



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

Thursday, 13 January 2022

Report of the Executive Director - Place

2022-2023 Highways Capital Delivery Programme
(Cabinet Member for Highways, Assets and Transport)

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned (this is currently defined as £500,000) and it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

3.1 To seek Cabinet approval for the delivery of the Highways Capital Programme for the year 2022-23.

4. Information and Analysis

4.1 Annually, the Council receives central Government funding via a number of different grants for highways and transport improvement and maintenance schemes. The availability and value of these funds varies each year depending upon central Government priorities. Some are allocated via the application of a formula, (f), using road length and highway asset numbers, some are allocated through a bidding process, (b):

- Highway maintenance block – repair of roads, structures and infrastructure (f)
- Integrated transport block – transport capital improvement schemes (f)
- Highway maintenance incentive fund – asset management funding (f)
- Pothole action fund – repair and prevention of highway defects (f)
- Challenge funds – individual major maintenance projects (b)
- Flood resilience fund – flooding defence projects (b)
- Public Service Agreement casualty reduction fund – road safety initiatives (b)
- Active travel funds – improved cycling and walking facilities (f)

4.2 Funding has been allocated to meet asset needs, elected members' suggestions and the strict criteria of the different funds. Previous grant allocations for the 2018-19, 2019-20 and 2020-21 have been prioritised together with the delivery programme for 2021-22, which includes the grant allocation and a proportion of the backlog, as shown in Table 1 below:

Block	2018-19	2019-20	2020-21	2021-22
Highway Maintenance Programme	£20.050m	£19.469m	£18.454m	£37.928m
Carriageways - principal roads/resilient network	39.2%	40.7%	48.5%	42.6%
Footways	15.6%	13.6%	8.8%	8.3%
Drainage and flood management	2.6%	2.9%	4.6%	17.5%
Bridges, structures, retaining walls and highway boundary structures	15.8%	15.2%	14.0%	10.0%
Traffic, signs, lines and signals	14.2%	13.2%	12.1%	8.5%
Street lighting	6.5%	6.3%	4.6%	6.3%
Rights of way	4.0%	5.4%	5.2%	4.5%
Cycle routes	2.1%	2.5%	1.3%	1.8%
Greenways	0.0%	0.2%	0.9%	0.5%
Integrated Transport Programme	£3.644m	£3.644m	£3.644m	£5.191m
Traffic Management	0.0%	0.0%	8.6%	9.2%
Key Cycle Network investment plan	20.2%	10.0%	2.7%	11.0%
Local cycling and walking investment plan	3.1%	7.1%	3.6%	5.8%
Sustainable Transport	9.0%	1.4%	17.4%	30.8%
Road Safety	16.6%	4.3%	38.9%	38.4%

Preparation and Implementation of Major Highway Projects	51.1%	77.2%	28.8%	4.8%
Other Grant Funding				
PSA Road Safety Programme (draw down from reserve)	£0.227m			
DfT Highways Maintenance Challenge Fund Tranche 2B (allocated Feb 2020 for spend to Mar 2021)			£4.867m	
DfT Pothole & Highways Maintenance Challenge Fund Tranche 3 (allocated Jun 2020 for spend to Mar 2023)			£12.906m	
DfT Active Travel Fund 1 (allocated May 2020 for spend to Mar 2021- revenue funding)			£0.443m	
DfT Active Travel Fund 2 (allocated Nov 2020 for spend to Mar 20232023 – part revenue, part capital funding)			£1.684m	
Additional Highway Maintenance (allocated in Nov 2018)	£8.414m			
National Productivity Investment Fund				
Flood Resistance Fund	£1.514m			
Total Funding	£33.349m	£23.113m	£41.998m	£43.119m

Table 1: Historic programme budget allocations

- 4.3 The delivery of the Highways Capital Programme has been a challenge to the Council in recent years. Funding allocations have grown and the timings of allocations from central Government have varied. Together with a number of severe weather incidents and COVID-19, the size of the allocations exceeded the capacity of the service to deliver each year which resulted in a backlog of highways schemes still to be delivered and was increasing each year.
- 4.4 The 2021-2022 funding allocations from the Department for Transport (DfT) totalled £27.3m resulting in an estimated backlog and underspends from previous years, in excess of £70m.
- 4.5 At the 11 March 2021 meeting of Cabinet, the Council set itself a target to clear the backlog of schemes during the next three financial years to bring the programme up to date (Minute No. 47/21 refers). This was likely to mean that a programme in the region of £40m would need to be delivered in the following three financial years.

