



Derby City Council

COUNCIL CABINET
15 March 2017

ITEM 8

Report of the Cabinet Member for
Neighbourhoods and Public Protection

Infrastructure Programme Board Capital Programmes 2017/18

SUMMARY

1.1 This report sets out the following proposed 2017/18 work programmes for approval:

- Highways & Transport (H&T),
- Vehicles Plant & Equipment (VP&E)
- Land Drainage & Flood Defences (LD&FD)

The programmes have been developed following consultation with Members, Neighbourhood Boards, transport related forums (where appropriate) and other key stakeholders. The H&T programme covers both revenue and capital funded projects but specifically sets out in more detail the capital schemes.

- 1.2 There is also a specific recommendation to approve s106 spend as part of the H&T programme of works.
- 1.3 The H&T programme takes into account the goals of Derby's long term transport strategy as set out in the third Local Transport Plan, LTP3.
- 1.4 In the VP&E programme, funding is prioritised against a replacement criterion which is based on the expected life of the different types of vehicles and equipment; and the operational demands/requirements of the service.
- 1.5 In the LD&FD programme, which although not set out within this report includes the Our City Our River project, funding is prioritised towards works which manage and reduce the potential for and impacts of flooding to properties and infrastructure throughout the city. Schemes are prioritised using a matrix scoring system which considers the extent of potential flood, risk to people and property, loss of critical infrastructure network, and effects on biodiversity, together with an assessment of the economic benefits/costs. As the Lead Flood Authority for the district, the Land Drainage & Flood Defence team has an overarching lead role for the coordination of Flood Risk Management Authorities in the area, in order to manage flood risk from local sources across the city.
- 1.6 The three work programmes are managed and monitored by the Infrastructure Programme Board in accordance with the Finance Procedure Rules and the Corporate Governance Structure.

RECOMMENDATION

- 2.1 To approve the capital and revenue H&T work programme for 2017/18 and the allocation of capital budgets across the LTP strategy areas, as detailed in appendix 2A.
- 2.2 To approve the s106 spend programme for the H&T work programme for 2017/18 as detailed in appendix 2B, including that proposed by officers for use on the A52 Congestion Management scheme.
- 2.3 To approve the proposed VP&E work programme for 2017/18. This is detailed in appendix 3.
- 2.4 To approve the proposed LD&FD work programme for 2017/18. This is detailed in appendix 4.
- 2.5 To continue to give delegated authority to the Strategic Director for Communities and Place, in consultation with the relevant Cabinet Portfolio Member either the Cabinet Member for Cohesion and Integration and/or Cabinet Member for Communities and City Centre Regeneration to respond to changing priorities throughout the year by introducing new schemes or bringing forward the implementation of some schemes at the expense of others.
- 2.6 To note the contents of the report in appendix 5 and approve the continuation of further detailed deterioration modelling to enable the production of a full business case for options to secure additional funds for highway maintenance.

REASONS FOR RECOMMENDATION

- 3.1 Approval of the work programmes prior to the start of the 2017/18 financial year will allow effective planning and programming of the detailed work programmes, with the objective of ensuring that schemes and initiatives from all three are delivered in the best possible way and achieve value for money. Further, early approval of the programmes will permit the identification of any risks to the delivery of schemes within them. This will enable us to review and monitor risks to ensure they do not escalate and where possible, eliminate them.
- 3.2 In the interests of the effective management of the programme, it is appropriate to maintain the delegated approvals as outlined in the Infrastructure Programme Board's Terms of Reference; to have the authority to review the three programmes and reallocate funding on the basis of the outcomes of investigations, feasibility studies and progress of other schemes. Any revisions to the Highways and Transport programme would still reflect the strategy and implementation plan set out in LTP3, whilst any reviews to either the Vehicles Plant & Equipment; or Land Drainage & Flood Defences programmes would continue to maintain the methodology of their initial development

- 3.3 It is essential that these work programmes, particularly the Vehicles Plant & Equipment programme, remain flexible to accommodate the outcomes of internal re-organisations, restructures, changing work patterns and operational commitments. This approach will ensure that budgets continue to be focussed on key work areas.
- 3.4 A business case for increased highways investment will demonstrate that we take the maintenance of our highway assets seriously and understand the condition of them and the investment required to maximise their life and offer best value for money. This will help inform investment decisions and assist with future funding bids.



