



Derby City Council

**URGENT LEADER OF THE COUNCIL  
CABINET MEMBER MEETING  
5 February 2015**

Report of the Strategic Director for  
Neighbourhoods

# ITEM 4

## Application to the Local Highways Maintenance Challenge Fund

### SUMMARY

- 1.1 The Government has consistently asserted a strong commitment to ensure that we have a well maintained local highway network, which is fit for the demands of the 21<sup>st</sup> century. This has included additional highways maintenance funding in 2013/14 (£339k) and 2014/15 (£174k) and £221k additional severe weather funding, as well as last year's Pothole Fund from which, following a successful bid we were awarded £281k.
- 1.2 To that end, during the recent local highways maintenance funding consultation, views were sought about the creation and duration (3 or 6 year period) of a Local Highways Maintenance Challenge Fund.
- 1.3 The proposal was to allocate a proportion of the national highways maintenance budget to create a separate fund, which local highway authorities in England could submit bids for major maintenance projects that would ordinarily be difficult to resource through their usual funding allocations.

The Local Highways Maintenance Challenge Fund was subsequently announced in the 2014 Autumn Statement and will run for the next 6 financial years starting in 2015/16 and concluding in 2020/21. It is envisaged that the funding will be split into two tranches as follows:

Tranche 1		Tranche 2	
2015/16	£75 million	2018/19	£100 million
2016/17	£100 million	2019/20	£100 million
2017/18	£100 million	2020/21	£100 million
<b>TOTAL</b>	<b>£275 million</b>	<b>TOTAL</b>	<b>£300 million</b>

- 1.4 Local authorities in England have been invited to submit bids for small (£5m - £20m) and large (£20m+) schemes. The types of projects that are eligible for funding are:
  - Major maintenance, strengthening or renewal of bridges, tunnels, retaining walls or other structures
  - Major maintenance or renewal of carriageways
  - Major maintenance or renewal of footways or cycle ways
  - Major maintenance or renewal of drainage assets

- Upgrading of street lighting
- 1.5 All bids will need to demonstrate that the assets in question are coming to the end of their lifecycle and needs urgent repair or renewal, that the project achieves value for money, is deliverable and to which the promoter has a strong level of commitment to deliver.
- 1.6 Our proposed project is focussed on the A52 from Pentagon Island to the Raynesway flyover (the point at which the Highways Agency assumes responsibility for the A52)

Individual elements of the proposed project are likely to include:

- Resurfacing of the A52 carriageway (east and west bound)
- Upgrading of street lighting with innovative LED lighting
- Resurfacing of Pentagon Island carriageway
- Safety improvements to Pentagon Island structures
- Improved vehicular, pedestrian and cycling signing

## **RECOMMENDATION**

- 2.1 To consider this report and approve the submission of an application to the Local Highways Maintenance Challenge Fund.
- 2.2 To delegate approval to accept any funding awarded as a result of this bid to Strategic Director of Neighbourhoods, in consultation with the Director of Finance and Procurement.

## **REASONS FOR RECOMMENDATION**

- 3.1 Securing additional funding will enable us to deliver a package of maintenance projects on a regionally important route, over and above the level that our ordinary budget allows.
- 3.2 Obtaining approval to accept any funding award at the same time as seeking approval to bid will enable us to embark on resourcing and delivering the proposed project more quickly and efficiently.

## **SUPPORTING INFORMATION**

### **DERBY'S TRANSPORT NETWORK**

- 4.1 There is approximately 770km of carriageways and 1,944km of footways in Derby. The annual Whole of Government Accounts (WGA) for highway assets, submitted in October 2013, calculated a gross replacement cost of £1.380 billion for these carriageways and footways.

- 4.2 As with all property assets, the condition of our carriageways and footways deteriorates over time, which impacts negatively on its value. Using methods prescribed by the WGA, we can determine that the value of our carriageways and footways is presently reducing by £33million each year.
- 4.3 In line with Government best practice including the Highway Infrastructure Asset Management Guidance, we have developed a highway asset management policy and strategy which will be considered by Cabinet on 18 February. These documents state that in the future, we will aim to target our limited resources to undertake preventative treatments at the optimum time. We therefore, welcome additional capital funding that enables us to target key strategic routes like the A52, which have deteriorated severely due to high traffic levels and significant under investment.

### **WHY HAVE WE CHOSEN THIS PROJECT?**

- 4.5 There are 3 main reasons for selecting this project:

- Corridor or route based packages
- Alignment with the A52/Pride Park Congestion Management & Integrated Transport project
- Strategic Fit

- 4.6 We understand that corridor or route based package of projects is likely to be more favourably received by the Department for Transport (DfT). Certainly, this approach is preferable to a package of disparate projects with no common link as it demonstrates a more cohesive approach to highways maintenance. Equally, it exhibits a key aim of the Local Highways Maintenance Challenge Fund – to enable the delivery of major maintenance projects that would ordinarily be difficult to afford through normal funding streams.

