve the detailed 2 year Highways Capital Plan for 2021/22 and 2022/23

|                                                                                                                                            |                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 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<br><br>Spend on capital plan is over £250k in spend |
| Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u> ?                                            | Key Decision - Yes                                      |
| The Decision - Is it eligible for call in by Scrutiny?                                                                                     | Yes                                                     |
| Date signed off by <u>Strategic Director</u> & name                                                                                        | Colin Parr - 17.05.2021                                 |
| Is it also signed off by the Service Director for Finance?                                                                                 | Eamonn Croston – 06.05.2021                             |
| Is it also signed off by the Service Director for Legal Governance and Commissioning?                                                      | Karl Larrad, on behalf of Julie Muscroft – 05.05.2021   |
| Cabinet member <a href="#">portfolio</a>                                                                                                   | Cllr Naheed Mather – Culture and Environment            |

**Electoral wards affected:** All

**Ward councillors consulted:** None

**Public or private:** Public

**Has GDPR been considered?** The report contains no personal data and is GDPR compliant

## **1. Summary**

The Highways Capital Plan for 2021/22 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 outlines investment in the highway asset, including road surfacing, street lighting, structures, road safety, walking and cycling, flood management and drainage, traffic signals (UTMC), car parks and public transport provision.
- On 13<sup>th</sup> February 2019 Council approved the 6 Year Capital Investment Plan 2018/19 – 2023/24. The Plan included £12,351,000 for Highways Service in 21/22 (baseline and one-off projects). This has increased to £22,984,237 due to an increase in Local Transport Plan funding and various grants; approval of a £15m Unclassified Roads budget in 2020-2023; and the reprofiling of schemes due to the COVID pandemic, winter and resourcing issues which have impacted the delivery of several schemes in 2020/21, including:
  - £1,215,000 in the structures budget
  - £1,740,000 across Principal Roads, Roads Connecting Communities and Local Community Roads
  - £1,737,472 in the Locality Based Unclassified Roads budgets to align the funding with the cabinet approved programme. (majority of this is in 2022/23)
  - £320,072 in Integrated Transport and Mobility, Cycling and Walking
  - £793,000 within 2E Safer Roads

This amounts to a total re-profile of £5,805,544 which is £2,457,472 council borrowing and £3,348,072 grant monies.

- The attached Highways Capital Plan (appendix 1) also reflects the highway maintenance and local transport plan grant allocations for 2021/22 only, which was received on 15<sup>th</sup> February 2021 and adds individual scheme detail to the approved high-level programme for 2021/22 and 2022/23.
- 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.
- The schemes identified under the Locality based Unclassified roads improvements heading were approved by Cabinet on 19<sup>th</sup> January 2021.

### **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 has been sought through their governance procedures.

## Department for transport (DfT) Highway Maintenance Allocations

This provides funding for the annual programmes to improve the condition of 1900km of roads, 2333km of pavements and cycleways, 754 bridges, larger culverts, subways and retaining/other walls. 58,805 streetlights, signs etc, c250km of drains, 75,653 gullies plus other items such as road markings and street furniture.

- On 15th February 2021 The DfT announced a one-year maintenance allocation. The funding for 2021/22 is made up of 2 elements, the Needs Element and the Incentive Element. In previous years local highway authorities in West Yorkshire have been successful securing challenge fund grant, which has brought much needed additional funding to address specific highway asset concerns. However, no challenge funding has been made available for highway authorities this year.

The amount of funding granted for each element and the pothole grant combined represents a reduction of £2.1m when compared to the 2020/21 grant.

The reduction in the Highways Capital grant in 21-22 will reduce the Highway Structures baseline funding from £1.2M to £848k. The impact of this reduction will be mitigated in 21/22 and 22/23 through the structures reprofiling mentioned above. However, going forward the loss of funding of this magnitude will severely impact the Council's ability to effectively manage the highway structures assets and the development of a forward programme of works for delivery in future.

### i. Needs Element

This 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 for Kirklees is: -

|          | Allocation | Indicative Allocation |
|----------|------------|-----------------------|
| Year     | 2021/22    | 2020/21               |
| Kirklees | £3,394,000 | £3,394,000            |

### ii. Incentive Element

This is dependent on an Authority's pursuance of efficiency improvements and its use of asset management practices.

Every authority can 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 results in placement as a band 1, 2 or 3 Authority. The DfT intent is to promote and reward continual improvements in delivery and management efficiency, evidenced through each Local Authority's self-assessment. An Authority that cannot demonstrate this by 2020 will receive no "incentive element" of the total funding. Initially the incentive award was approved by central government in 2014 through to 2020/21. However, the requirements and banding percentages from 2020/21 have remained in place for 2021/22, but the amount of available funding has been reduced.