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Report of the Strategic Director of Communities and Place

SUPPORTING INFORMATION

CONTEXT – LTP3

- 4.1 Extensive research, analysis and appraisal was carried out to develop Derby’s third Local Transport Plan, LTP3, which presents our long term transport strategy from 2011-2026. The Highways and Transport work programme aims to achieve the objectives set out in LTP3.
- 4.2 In the current climate of financial constraint and uncertain future funding the LTP3 strategy is balanced across all areas of transportation. Funding will be used to maintain and make best use of our existing assets, and support additional measures to encourage the use of alternative modes of travel to the private car.
- 4.3 Our key priority areas for delivering a balanced long term transport strategy are:

Asset Management: maintaining what we have

- Delivering significant planned maintenance

Network Management: managing traffic flows

- A52 Congestion Management scheme
- Using technology to make the best use of the existing network
- Targeting road safety and casualty reduction

Supporting ‘Active Travel’ and Public Transport: supporting and encouraging travel choice

- Providing information on all the travel alternatives available through promotion and training
- Delivering and promoting walking and cycling schemes and initiatives
- Working in partnership with Public Transport providers to improve services

Within the balanced approach of the long term transport strategy, we have recognised an urgent need to invest in maintaining our transport asset.

- 4.6 We have approximately 767km of roads and 1,195km of footways in the city and they represent the Council’s biggest property asset, with a value of over £1,200,000,000. The condition of our roads and footways deteriorate over time which impacts on their value. In line with Government guidance and best practice, we seek to target our investment to slow the rate of deterioration or keep it in check. This is known as maintaining a ‘steady state’ in asset management principles.

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- 4.7 Through lifecycle planning, we have calculated that the value of Derby's roads and footways is currently reducing by £4,900,000 a year. Considered against, our annual allocated Highways Maintenance budget of approximately £2,500,000, there is a variance each year of £2,400,000. Clearly, this will not enable us to keep Derby's roads and footways at the desired 'steady state'.
- 4.8 Colleagues in Highways Maintenance have recently produced a report (Highway Maintenance Funding paper at appendix 5), that was considered by Chief Officer Group in November and sets out a long term prognosis if funding levels remain as they are; the annual depreciation will increase further, the cost of reactive maintenance will rise and the impact of a failing highway network on the local economy will escalate. This report can be found at appendix 6.
- 4.9 Every year we engage with Neighbourhood Boards and Forums to understand their local priorities for investment in transport. The priorities they choose for their local areas inform our annual programme of work. Neighbourhood Boards were consulted about their top two highways, traffic and transport issues, plus a reserve priority between September and November 2016. Appendix 2C highlights how these priorities have been included in the programme.
- 4.10 Neighbourhood Boards were also consulted on the s106 programme. Appendix 2B shows the schemes on the 2017/18 programmes that are being funded by s106.
- 4.11 Consultation on the proposed H&T programme was undertaken with our Sustainable Transport Partnership colleagues between the 23 and 30 January 2017. The comments and feedback received are welcome; suggestions relating to specific schemes have been passed to relevant colleagues for consideration.
- 4.12 The H&T programme aims to allocate maximum investment in maintenance in line with LTP3 priorities whilst maintaining the necessary minimum allocation to other transport strategy areas. Every effort has also been made to address identified neighbourhood priorities.
- 4.13 The corporate allocation includes £648,870 from Section 106 highways contributions received in respect of a range of developments is included as part of the programme for approval. This is presented in appendix 2B.
- 4.14 The s106 programme has been developed in accordance with the principles of the city council's Supplementary Planning Documents on Planning Obligations and in line with the specific terms of each agreement and in accordance with the protocol for engaging with Neighbourhood Boards.
- 4.15 The A52 Wyvern Transport Improvement Scheme is a strategic transport priority for the city that will improve traffic flow and safety along the A52 and improve access for pedestrians, cyclists and vehicular traffic to Pride Park and Wyvern, unlocking development of the Derby Triangle site. By improving traffic flow of the A52 it is forecast that trips will transfer back onto this strategic route, thereby improving traffic flow through neighbourhood centres – this will benefit bus services using London Road and Nottingham Road. This scheme will deliver significant transport and economic benefits for the city.