- 4.7 The A52/Pride Park Congestion Management & Integrated Transport project has already been prioritised for funding by the D2N2 Local Enterprise Partnership. The project seeks to improve traffic flow between the A52 and Wyvern/Pride Park by improving accessibility for pedestrians, cyclists, public transport users and drivers by providing additional highway capacity; a new, completely accessible foot and cycle bridge linking residential areas in the Meadow Lane area and more responsive traffic management measures, including the signalisation of the Toys R Us roundabout.

- 4.8 In February 2014, we reported to Cabinet that a complete A52 scheme would also include the maintenance of the A52, including the carriageway reconstruction and

replacement safety barriers, but that that element would need to be the subject of a separate funding bid.

4.9 The Local Highways Maintenance Challenge Fund obviously represents a perfect opportunity to secure the additional funding required for the delivery of the maintenance element of the A52 project as well as the additional projects identified above which will provide added value and cost benefits. We anticipate that by aligning the highway improvements and the planned maintenance could result in the following benefits.

### **Strategic**

The maintenance projects will support the highway improvements by minimising delays and disruptions on this key route in our transport network.

The combination of highway improvements and maintenance projects will support and build on the resilience of the highway network.

The maintenance projects, particularly the improved carriageway surface will have a positive impact on the transport appraisal – noise and air quality

### **Managerial**

It will be more efficient to appraise and design both projects at the same time.

The benefits of the A52/Pride Park Congestion management & Integrated Transport project, in terms of increased capacity and accessibility will reduce the impact of the maintenance schemes on the network

A wider remit of schemes allows for better work programming opportunities, such as better utilisation of carriageway space and reduced Traffic Management constraints and costs.

Coordination between the schemes reduces the likelihood of abortive works and duplication of site supervision and inspection.

### **Financial**

Aligning the 2 projects will result in construction efficiencies and therefore cost savings.

Innovative construction methods and the use of new technology should reduce

future maintenance costs.

Elements of the scheme with high initial outlay costs, for example carriageway surfacing and the installation of slip form concrete barriers will become more cost effective with scale, i.e. doing more at the same time will reduce overall costs.

### **Commercial**

Combining the 2 projects will result in more cost effective procurement, i.e. only having to do it once.

We will benefit from preferential rates for requiring/acquiring greater amounts of materials.

There will be less impact on the highway network and therefore highway users than if the projects were delivered separately.

### **Economic**

The A52/Pride Park Congestion Management & Integrated Transport project will improve access for all highway users to the major employment sites of Wyvern and Pride Park as well as the city centre beyond.

Access to and from Wyvern and Pride Park is currently constrained by a congested section of the highway network, the A52/Pride Park Congestion Management & Integrated Transport projects will improve journey times into and out of the area.

This increased capacity will benefit existing organisations and businesses on Wyvern and Pride Park and enable us to better manage further growth, with an improved surrounding highway network.

The addition of the highways maintenance projects will improve the resilience of the transport network further and lock in journey time savings and reliability benefits.

4.10 LTP3 sets out our long term transport strategy for the city, and can be summarised as providing a balanced approach for all areas of transport. Through the annual

Highways & Transport work programme, we deliver schemes against the following key priorities:

- **Asset Management** – maintaining what we have
- **Network Management** – managing traffic flows

The package of schemes identified above, will clearly make a significant contribution to achieving those key priorities. Similarly, they will have a hugely positive impact on the realisation of many of the 5 Transport Goals and 9 Transport Challenges also found in LTP3.

#### Transport Goals:

1. To support growth and economic competitiveness, by delivering reliable and efficient transport networks
2. To contribute to tackling climate change by developing and promoting low-carbon travel choices
3. To contribute to better safety, security and health for all people in Derby
4. To provide and promote greater choice and equality of opportunity for all through the delivery and promotion of accessible walking, cycling and public transport networks, whilst maintaining appropriate access for car users
5. To improve the quality of life for all people living, working in or visiting Derby by promoting investment in transport that enhances the urban and natural environment and sense of place.

#### Transport Challenges:

1. Provide network efficiency, reduce unnecessary delays and facilitate economic activity
2. Maintain and improve transport infrastructure to address existing and future needs
3. Minimise the effects of any unpredictable events on transport network, and enhance adaptation to the effects of climate change
4. Minimise the negative effects of travel and existing and new transport infrastructure on local communities, air quality and the wider environment
5. Minimise transport's contribution to climate change and improve energy efficiency
6. Provide safer travel opportunities and reduce highway casualties
7. Provide good access to employment opportunities, key facilities and service for all residents and visitors to Derby
8. Encourage and enable all people and businesses to use sustainable travel choices

9. Enhance the integration of transport in the urban environment to provide safe, secure and multi-functional space, promoting greater social interaction and natural surveillance.

