

# Annex IV

TELFORD & WREKIN COUNCIL

CABINET - 25<sup>th</sup> FEBRUARY 2016  
COUNCIL – 3 MARCH 2016

HIGHWAYS & TRANSPORT CAPITAL INVESTMENT PROGRAMME 2016-2019

REPORT OF THE ASSISTANT DIRECTOR : NEIGHBOURHOOD & CUSTOMER SERVICES

## PART A) – SUMMARY REPORT

### 1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned Highways and Transport Capital Investment Programme for financial years 2016/17 – 2018/19, in accordance with the proposed Budget Strategy.

### 2. RECOMMENDATIONS

#### 2.1 That Cabinet:

- i. Approve the planned Highways and Transport capital investment programme for 2016/17 – 2018/19
- ii. Delegate responsibility for agreeing any variations or changes to schemes in the capital programme that remain within overall approved budget limits to the Assistant Director Neighbourhoods & Customer Services in consultation with the two Cabinet Members with responsibility for Business, Neighbourhood & Customer Services and Communities, Regeneration & Transport.

### 3. SUMMARY IMPACT ASSESSMENT

#### **COMMUNITY IMPACT**

*Do these proposals contribute to specific priority plan objectives?*

Yes/No

*Maintaining the highway network has been identified as a key priority through community consultation. Maintaining an efficient and effective transport network through the Highways and Transport Capital Programme contributes to the delivery of the following Council Priorities:*

- ensure that neighbourhoods are safe, clean and well maintained;*
- improve the health and wellbeing of our communities and address health inequalities;*
- regenerate those neighbourhoods in need and work to ensure local people*

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			<i>have access to suitable housing.</i>
		<i>Will the proposals impact on specific groups of people?</i>	
		<del>Yes/No</del>	<i>The highway and transport network is used by all sections of the community. As far as is practicably possible all schemes aim to meet guidance on accessibility; all maintenance schemes are based on assessments of condition of the highway network and feedback from the local community.</i>
	<b>TARGET COMPLETION / DELIVERY DATE</b>		<i>There are many different capital projects and each one has a different target completion date. Some of the programmes are ongoing, others will complete during the period of the programme..</i>
	<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	<del>Yes/No</del>	<i>Budgetary provision for the Highways and Transport Capital Programme for 2016/17 is £28.67m which includes capital grants. Indicative capital funding for future years 17/18 and 18/19 are outlined in this report. Expenditure against budgeted allocations will be monitored and any variances or amendments will be reported through the Service and Financial Planning process as required.</i>
	<b>LEGAL ISSUES</b>	<del>Yes/No</del>	<i>There are no direct legal implications arising from this report. The Council has a duty to manage and maintain the highway network and any works will be procured and managed in accordance with financial and contract procedure rules.</i>
	<b>OTHER IMPACTS, RISKS AND OPPORTUNITIES</b>	<del>Yes/No</del>	<i>The highway and transport network forms a key part of the physical environment that people experience on a daily basis. In delivering the programme it is important that all opportunities are explored to maximise the enhancement of the local environment, where it can be done in an efficient and cost-effective way.</i>
	<b>IMPACT ON SPECIFIC WARDS</b>	<del>Yes/No</del>	<i>Proposals affect all wards in the Borough</i>

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## PART B) – ADDITIONAL INFORMATION

### 4. INFORMATION

The Council's draft Transport Asset Management Plan (TAMP) identifies that the value of the highway assets the Council is responsible for managing and maintaining is around £1.3bn. These assets include roads, footpaths, bridges, street lights and other highway infrastructure. In developing the Highways and Transport Capital Programme a range of factors are taken into consideration including data on condition, feedback from residents, input from local parish councils and ward members, programming with other schemes on site, safety and accident history.

**Table 1**

<b>Source</b>	<b>2016-17 £'000</b>	<b>2017-18 £'000</b>	<b>2018-19 £'000</b>	<b>Total Indicative 3-Year Budget £'000</b>
<b>Council Capital</b>				
Maintenance	2,000	2,000	2,000	<b>6,000</b>
Integrated Transport	-	-	-	
Street Lighting & Traffic Signals LED Invest to Save	325	2,671	2,671	<b>5,667</b>
<b>Total Council Capital</b>	<b>2,325</b>	<b>4,671</b>	<b>4,671</b>	<b>11,667</b>
<b>DFT/Other External Capital Funding<sup>3</sup></b>				
Maintenance Allocation <sup>2</sup>	3,215	3,069	2,778	<b>9,062</b>
Integrated Transport	849	939	939	<b>2,727</b>
Telford Growth Package (LEP) <sup>2, 1</sup>	6,567		-	<b>6,567</b>
Town Centre Connectivity Challenge Funding	2,303	9,843	-	<b>12,146</b>
Telford Bus Station Funding	1,710	190	-	<b>1,900</b>
Telford Eastern Gateway Funding	3,600		-	<b>3,600</b>
<b>Total External Funding Capital</b>	<b>18,224</b>	<b>14,041</b>	<b>3,717</b>	<b>35,982</b>
<b>Total Funding</b>	<b>20,549</b>	<b>18,712</b>	<b>8,388</b>	<b>47,649</b>

<sup>1</sup>Highways element only.