- 4.16 As previously reported to Cabinet, the cost of delivering the A52 Wyvern Transport Improvement Scheme is £14,906,000. This budget will be comprised of a combination of public sector funding and private match funding, including developer contributions. In addition to the sum that has been secured from the developers of the adjacent Derby Triangle site, that will provide the highway mitigation required to accommodate their development, we have also identified a further £252,000 of developer contributions that we already have and are proposing to allocate to the scheme. These are detailed in appendix 2b.
- 4.17 The Councillor Guide to Planning Obligations requires Officers to consult Members and Neighbourhood Managers on the spending of developer contributions. If following discussions agreement cannot be reached, when Officer spending proposals are made to Cabinet, the difference of opinion and the alternative scheme(s) proposed by Members should be highlighted.

In this case, we have secured agreement from Members about 3 of the developer contributions, agreement has not been received for the 4 below:

- BelW3-02 and BelW5-01 – pedestrian crossing on London Road (subject to controlled crossing assessment criteria being met)
- SawP4-02 – a dropped kerb scheme in the Nottingham Road area
- SpoRes1-04a – no alternative schemes proposed
- ChaS1-02 – no alternative schemes proposed

The value of these 4 contributions is £125,916, without this funding an equivalent sum would have to be found from another funding source, not yet identified. As per the Councillor Guide to Planning Obligations and as detailed in recommendation 2.2 of this report, we are seeking Cabinet's support of the Officer recommendation to commit all developer contributions identified in appendix 2b to the A52 Wyvern Transport Improvement Scheme.

It should also be pointed out that the for the contribution Boc1-01, the proposed inclusion of this contribution in the 2017/18 H&T programme is subject to the developer agreeing to a change in the current spending parameters. If that is not secure, then we will obviously not use the contribution.

Vehicles, Plant and Equipment

- 4.17 Streetpride provides many of the critical, frontline services that people who live, work and visit Derby use every day. Many people's first impression of Derby will be influenced by the quality of our grounds maintenance and street cleansing services. We will be praised or criticised by how well or badly we collect refuse and recycling.
- 4.18 Streetpride are committed to working with local people to encourage pride in the places they live. We work closely with the city's residents to ensure that the services we deliver are responsive, sensitive and appropriate. Local communities have also been instrumental in transforming how we continue to deliver these services, while achieving maximum value for money.

Flood Defence and Land Drainage

- 4.19 The Land Drainage team prioritises drainage and flood defence schemes which aim to reduce the potential for, and consequences of, flooding incidents by managing, reducing and controlling the rate of surface water discharge from each location, whilst improving water quality, thus promoting biodiversity benefits, which aligns with central Government and European policies.
- 4.20 In addition to the Our City Our River project, which is not defined in detail within this report, flood defence and highways drainage works are prioritised using a risk matrix scoring system which considers the extent of potential flood, risk to people and property, loss of critical infrastructure network, and effects on biodiversity, together with an assessment of the economic benefits/costs
- 4.21 The team prioritises schemes of works which offer flood defence and highways drainage benefits while wherever practicable, returning watercourses to their natural state, thus improving environmental benefits.

OTHER OPTIONS CONSIDERED

- 5.1 The development of the H&T programme has involved consideration of various options for the inclusion of projects. The draft programme recommended is considered to be the best fit to the objectives of LTP3, the local priorities of Members and Neighbourhood Boards and the mitigation of development, given the overall level of resources available.
- 5.2 The VP&E and LD&FD work programmes have been developed in consideration against corporate objectives, the Streetpride Service Standards and our statutory obligations. It is considered that they offer the maximum value for money considering the resources available.