## % of Incentive Award by Band achieved

|        | 2020/21 | 2021/22     |
|--------|---------|-------------|
| Band 1 | 0%      | <b>10%</b>  |
| Band 2 | 30%     | <b>50%</b>  |
| Band 3 | 100%    | <b>100%</b> |

## £'grant award

| Year   | 2020/21   | 2021/21        |
|--------|-----------|----------------|
| Band 1 | 103,000   | <b>0</b>       |
| Band 2 | 513,000   | <b>424,257</b> |
| Band 3 | 1,025,000 | <b>848,514</b> |

Kirklees' self-assessment demonstrates the achievement of Band 3 and the a submission for 2021/22 has been made on that basis. We anticipate confirmation from DfT soon. The approved Highways baseline Capital Plan assumes Band 3 in 2021/22 and no funding in 2022/23 whilst we await the announcement on the incentive fund requirements for 2022/23 and beyond.

### 2.3 Pothole Action Fund

The Pothole Action Fund is a specific grant award by the DfT for permanent pothole repairs or road resurfacing to help prevent potholes from forming. It was determined pro rata of the national award on road length maintained. This amount was also announced by DfT on 15<sup>th</sup> February. The allocation adds to the planned Council investment in pothole repairs. The Council have received a grant of £3,393,995 for 2021/22.

In 2020/21 this funding ensured the delivery of 11 small resurfacing and large patching schemes and 11 full resurfacing schemes.

### 2.3 Street lighting

In June 2018 cabinet approved an £11m streetlighting replacement scheme within the 2018/19 – 2022/23 Capital Plan, of which a SALIX interest free loan of £5.9m was applied.

The spend profile of the £11m approved funding was as follows.

| Year | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|------|---------|---------|---------|---------|---------|
|      | £3m     | £3m     | £3m     | £1m     | £1m     |

Due to accelerated progress on the delivery of the programme we are proposing to bring forward the 2022/23 allocation into 2021/22 making the allocations for 2021/22 £2m with no funding in 2022/23

The council has successfully converted around 82 % (43,500) of our streetlights from the orange glow to new white LED which is providing a saving of about 60% of energy used, with corresponding reductions in carbon generation.

A further funding application is currently being agreed with Salix (Salix2) to open up an additional loan amount to extend the LED replacement improvement programme for the years 2023 onwards which will be taken for financial business case approval once a decision has been made and updates will be included in future capital reports to cabinet.

### DfT Integrated Transport Block 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.

## **2.4 Safer Roads**

Latest figures from WYCA show an Integrated Transport grant allocation of £1.211m for 2021/22. This splits into £761k for Casualty Reduction and Community Traffic Schemes and £450k for Healthy Streets.

## **2.5 Network Management**

A three-year programme of additional investment was approved in 2018/19 through the LTP Integrated Transport grant. The approved funding was for £391k per year to renew the traffic signal asset and address life expired Urban Traffic Management and Control (traffic light) equipment on the West Yorkshire Key Route Network.

West Yorkshire Combined Authority approve additional improvements to UTMC (traffic signals equipment and the wide area traffic control) network each year, the funding for which fits within the Transportation Capital Plan, titled West Yorkshire Transport Fund.

## **2.6 Flood Management**

A grant of £1.4M, secured over a 6-year period from 2018/19, will deliver a rolling programme of repairs and improvements to old culverts around the district. An average of £230k of the grant is earmarked for each year (however any spend whether higher or lower is reimbursed from the Environment Agency each financial year). This grant requires £50,000 of Kirklees Capital match funding from within the existing approved Flood Management Schemes programme.

The grant will reduce flood risk to 750 properties near the culverts and reduce some of the maintenance burden for landowners, including the Council.

The Council borrowing allocation supports the improvement of the drainage assets to manage flood risk including improvements to gullies, highway drains, debris screens and highway culverts. It supports the undertaking of flood alleviation studies and investigative work to further understand the cause of flooding to support the installation of new infrastructure to mitigate the impact.

## **2.7 Integrated Public Transport & Cycling and Walking**

Offering sustainable alternatives to car use is a key element of a programme that provides a road map supporting Kirklees' vision to be carbon neutral by 2038.

The Integrated Public Transport element supports small scale improvements to bus services that improve reliability and accessibility and supports delivery of a wider West Yorkshire bus strategy.

Additional Air Quality funding of £115,000 was approved in 2020/21 to be allocated towards 2021/22 Initiatives to support the Council's delivery of the West Yorkshire Low Emission Strategy.

The Cycling and Walking elements support the development of active travel initiatives across Kirklees, in particular route development and the implementation of small-scale measures to improve accessibility to and on the network.

## **2.8 Road Surfacing Programme**

The road surfacing programme for higher use roads is determined by a technical assessment of condition based on machine condition surveys and is maintenance grant funded.

The Local Community Roads and unclassified roads surfacing programmes for low traffic and local roads is determined by visual condition surveys and is part funded through the Council borrowing element of the programme. The locality based Unclassified Roads scheme identification methodology and programme was approved by Cabinet on the 19<sup>th</sup> January 2021.