4.6 Despite the impacts of COVID-19 on both resources and materials during 2021-2022, the Highways service is expecting to have delivered a programme of more than double of size of that which has been delivered in recent years using a mixed economy model of in-house resources supported by external providers. A number of projects unable to be delivered in 2021-2022 have been identified as priorities and are included on the proposed 2022-2023 delivery programme.

4.7 The future funding allocations from DfT were announced as part of the Government's comprehensive spending review. For the first time, this has provided the Council with a clear picture of funding for the next three years, 2022-2023, 2023-2024 and 2024-2025. The Council's allocation will be maintained at the 2021-2022 level for the three years at total of £27.3m.

4.8 In determining which schemes will be prioritised to be delivered in 2022-2023, the assessment tool that was first used to prioritise the 2021-2022 programme has continued to be used. This assessment tool is based upon the DfT's Early Assessment and Sifting Tool (EAST). This evaluates all schemes on the current programme that have not yet been delivered, together with new schemes identified for inclusion on the basis of the asset management analysis or other priorities. All criteria are scored on a scale of 1 to 5. The scheme scoring definitions are shown in Appendix 2. Each maintenance scheme has been scored against:

- Strategic Case - Meeting the Council's asset management needs and Council priorities for 2021-2022.
- Delivery Case - Practical deliverability in year, scheme already in development, evidence of member requests and stakeholder support.
- Financial and Commercial Case - Affordable within the budget available, low-cost risk, reduces future costs and able to be packaged to deliver greater value for money.
- Block Priority - Priority of scheme within block.

4.9 Each integrated transport scheme has been scored against:

- Strategic Case - Meeting the Council's Local Transport Plan, Investment Protocol and Council priorities.
- Delivery Case - Practical deliverability in year, scheme already in development, evidence of Member and stakeholder support.
- Economic Case - Delivery of economic, environmental and social benefits, and casualty reductions/road safety benefits.
- Financial and Commercial Case - Affordable within the budget available, low-cost risk, reduces future costs and able to be packaged to deliver greater value for money.

- Block Priority - Priority of scheme within block.

4.10 Highway maintenance and integrated transport schemes with the highest total scores are proposed for allocation of funding for 2022-2023 as shown in Appendix 3. In accordance with the Council's Asset Management Strategy, the proposed programme for delivery in 2022-2023 includes a further enhanced number of carriageway maintenance schemes. These are proposed in response to the impacts upon the network of the recent severe weather, feedback from residents and Members and help mitigate future severe weather impacts upon the network.

4.11 The major programme of drainage and flood management will continue, in response to the repetitive and serious flood challenges the Council has faced over the past two years and the likelihood of reoccurrence. The significant investment in local road safety schemes will be continued, reinforcing the Council's commitment to enhancing road safety and aiming to reduce the numbers of people killed or seriously injured on Derbyshire's roads. A large programme of further improvements to the County's cycle network, rights of way and sustainable transport infrastructure is also proposed, together with advanced design on schemes for construction in future years.

4.12 The proposed breakdown of blocks to be delivered in the 2022-2023 are shown in Table 2 below:

Block	2022-23 %	2022-23 Value
Highway Maintenance Programme		£
Carriageways	56.3%	£25.730m
Footways	7.7%	£3.522m
Drainage and flood management	10.2%	£4.675m
Bridges, structures, retaining walls and highway boundary structures	8.8%	£4.000m
Signs, lines, and signals	6.7%	£3.044m
Street lighting	5.8%	£2.641m
Rights of way	2.4%	£1.025m
Cycle routes	1.2%	£0.520m
Greenways	1.2%	£0.527m
TOTAL HIGHWAY MAINTENANCE PROGRAMME		£45.685m