This report has been approved by the following officers:

<p>Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)</p>	<p>Janie Berry Amanda Fletcher Liz Moore Jayne Sowerby-Warrington David Gartside, David Bartram Andy Hills, Nick Riley, Ann Webster</p>
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<p>For more information contact: Background papers: List of appendices:</p>	<p>Rachel Shardlow 01332 641770 rachel.shardlow@derby.gov.uk None Appendix 1 Implications Appendix 2 Highways and Transport Work Programme 2A – Programme Summary and Programme Detail 2B – s106 Programme 2C – Neighbourhood Priorities Appendix 3 Vehicles, Plant & Equipment Work Programme Appendix 4 Flood Defence & Land Drainage Work Programme Appendix 5 Highway Maintenance Funding Paper</p>
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IMPLICATIONS

Financial and Value for Money

- 1.1 This report seeks to continue delegated authority as outlined in the main body of the report.
- 1.2 All scheme changes are reported to the Infrastructure Programme 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.
- 1.3 The procurement of vehicles and equipment will be in accordance with the Contract Procedure Rules 2015 and therefore fulfil the primary objectives of:
 - Ensuring the Council can demonstrate that it fulfils its duty of achieving value for money
 - Ensuring that the Council complies with current best practice and relevant English and European law
 - Providing contracting roles and procedures which protect Members and Officers from any allegation of acting unfairly or unlawfully
 - Ensuring that any risks associated with entering into contracts are assessed and appropriately mitigated.

Legal

- 2.1 In developing the H&T work programme we have to have regard to delivering the statutory Network Management duty of 'securing the expeditious movement of traffic on the road network' under the Traffic Management Act 2004, as well as the general duty to maintain the highway network in a condition which is safe for use. Further, In developing the Vehicles, Plant & Equipment and Land Drainage & Flood Defence work programmes, consideration must be given to fulfilling our statutory obligations.

- 2.2 As local authority we are responsible for a range of statutory duties, including those contained in the following pieces of legislation:
- Environmental Protection Act 1990
 - Household Recycling Act 2003
 - Landfill Allowance and Trading Scheme (England) Regulations 2004
 - Waste and Emissions Trading Act 2003
 - Refuse Disposal (Amenity) Act 1978
 - Controlled Waster regulations 1992
 - Clean Neighbourhoods and Enforcement Act 2005
 - Flood and Water Management Act 2010
 - Flood Risk Regulations
 - Water Industry Act 1991
 - Litter Act 1983
 - Dogs (Fouling of Land) Act 1996
 - Control of Pollution Act 1974
 - Highways Act 1980
 - Traffic Management Act 2004

Personnel

- 3.1 If budgets are approved at levels anticipated in the report, it is not thought there would be any personnel implications.
- 3.2 If approved budgets are lower than anticipated, and it is proposed that fewer staff may be required to deliver the work programmes, any such proposals would be managed in line with Council policies and practice, and legislative requirements.

IT

- 4.1 There are no IT implications in this report or these work programmes.

Equalities Impact

- 5.1 Extensive consultation with Derby Diversity Forum was carried out throughout the preparation of LTP3. We worked with the Lead on Equality and Diversity 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 set out in the Equality Act 2010.
- 5.2 Streetpride provide a service to assist disabled residents in putting our wheeled bins and offer provision to residents who have medical waste to dispose of. They are also very reactive to requests for repairs from disabled people about uneven and damaged footways, which can present difficulties for wheelchair users and those with mobility impairments. Streetpride are also leading a working group to tackle the issue of A-boards in the city, which are having a negative impact on disabled people and parents with push-chairs.

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- 5.2 The Diversity Forum work very closely with public transport operatives and along with the Lead on Equality and Diversity and other officers will be helping them to provide a better service for disabled passengers who need the wheelchair space on buses. This is particularly in light of the recent Supreme Court Judgement over access to the wheelchair spaces on buses where it was found that disabled people should get priority over the spaces, rather than parents with buggies.

Health and Safety

- 6.1 A Strategic Environmental Assessment (SEA) of the 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 combinations of schemes within the implementation plan, on the historic, social and natural environment.
- 6.2 Delivery of the schemes within the three separate programmes is undertaken with due regard to relevant health & safety legislation and guidelines.

Environmental Sustainability

- 7.1 These programmes provide direct contributions to the environmental sustainability of the city.
- 7.2 The H&T work programme includes measures to help reduce carbon emissions from transport
- 7.3 The VP&E programme promotes and facilitates recycling activities and preserves the city's green spaces through ground maintenance activities. There are also initiatives to promote the use of washable nappies rather than disposable ones and to encourage home composting.
- 7.4 The FD&LD programme strives to reduce the occurrence of flooding in the city, and also through the implementation of sustainable drainage systems.

