APPENDIX 5

Name of meeting: **Cabinet**
Date: **On the Agenda for 31st March 2020**
Title of report: **Highways detailed Capital Plan 2020/21 and 2021/22**

Purpose of report: For Cabinet to consider the detailed 2 year Highways Capital Plan for 2020/21 and 2021/22

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** **Spend on capital plan is over £250k in spend**
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	**Key Decision - Yes**
The Decision - Is it eligible for call in by Scrutiny?	**Yes**
Date signed off by Strategic Director & name **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 - 20 March 2020 Eamonn Croston - 20 April 2020 Julie Muscroft - 23 April 2020
Cabinet member portfolio	**Cllr Rob Walker – Culture and Environment** **Cllr Graham Turner - Corporate**

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 2020/21 is a detailed programme of works to be implemented over the next 2 years. The schemes are prioritised on the basis of a technical assessment using LTP funding and there will be Ward Councillor engagement.

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 £11,811k for Highways Service in 20/21 (baseline and one-off projects) which has changed to £18,980k due to an increase in LTP funding and various grants. The attached detailed Highways Capital Plan (appendix 1) adds individual scheme detail to the approved high-level programme for 2020/21 and 2021/22.
- 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.

Department for transport (DFT) Highway Maintenance Allocations

This allocation supports the maintenance of roads, street lighting and highway structures (such as bridges and retaining walls).

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	2019/20	2020/21	2021/22
Kirklees	£4,921k	£4,921k	£4,921k

ii. Incentive Element

An incentive element dependent on an Authority's pursuance of efficiency improvements and it`s 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 results 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. The incentive award was approved by central government in 2014 lasting for 6 years, 2020/21 being the final year for this incentive funds and award requirements. As yet no details have been announced on the incentive fund requirements for 2021/22 and beyond.

% 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 will be making a submission which we believe will satisfy band 3 criteria for 2020/21. We anticipate an announcement from DfT in the new financial year to confirm this. The approved Highways baseline Capital Plan assumes Band 3 in 2020/21 and no funding in 2021/22 whilst we await the announcement on the incentive fund requirements for 2021 and beyond.

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 we have bid applications submitted for a value of £3.15m for schemes including A62 Leeds Road, Bradley/Cooper Bridge, A6024 Holme Moss Landslip (This is a joint bid with Calderdale Council as part of the A62 is within their district) and top 10 worst roads in Kirklees. There is an element of match funding for this bid which will be met from the existing budget allocations.

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 has assumed the minimum grant allocation of £349k for 2020/21. The decision on whether any additional funding will be provided is usually announced in late March, however Kirklees has already benefitted by an additional allocation of £2,711k in November Budget 2018 and no additional funding in 2019/20 so there is some air of caution around further allocation for 2020/21.

2.3 Street lighting

The council continues to deliver the programme of converting the streetlights to LED's which provide a saving of about 60% of energy used. The council will continue to benefit from the 5 year interest free loan provided by the SALIX fund to the value of £2.1m (20/21) and £1.4m (21/22), this being 54% of the total cost in each of these years. Additionally, the council will continue with investing in an ongoing programme of streetlighting column replacement based on structural risk.

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.

2.4 Safer Roads

In 2020/21 this allocation enables Casualty Reduction Schemes, Community Traffic projects and Healthy Streets schemes within the Safer Roads programme.

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

2.5 Network Management

West Yorkshire Combined Authority have approved two programmes of improvements to UTMC (traffic signals equipment and the wide area traffic control).

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 UTMC equipment on the West Yorkshire Key Route Network funded through the LtP Integrated Transport grant. A £391k 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.

2.6 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 from 2018/19, will deliver a rolling programme of repairs and improvements to old culverts around the district. £230k of the grant is earmarked for each year and requires £50k of Kirklees Capital match funding from within the existing approved Flood Management 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.

2.7 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 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.

2.8 Asset Management

A summary report on works completed 2019/20, current condition and methodology for scheme selection for all assets will be presented to Cabinet early in the new financial year.

2.9 Council Funding

Council capital investment in the 2020/21 Highways Capital Plan amounts to £10,280k funded through prudential borrowing.

Starting in 20/21 for 3 years the Council has approved an increase to spending by £15m (£5m each of the next 3 years) to reduce the backlog of unclassified roads which require immediate repair. The roads will be added to the capital plan to meet both locality based and strategic priorities. Funding assumptions for increased spending include corporate borrowing and anticipated future central government funding allocations. This is included in the figure of £10,280k above.

2.10 Other points to Note

- Acceptance by the council of any 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. Officers will engage with our Councillors and communities to understand their priorities as we develop the programme for Locality based U Roads Improvements

3.4 Climate Change and Air Quality

Some elements of the capital plan by the nature of the works will have an impact on climate change and air quality mainly the 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 and congestion and road traffic accidents and the improvement of bus journey times as well as the promotion of sustainable travel.

There is likely to be no ongoing impact and changes for the 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 and days of disruption contribute to the Council's response to the climate emergency as it provides a reduction in carbon through reduced numbers of works vehicle movements and 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 works but all works delivered in 2020/21.
The ongoing programme replace energy inefficient and obsolete streetlights will LED's will provide energy and CO2 savings of about 60%.

3.5 Improving Outcomes for Children

Investing in our roads and footways infrastructure in and around our district, and implementing additionality with initiatives and improvements through the Safer Roads budget, aims to make our network safer, and improve opportunities for children to enjoy their environment and the 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.

Any major scheme moving forward, i.e schemes over £250k, will require their own assessment and any IIA actions will be identified though the individual assessment.

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 are in agreement 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 approve the detailed 2 year Capital Plan 2020/21 and 2021/22 in the sum of £18,980k and £15,992k respectively, as shown in Appendix 1.

7. Cabinet Portfolio Holder's recommendations

Re-read both the Highways Capital Plan and Maintenance Schemes Reports. Agree both and cannot wait for the required capital to enable the much needed improvement programmes to start as good quality roads are key to our future regeneration and growth.

8. Contact officer

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

9. Background Papers and History of Decisions

Papers:
Appendix 1 - Highways Detailed Baseline Capital Plan 2020-21 and 2021-22

10. Service Director responsible

Sue Procter, Service Director Environment
Tel: 01484 221000
Email: sue.procter@kirklees.gov.uk