Integrated Transport Programme		
Traffic Management	29.4%	£1.736m
Key Cycle Network investment	2.2%	£0.132m
Local cycling and walking investment	0.7%	£0.041m
Sustainable transport	35.7%	£2.111m
Road safety	30.3%	£1.790m
Air Quality	1.7%	£0.100m
TOTAL INTEGRATED TRANSPORT PROGRAMME		£5.910m
Other Funds		
DfT Highways Maintenance Challenge Fund Tranche 2B (part delivery in 2021-2022)		£4.130m
DfT Active Travel Fund 2		£1.000m
Capital Bid (Sustainable Transport)		£0.980m
DfT grant for the design of traffic signal equipment for UTC Upgrades		£0.500m
TOTAL 2022-2023 PROGRAMME		£58.205m

Table 2: 2022-2023 capital programme allocations

- 4.13 The Council will continue to deliver the schemes through the mixed economy model of in-house resources, delivering schemes to a similar value as in previous years, with significant packages of schemes sourced from external design and construction providers to deliver the additional volume. These will be commissioned through previously approved local and national frameworks in order to deliver best value to the Council and to its residents.
- 4.14 Schemes identified to be delivered by the in-house teams include footway resurfacing, structures, reactive capital improvements, drainage investigations, highway improvements, road safety, rights of way, cycle routes and greenways. Schemes identified for delivery from external provider support have been packaged up in order to deliver greater value for money for the Council. These include packages by type and/or location and include large resurfacing schemes, surface dressing, structures, traffic signals, drainage and street lighting schemes. In order to minimise any possible disruption to Derbyshire residents and users,

network availability will need to be secured for each individual scheme, to ensure coordination between the works by the Council and others. Where clashes are identified, schemes may have to be reallocated to a different delivery time.

- 4.15 The approximate split of works to be delivered in the mixed economy model by the in-house service and those to be supported by external providers are shown in Table 3 below:

Block	Value £	% In-house service	% External provider
Highway Maintenance Programme			
Carriageways	£25.730m	23%	77%
Footways	£3.522m	100%	0%
Drainage and flood management	£4.675m	22%	78%
Bridges, structures, retaining walls and highway boundary structures	£4.000m	29%	71%
Signs, lines and signals	£3.044m	13%	87%
Street lighting	£2.641m	0%	100%
Rights of way	£1.025m	100%	0%
Cycle routes	£0.520m	100%	0%
Greenways	£0.527m	100%	0%
TOTAL HIGHWAY MAINTENANCE PROGRAMME	£45.865m	28%	72%
Integrated Transport Programme			
Traffic Management	£1.736m	100%	0%
Key Cycle Network investment	£0.132m	100%	0%
Local cycling and walking investment	£0.041m	100%	0%
Sustainable transport	£2.111m	66%	34%
Road safety	£1.790m	100%	0%
Air Quality	£0.100m	100%	0%
TOTAL INTEGRATED TRANSPORT PROGRAMME	£5.910m	100%	0%
DfT Highways Maintenance Challenge Fund Tranche 2B	£4.130m	0%	100%
DfT Active Travel Fund 2	£1.000m	0%	100%
Capital Funding Bid	£0.980m	0%	100%

DfT grant for the design of traffic signal equipment for UTC Upgrades	£0.500m	0%	100%
TOTAL 2022-2023 PROGRAMME	£58.205m		
		(£18.3m)	(£39.9m)

Table 3: In-house service and external provider programme allocations

4.16 Where it is clear that a change is needed to be made to the 2022-2023 programme, it is recommended that Cabinet delegates to the Executive Director for Place, the authorisation to consider and approve any changes in consultation with the Cabinet Member for Highways, Assets and Transport.

5. Consultation

5.1 The draft highways capital delivery programme was circulated to all Members on 16 November 2021 seeking comments on the proposals by 30 November 2021 and inviting requests for any further schemes to be considered. Articles were published in the Members News during this period to remind Members. A total of 16 Members provided 114 requests for further schemes to be considered. All comments and requests were considered in accordance with the evaluation criteria prioritisation matrix and scoring definitions, and members were responded to.