Property and Asset Management

- 8.1 Investment in the maintenance of our transport assets is currently our highest priority for the allocation of limited resources in the short term. The proposed 15/16 H&T programme includes a package of planned asset maintenance.

Risk Management

- 9.1 Risks identified during the delivery of these work programmes will be reported to the Infrastructure Programme Board and managed and mitigated appropriately.
- 9.2 Design and feasibility work can only be capitalised if the schemes will be delivered in the near future. If such work does not result in the delivery of a scheme, design and feasibility costs cannot be capitalised and will need to be charged to revenue.

Corporate objectives and priorities for change

10.1 The H&T, VP&E; and FD&LD work programmes will contribute directly towards achieving the following Council priorities:

- Promoting health and well-being – encouraging use of sustainable modes of transport, undertaking grass cutting in parks, playing fields and green spaces, carrying out street cleansing activities
- Improving housing, supporting job creation and regenerating the city – providing an effective & functional transport network, Local Growth Funding for sustainable transport scheme with the direct aim of promoting housing & employment growth in the city
- Making the most of our assets – a primary aim of LTP3, maintaining what we have. Our highway network is the Council's most valuable asset.

PROPOSED HIGHWAYS AND TRANSPORT WORK PROGRAMME

Summary

This paper provides information on the proposed Highways and Transport Programme in 2017/18

Table 1.1 2017/18 total allocations by strategy area (values are '000's)

Strategy area	LTP	S106	Revenue	Other	Total
Asset Management					
Highways Maintenance - carriageways, footways, drainage and street lighting	1845	0	0	166	2011
Structures Maintenance – including land drainage and flood defence	545	0	0	0	545
ITS Network Management Maintenance – including signal refurbishments	210	45	0	0	255
National Productivity Investment Fund	0	0	0	669	669
Asset Management TOTAL	2,600	45	0	835	3,480
Network Management					
Strategic Network Management	150	231	0	0	381
Local Traffic Management	400	111	0	0	511
Casualty Reduction	50	0	0	0	50
LUP and Strategic Integrated Transport Schemes	200	252	0	8,988	9,440
Network Management TOTAL	800	594	0	8,988	10,382
Active Travel					
Smarter Choices	0	0	0	1,385	1,385
Pedestrian Accessibility	30	10	0	0	40
Cycle Derby	30	0	0	0	30
Active Travel TOTAL	60	10	0	1,385	1,455
Public Transport					
Public Transport	40	0	0	0	40
Public Transport TOTAL	40	0	0	0	40
Asset Management Total					
	2,600	45	0	166	3,480
Integrated Transport Total					
	900	604	0	10,373	11,877
TOTAL	3,500	649	0	10,539	15,357

Table 1.2 Scheme Detail 2017/18

Asset Management – looking after all highways and transport assets, including carriageways, footways and highways structures, intelligent transport systems and drainage to minimise lifetime costs and to maintain safety for highway and transport users.

This is split into 3 sub-sections:

- Highways Maintenance (HM)
- Structures Maintenance (SM)
- Intelligent Transport Systems Maintenance (IM)

AM – Highway Maintenance (HM)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Highway Maintenance						
HM L01	Design of Future Year Schemes Design: essential budget to ensure a rolling programme of feasibility, investigation and detailed design work in preparation of early future year delivery the following financial year	50	0	rev	0	City
HM R01	Highway Asset Management Officer input: <ul style="list-style-type: none"> • Delivery of outputs from the Highways Maintenance LEAN Review • Delivery of outputs from the Self-Assessment Questionnaire • Development of highway maintenance service to meet the new Code of Practice for Well Maintained Highway Infrastructure • Annual Engineer Inspection (AEI) to determine condition of carriageways and footways • Full implementation of measuring Highway Network Assets to be included in local authority financial statements • Benchmarking and Collaboration in Highway Maintenance Services 	0	0	rev	0	City
HM R02	Streetpride Highway Maintenance In House Service Implementation: reactive and routine maintenance including winter maintenance /resilience operations, as well as delivery of small/medium scale projects within the Highways and Transport Work Programme and third parties	0	0	rev	0	City
HM R03	Management of the Nottingham and Derby Joint Highway Framework Service Contract for Highway Maintenance Officer input: management and delivery of larger and specialist projects in the Highways and Transport Work Programme through the contract	0	0	rev	0	City