<b>OTHER OPTIONS CONSIDERED</b>
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- 5.1 None. This funding application is in direct response to the funding announcement and presents a key opportunity to secure much needed additional funding for an identified highway network pressure.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Janie Berry Amanda Fletcher Liz Moore Steve Sprason Tim Clegg Required internal consultees, Rachel Harvey, David Bartram
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Rachel Shardlow 01332 641770 <a href="mailto:rachel.shardlow@derby.gov.uk">rachel.shardlow@derby.gov.uk</a> None Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 DfT advises that the Local Highways Maintenance Challenge Fund will be 100% capital funding and can only be used in line with accepted accounting practices. Any funding awarded will be formally added to the annual H&T capital work programme for the appropriate year and therefore be subject to the same management measures. The outcome of submissions is expected before the start of the 2015/16 financial year. The DfT contribution will need to be fully spent by the end of March 2018.
- 1.2 DfT's guidance advises a strong local contribution of at least 10% of the total scheme costs. This would be achieved through the Asset Management section of the annual H&T capital work programme.
- 1.3 The application proposes the following funding profiles:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Total</b>
<b>DfT</b>	1056	3572	4967	9595
<b>Local</b>	406	350	350	1106
<b>TOTAL</b>	<b>1462</b>	<b>3922</b>	<b>5317</b>	<b>10701</b>

Local contributions will be achieved through the annual Highways & Transport work programme using our usual Asset Management budget allocation. In 2015/16, this will be achieved through the delivery of Pentagon Island Resurfacing (£265k – Highways Maintenance) and Pentagon Bridge Deck Replacement (£141k Structures Maintenance). In future years, committing usual funding as the local contribution will not result in a situation of 'not doing something else' As previously stated, the maintenance of this vital route is a high priority that we would ideally wish to allocate funding to, but without an additional source of funding like the Local Highways Maintenance Challenge Fund, it is unaffordable. However, the values shown as local contributions for 2016/17 and 2017/18 are affordable and appropriate through usual funding allocations. If the project costs exceed the currently available funding, they will be covered from within the overall Highways and Transportation programme.

Delivering this project will have a positive impact on revenue funding as it will reduce the need for reactive maintenance activities.

- 1.3 Similarly, delivery of projects funded from the Local Highways Maintenance Challenge Fund will be within the remit of the Infrastructure Programme Board. All scheme changes are reported to the Board and will be recorded appropriately, identifying the details and reasons for the scheme variation, and are managed in consultation with the respective technical, legal and finance officers



## **Legal**

- 2.1 Any funding secured through this application will contribute towards delivering the statutory Network Management Duty of 'securing the expeditious movement of traffic', as contained in the Traffic Management Act 2004. It will also positively impact on our statutory duty under the Highways Act 1980 to maintain our highway network in a condition that is safe for use.

## **Personnel**

- 3.1 None arising from this report.

## **IT**

- 4.1 None arising from this report.

## **Equalities Impact**

- 5.1 During the development of LTP3, extensive consultation was undertaken with Derby diversity forums. We worked with the Equality and Diversity Manager and undertook an Equality Impact Assessment, to consider how the implementation of transport infrastructure and initiatives are working towards tackling equality and the needs and requirements as detailed in the Equality Act 2010.

## **Health and Safety**

- 6.1 A Strategic Environmental Assessment (SEA) of LTP3, which includes the consideration of human health through a Health Impact Assessment (HIA), considered the potential impact of the long term transport strategy, and schemes, or combination of schemes within the LTP3 Implementation Plan, on the historic, social and natural environment.
- 6.2 Securing this funding would allow us to undertake major maintenance projects of a scale that we are ordinarily unable to; this will contribute significantly to health and safety of all highway users. It should also reduce the number of third party claims against the Council in respect of highway related defects.

## **Environmental Sustainability**

- 7.1 The projects identified will provide a direct contribution to the environmental sustainability of the city.
- 7.2 The projects identified will greatly enhance the H&T programme's contribution to reducing carbon emissions generated from transport. We will proactively seek to improve our asset management principles and activities by pursuing new and

alternative techniques and technologies to extend the life span of highway assets.

## **Property and Asset Management**

- 8.1 Current highway maintenance funding levels are significantly below those recommended in our Highway Asset Management Strategy to maintain a steady state for our highway assets. Securing additional funding will make a positive contribution to that shortfall.
- 8.2 There are no direct property impacts from this report. However, if in the subsequent design stage it is found that the project impacts on properties owned either by the Council or by third parties, the Head of Strategic Asset management and Estates will need to be contacted for approval and advice on the acquisition/disposal of any property interests.

## **Risk Management**

- 9.1 Delivery or budgetary risks identified during the delivery of these projects will be reported to the Infrastructure Programme Board and will be managed and mitigated appropriately.

## **Corporate objectives and priorities for change**

- 10.1 Good management of our highway assets contributes to the following ambitions in the Derby Plan:
  - Inspiring working life by improving skills and creating jobs
  - Inspiring place to live by improving the inner city