6. Alternative Options Considered

6.1 Deliver the programme using in-house resources only. The value of the 2022-2023 highways capital programme far exceeds the current delivery capacity of the Council's in-house service. Approximately two thirds of the programme will be unable to be delivered. Not recommended.

6.2 Do nothing. Schemes of greatest need will not be delivered. Backlog of schemes will increase. The network condition will deteriorate quicker increasing pressure on revenue budgets. Schemes will be delivered inefficiently increasing costs and reducing value for money. Funding will be at risk of being clawed back by funders. Not recommended.

7. Implications

7.1 The Programme level risks will be managed through the programme risk register and issues log. These include the on-going external impacts of professional staff shortages, COVID-19, material shortages and energy price rises upon existing Council staff, providers and suppliers. Risks may

be ongoing or arise at very short notice and can cause delays or the need for changes to the programme. Red level risks and their mitigations will be presented to and monitored by the Highways Programme Board.

7.2 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 None identified.

9. Appendices

9.1 Appendix 1 - Implications.

9.2 Appendix 2 - Scheme Assessment Scoring Definitions.

9.3 Appendix 3 – 2022-2023 Highways Capital Delivery Programme.

10. Recommendations

That Cabinet:

- a) Approves the delivery of the 2022-2023 Highways Capital Delivery programme.
- b) Agrees to accept a grant offer of £0.500m from the Department for Transport for the design of traffic signal equipment for Urban Traffic Control (UTC) Upgrades.
- c) Delegates to the Executive Director for Place, in agreement with the Cabinet Member for Highways, Assets and Transport, the authorisation to approve any changes to the programme, (within the tolerance of the overall budget).

11. Reason for Recommendations

11.1 To deliver Highways and Transport maintenance and improvement schemes in accordance with the Council's financial regulations.

12. Is it necessary to waive the call in period?

12.1 No.

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Implications

1. Financial

- 1.1 The maintenance and integrated transport block allocations are received annually in the form of direct grants from central Government. The 2022-2023 funding allocations from the Department for Transport (DfT) are expected to be £27.3m. The value of capital programme backlog and underspends has reduced due to the amount of works delivered in 2021-2022 but is still predicted to be approximately £35m-£40m. The Council has set itself a target to clear the backlog of schemes during the next two financial years to bring the programme up to date. This is likely to mean that a programme in excess of £40m will need to be delivered in each of the next two financial years. The proposed value of the 2022-2023 Highways capital programme of approximately £58m and will be delivered using the Council's mixed economy model a combination of in-house resources supported by external resources.

2. Legal

- 2.1 The Traffic Management Act 2004 requires the County Council to publish advance notice of highway schemes or apply for permits to work. The Local Transport Act 2008 requires the County Council to prepare a Local Transport Plan containing its highways and transport policies and its proposals for the implementation of those policies, with the Service Plan forming a part of this implementation plan.

3. Human Resources

- 3.1 Services will continue to be delivered using a mixed economy model of in-house services with support from external providers. It is proposed to establish a new capital programme delivery team within the new Future Highways Model (FHM) whose responsibilities will be to commission works, manage the delivery of the programme, monitor the performance of delivery teams and undertake the commercial reconciliations. The team will be funded from the capital programme resources. In the short term, it will be necessary to appoint some external resources while the Council builds its in-house commissioning and contract management capability and meets the capacity needs. There is a shortage of appropriately skilled external professional resources, but this is the only option if the programme is to be delivered at the scale required under the control of the Director - Highways and monitored through the FHM Programme Board.

4. Information Technology

- 4.1 Where appropriate, the Data Privacy Impact Assessment (DPIA) and Supplier Information Security Policy (SISP) process will be followed.

5. Equalities Impact

- 5.1 N/A.

6. Corporate objectives and priorities for change

- 6.1 The delivery of the Highways Capital Programme is a specific Council Headline Initiative within the Council Plan 2021-2025.

7. Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 External construction materials supply and pricing implications due to the local and wider impacts of Covid-19 and energy price rises are closely monitored and mitigated through the programme risk register and issues log.