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HM R04	Development of IT Systems Officer input : development of Confirm System for highways asset management, to meet requirements of new Code of Practice for Well Maintained Highway Infrastructure	0	0	rev	0	City
HM R05	Street Lighting PFI Contract Officer input: delivery of street lighting improvements via the PFI with the Street Lighting Provider.	0	0	0	PFI	City
Carriageway Maintenance						
HM L02	Humbleton Drive Design & Implementation: delivery of carriageway maintenance scheme	150	0	0	0	Mac 2
HM L03	Balaclava Road Design & Implementation: delivery of carriageway maintenance scheme	210	0	0	0	Nor 1
HM L04	Bracknell Drive Design & Implementation: delivery of carriageway maintenance scheme	275	0	0	0	Bou 1
HM L05	Carriageway Joint Sealing Design & Implementation: locations will be selected from the results of the recent AEI survey	40	0	0	0	City
HM L06	Safety Barrier Repairs Design & Implementation: locations will be selected from the results of the recent AEI survey	40	0	0	0	City
HM L07	Pothole Action Fund Design & Implementation: delivery of works to repair or prevent potholes	0	0	0	166	City
Carriageway Surface Dressing						
HM L08	Surface Dressing Programme Design & Implementation: schemes will be selected from the results of the recent AEI survey, based on need and the condition of the carriageway. To include Neighbourhood Board priorities	500	0	0	0	City
HM L09	Carriageway Micro-asphalt Design & Implementation: schemes will be selected from the results of the recent AEI survey, based on need and the condition of the carriageway. To include Neighbourhood Board priorities	250	0	0	0	City
HM L10	Carriageway Concrete Treatments Design & Implementation: schemes will be selected from the results of the recent AEI survey, based on need and the condition of the carriageway.	40	0	0	0	City
HM L11	Carriageway Re-texturing Design & Implementation: schemes will be selected from the results of the recent AEI survey, based on need and the condition of the carriageway. To include Neighbourhood Board priorities	40	0	0	0	City

Footway Maintenance						
HM L12	Arundel Avenue Design and Implementation: Footway maintenance	25	0	0	0	Mic 1
HM L13	Haddon Drive, Micklover Design and Implementation: Footway maintenance	25	0	0	0	Mic 2
HM L14	Sinfin Fields Crescent Design and Implementation: Footway maintenance	25	0	0	0	Che
HM L15	Brightstone Close Design and Implementation: Footway maintenance	15	0	0	0	Bou
Footway Slurry Sealing						
HM L16	Footway Slurry Sealing (City Wide) Design and Implementation: Slurry Sealing programme based on priority list. In addition. To include Neighbourhood Board priorities	150	0	0	0	City
Street Lighting						
HM L17	Street Lighting De-illumination Implementation: Completion of the project to replace illuminated bollards	10	0	0	0	City
Total		1,845	0	0	166	2011

AM – Structures Maintenance (SM)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Land Drainage & Flood Defence						
SM L20	Dale Road, Spondon Design and Implementation: construction of new highway drainage and repair of existing drainage and SUDS drainage	75	0	0	0	Spo
Structural Maintenance						
SM L01	Principal Bridge Inspections Investigation and Feasibility: To carry out the Principal Bridge Inspections and structural reviews programme. This work is essential to identify and maintain important structures on our highway network	70	0	0	0	City
SM L02	Structural Maintenance Projects Design and Implementation: Bridge maintenance and unforeseen reactive works	100	0	0	0	City
SM L03	Uttoxeter Old Road Design and some Implementation: bridge refurbishment	200	0	0	0	Abb, Mac
SM L04	A52 Wyvern Access Bridge Design and Implementation: bridge refurbishment	100	0	0	0	Cha
Total		545	0	0	0	545