## **2.9 Council Funding**

Council capital investment in the 2021/22 Highways Capital Plan amounts to £10,124,160 funded through prudential borrowing.

A £15m 3-year (£5m per year until 2022/23) locality based unclassified roads and pavement improvement budget was approved by emergency decision April 23<sup>rd</sup>, 2020. This provided additional funding in the Highways Capital Plan to help to address the backlog of unclassified roads in Kirklees that require immediate repair, currently estimated to be £165 million. The Highways Service has developed and implemented a place-based approach to establish the programme, engaging with Councillors to create the locality unclassified roads programme for delivery by March 2023. This is included in the figure of £10,124,160 above.

## **2.10 Other points to Note**

- Highways schemes are sometimes delayed to allow 3rd party works, notably utility companies. Some of the most affected capital programmes include contingency schemes to be substituted if other schemes are deferred.
- In addition to works within the Highways Capital Plan several 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. Officers will engage with our Councillors and communities to understand their priorities as we develop the programme for Locality based Unclassified Roads Improvements

### **3.4 Climate Change and Air Quality**

Within the Integrated Transport Block funding there is an allocation of £115k identified for air quality which will be used on Initiatives to support the council's delivery of the West Yorkshire Low Emission Strategy. This could include upgrades to traffic management

systems to improve air quality at sensitive locations and contribute to continuation of the Eco-Stars Low Emission Fleet Incentive Scheme.

Works within the Integrated Transport Plan will include sustainable alternatives to car use to support the Kirklees' vision to be carbon neutral by 2038.

Some elements of the capital plan by the nature of the works will have a positive impact on climate change, air quality and the promotion of sustainable travel. Examples include work undertaken from the Network Management, Flood Management, Major Transport schemes and an element of the work undertaken from the Safer Roads budget through reducing queues, congestion, road traffic accidents and the improvement of bus journey times.

There is likely to be no additional ongoing impact post roads resurfacing works, however whilst works are taking place the permit scheme helps the council minimise delay and disruption from works, including: a reduction in the average duration of works on permit streets and days of disruption saved through permit application assessments. The reduction in average works days will reduce numbers of works vehicle movements and create less congestion and disruption during works. This will clearly provide a benefit to public transport and active travel journeys. The permit scheme will apply to all schemes delivered on the network so these benefits should not only be realised for the roads resurfacing work, but all works delivered in 2021/22.

The ongoing programme to replace energy inefficient and obsolete streetlights with LED's continues to provide energy and CO2 savings of about 60%, as these streetlights are replaced.

### **3.5 Improving Outcomes for Children**

Investing in our roads and footways infrastructure in and around our district with additional initiatives and improvements through the Safer Roads budget, aims to make our network safer, and improve opportunities for children to enjoy their environment and take opportunities for active travel that a safer network provides, to access their schools and local facilities.

### **3.6 Integrated Impact Assessment (IIA)**

An IIA stage 1 screening assessment has been undertaken and the summary has indicated that no Stage 2 assessment is required.

Whilst this has been undertaken for this detailed capital plan, by its nature the plan is made up of many varying schemes so an aggregated approach for the overall plan has been used.

### **3.7 Other**

The detailed plan will be managed and monitored by the service in accordance with Council 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 agree with the contents of this report.

## **5. Next steps and timelines**

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**

That Cabinet approves

- The detailed 2-year Capital Plan 2021/22 and 2022/23 in the sum of £22,984,237 and £18,508,325 respectively, as shown in Appendix A, to allow the spend on the schemes identified to improve the Highway Network and increase Safety on the roads whilst improving air quality and saving energy.
- The delegation of powers to the Service Director Highways and Streetscene in consultation with the Cabinet Portfolio Holder for Environment to enable amendments to identified schemes and funding allocation for those schemes in accordance with the Council financial regulations for the purposes of expediting efficient delivery of this programme.

## **7. Cabinet Portfolio Holder's recommendations**

Cllr Mather has been briefed on the report Tuesday 20 April 2021 and has confirmed that she is happy with the content and details provided by officers with the appreciation that this is a standard report taken each year to confirm where the Highway Service capital money is to be spent rather than an ask for additional funding or changes to the approved budgets.

## **8. Contact officer**

Phillip Waddington  
Group Engineer – Highways & Operations  
Tel: 01484 221000  
Email: [phillip.waddington@kirklees.gov.uk](mailto:phillip.waddington@kirklees.gov.uk)

## **9. Background Papers and History of Decisions**

Appendix A - Scheme List - Highways 2 year detailed capital plan 2021-22 & 2022-23  
Appendix B - IIA Stage 1 - Highways 2 year detailed capital plan 2021-22 & 2022-23

## **10. Service Director responsible**

Sue Procter, Service Director Highways and Streetscene  
Tel: 01484 221000  
Email: [sue.procter@kirklees.gov.uk](mailto:sue.procter@kirklees.gov.uk)