<sup>2</sup>The figure will increase according to the level of incentive funding earned each year.

<sup>3</sup> Source of cother external funding: S106 and private sector leverage, Local Growth Fund(LEP), capital receipts

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**Table 2 – Summary of Highways & Transport Capital Programme 2016/17 – 2018/19**

<b>Highway Programme Area</b>	<b>2016-17 £'000</b>	<b>2017-18 £'000</b>	<b>2018-19 £'000</b>	<b>Total 3-Year Programme £'000</b>
<b>Maintenance of Existing Assets<sup>1</sup></b>				
Carriageway Maintenance (including safety maintenance schemes) <sup>1</sup>	3653	3602	3446	<b>10,701</b>
Footway maintenance <sup>1</sup>	359	347	314	<b>1,020</b>
Lighting and illuminated signs/bollards <sup>1</sup>	242	235	212	<b>689</b>
Barriers & Guard Rail Maintenance <sup>1</sup>	18	17	16	<b>51</b>
Drainage Maintenance <sup>1</sup>	145	140	125	<b>410</b>
Structures: Maintenance	623	556	502	<b>1,681</b>
Signing & Lining: renewal & maintenance <sup>1</sup>	90	87	78	<b>255</b>
Annual Condition Surveys	85	85	85	<b>255</b>
<b>Transport Schemes (Improving and Amending the Highway Network)</b>				
New / Upgraded Infrastructure	185	200	200	<b>585</b>
Sustainable Travel (Public Rights of Way / Safer Routes)	132	150	150	<b>432</b>
Safety Schemes	132	150	150	<b>432</b>
Public Realm & Street Scene Projects / contribution to challenge funding projects	400	439	439	<b>1,278</b>
Street Lighting Upgrades	325	2,671	2,671	<b>5,667</b>
Telford Growth Package (LEP) <sup>1, 2</sup>	6,567		-	<b>6,567</b>
Telford Eastern Gateway Funding	3,600		-	<b>3,600</b>
Town Centre Connectivity Challenge Funding	2,303	9,843	-	<b>12,146</b>
Telford Bus station Funding	1,690	190	-	<b>1,880</b>
<b>Total Funding</b>	<b>20,549</b>	<b>18,712</b>	<b>8,388</b>	<b>47,649</b>

<sup>1</sup>This allocation will increase dependent upon the level of DfT Incentive funding

<sup>2</sup>Highways element only.

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- 4.1 In 2012 a draft three-year programme was subject to consultation with ward members and parish and town councils for delivery from 13-14 onwards. A further review of the programme took place following consultation with Members and Town / Parish Councils in 2014 as part of the highways element of the Pride in Your Community Programme. The Highways and Transport Programme for 2016/17 contains elements from year three of the main capital programme along with highways related elements of the additional Pride in Your Community programme that were not deliverable in 2015/16. Table 1 above sets out the funding allocations until 2018/19 and Table 2 above outlines the proposed spend breakdown by project type based on the resources in Table 1.
- 4.2 As anticipated in the 2015 capital programme report, new schemes have been added during the year, based on normal rates of deterioration which can be further exacerbated by periods of cold weather. In addition the scope and cost of existing schemes has increased due to underlying structural problems such as those encountered on Castlefarm Way, Priorslee. These types of variations can also impact on annual delivery of schemes. Throughout the coming year there may be a degree of reprioritisation required however we aim to deliver the agreed programme by the end of 2016/17, alongside the development of a new three year programme which is being developed based on sound asset management principles. The Council has allocated £2m per annum from Council Capital funds specifically for carriageway maintenance. The national Pothole Review highlighted the importance of getting highway maintenance right first time and this involves moving some emphasis from reactive to planned maintenance. This report does not cover revenue funded reactive highway maintenance.
- 4.3 Following recent consultation, the Department for Transport (DfT) has amended the formula for the allocation of maintenance funding. Details of the change are to be found at the end of this Annex, however in summary the change is two-fold: Firstly, from 2015/16 onwards Challenge Funding has been made available for larger maintenance projects (over £5million in value) and the Council was successful in a bid for £10.3m Challenge Funding for the Telford Town Centre Connectivity Package. This scheme seeks to replace the existing footbridge between Telford Central rail station and Ironmasters Way along with the dualling of Hall Park Way and Rampart Way. The scheme will be delivered by March 2018.
- 4.4 Secondly, the DfT wish to incentivise highway authorities to demonstrate good asset management practice and work more closely with stakeholders. This will be measured using a self assessment questionnaire.
- 4.5 Figures in Table 1 show the basic allocation of maintenance funding that the Council expects to receive from the DfT. In addition we will receive an element of incentive funding. There are three incentive funding bandings and the Council currently falls into band 1. An action plan has been developed to enable the Council to progress through the bands so that we will be in Band 3 by 2018/19. More information on self-assessment is given in the supplementary information section below. The formula for the allocation of Integrated Transport funding is unchanged.
- 4.6 Without an adopted Transport Asset Management Plan (TAMP) the Council will be unable to progress through the Incentive Bands and therefore the TAMP is currently undergoing a revision and will be brought to cabinet during 2016/17. The principles of

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the Transport Asset Management Plan are around ensuring that the Council has as full understanding as far as possible of the condition of all its highway assets, whilst using asset management planning to maximise the effect of the available financial resources on improving the condition of those assets. In adopting this approach the Council may not treat the roads in worst condition first as there may be instances where early intervention can prevent the need for more expensive interventions in future years; therefore in the interest of maximising the effectiveness of resources it may be necessary to allocate resources to parts of the network that are not considered to be in the worst condition.

## **5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

### **5.1 Community Impact**

Maintaining the highway and transport network is key to ensuring that people are able to travel for work and education, for accessing services and for leisure activities. The network is used on a daily basis by residents and visitors to the Borough and in terms of service use is likely to be the most used service the Council provides. The condition of the highway and its surroundings can have a significant influence on the overall perception of the quality of the physical environment wherever possible we maximise on opportunities to improve the local environment for the benefit of local communities. As part of the Cooperative Council approach the process of engaging contractors for the Highways Programme will include the consideration of supporting local employment and apprentice schemes.

### **5.2 Equalities Impact**

Where possible, as part of the capital programme, improvements to accessibility will be carried out, such as the provision of dropped kerbs and tactile paving. This allows the Council to support its Local Transport Plan objective of improving accessibility.

### **5.3 Environmental Impact**

Environmental improvements are incorporated into schemes wherever appropriate in order to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. Again, by identifying links with other programme the Council will aim to take a Total Place approach when delivering highways schemes, thereby ensuring that both environmental and highways issues are addressed. The Council will be seeking to use recycling of materials and new more sustainable surfacing treatments, in collaboration with other local authorities, with the aim of reducing the Council's Carbon Emissions.

## **6. PREVIOUS MINUTES**

Cabinet 7 January 2016 – Service & Financial Planning 2016/17 to 2017/18

**Report prepared by Keith Harris - Transport & Highways Development Service Delivery Manager and Amanda Roberts - Highway Capital Programme Group Manager**

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## SUPPLEMENTARY INFORMATION

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### Changes to the allocation of maintenance funding for local authorities

#### Background

The DfT has changed the way in which highway maintenance funding is allocated to local authorities. We have been given certainty of our baseline allocation for the next three years along with an indicative allocation for the following three. In addition, the new funding model topslices the gross allocation each year and then offers a percentage of this topslice to highways authorities in England through a challenge fund and incentive fund.

#### Implications for Telford & Wrekin Council

##### 1. Challenge Funding

We successfully bid for £10.3m in order to deliver the Telford Town Centre Connectivity Package. This is a one-off project and the funding will not contribute to our annual maintenance programmes.

##### 2. Incentive Funding

The level of incentive funding we will receive over each of the next six years will be based on the outcome of a self-assessment which measures our record in pursuing efficiencies and asset management along with corporate public commitment to adopt these practices within an agreed period of time.

Table 1 shows potential funding allocations by percentage based on each scoring band.

**Table 1: Funding Allocations**

	Total allocation (£) 2015/16	Total allocation (£) 2016/17	Total allocation (£) 2017/18	Indicative allocation (£) 2018/19	Indicative allocation (£) 2019/20	Indicative allocation (£) 2020/21
Band 3 share	100%	100%	100%	100%	100%	100%
Band 2 share	100%	100%	90%	70%	50%	30%
Band 1 share	100%	90%	60%	30%	10%	0%

Our dry run self-assessment puts us in band 1. The financial implications of our level 1 banding are shown in table 2. It should be noted that our baseline allocation decreases as more funding falls under the incentive element.

**Table 2. (Highlighted cells show planned progress through the bands)**

	Total allocation (£000) 2015/16	Total allocation (£000) 2016/17	Total allocation (£000) 2017/18	Indicative allocation (£000) 2018/19	Indicative allocation (£000) 2019/20	Indicative allocation (£000) 2020/21
Baseline allocation	3,453	3,165	3,069	2,778	2,778	2,778
Additional Incentive Funding						
Band 3		192	287	579	579	579

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Band 2	192	259	405	289	174
Band 1	172	172	174	58	0

There are three questions which, if we score them in band 1 we will automatically be placed in band 1 overall. These broadly relate to:-

- Formal adoption of the Council's Transport Asset Management Plan (TAMP)
- Communication with stakeholders over our approach to asset management including levels of service
- Undertaking lifecycle planning as part of asset management, including development and implementation of a 3-5 year asset management-focused maintenance programme