AM - Intelligent Transport Systems Maintenance (IM)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Signal Refurbishments						
IM L01	Goodsmoor Road Bridge Design and Implementation: refurbishment of traffic signal controls	50	0	0	0	Bla, Sin
IM L02	Sitwell Street, Spondon Design and Implementation: puffin crossing refurbishment	34	0	0	0	Spo
IM L03	Nottingham Road/Lyndhurst Grove Design and Implementation: puffin crossing refurbishment	32	0	0	0	Cha
IM L04	Blagreaves Lane/Moorway Lane Design and Implementation: puffin crossing refurbishment	32	0	0	0	Bla
IM L05	Sinfin Lane (near former International Combustion site) Design and Implementation: puffin crossing refurbishment	32	0	0	0	Sin
IM L06	Nottingham Road/Willowcroft Road Design and Implementation: traffic signal refurbishment	30	45	0	0	Spo
Total		210	45	0	0	255

National Productivity Investment Fund						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Signal Refurbishments						
TBC	National Productivity Investment Fund This new funding from the Department for Transport is intended to reduce congestion at key locations, upgrade or improve the maintenance of local highway assets in order to improve access to employment and housing and to develop economic and job creation opportunities	0	0	0	69	City
Total		0	0	0	669	669

Network Management – the efficient management of the transport network and improvements to the existing network to improve the efficiency of junctions and links

This is split into 4 sub-sections:

- Strategic Network Management (NM)
- Local Traffic Management (TM)
- Casualty Reduction (CR)
- Land Use Policies & Strategic Transport Schemes (SI)

NM – Strategic Network Management (NM)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Strategic Junction Traffic & Pedestrian Improvement Schemes						
NM L01	Stenson Road/Blagreaves Lane Implementation: Implementation of junction improvement scheme	0	231	0	0	Bla
NM L02	Clean Air Zone Implementation: Design and consultation of the CAZ access restriction	40	0	0	0	City
Network Management Duty						
NM L03	Strategic Scheme Development and Option Appraisal Investigations, Feasibility and some Design: Continuation of work to identify strategic schemes, develop options and pursue external funding opportunities	60	0	0	0	City
NM L04	Parking Study Implementation Investigation and Implementation: Continued implementation of Parking Study recommendations and further investigation of new issues.	50	0	0	0	City
Total		150	231	0	0	381

NM – Local Traffic Management (TM)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Traffic Management scheme Investigation, Design and implementation						
TM L01	Small Scale Schemes Investigation, Design and Implementation: Delivery of small scale schemes identified during 2017/18	10	0	0	0	City
TM L02	Old Sinfin Estate Traffic Management Investigation, Design and Implementation: Investigation, Design and Implementation of measures to address traffic management concerns	10	0	0	0	Sin 1
TM L03	Deepdale Lane/Wragley Way Investigation, Design and Implementation: Investigation, Design and Implementation of enhanced gateway feature at city/county boundary	10	0	0	0	Sin 2
TM L04	High Street, Chellaston Investigation, Design and Implementation: Investigation, Design and possible Implementation of measures to address congestion and speed concerns	10	0	0	0	Che 1

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TM L05	Parkway Investigation, Design and Implementation: Investigation, Design and possible Implementation of measures to address visibility concerns	10	0	0	0	Che 2
TM L06	Brighton Road Investigation, Design and Implementation: Introduction of waiting restrictions at junctions	0	10	0	0	Alv 1
TM L07	St John Fisher School Area Investigation, Design and Implementation: Introduction of waiting restrictions at junctions	10	0	0	0	Alv 2
TM L08	Holbrook Road Area Investigation, Design and Implementation: Investigation, Design and possible Implementation of measures to address traffic management concerns	10	0	0	0	Bou 2
TM L09	Chapel Street, Spondon Investigation, Design and Implementation: Investigation, Design and possible Implementation of measures to address traffic management concerns	10	0	0	0	Spo 1
TM L10	Chaddesden Primary School Investigation, Design and Implementation: Investigation, Design and possible Implementation of measures to address traffic management concerns	10	0	0	0	Cha 1
TM L11	Carlton Road Investigation, Design and Implementation: Investigation, Design and possible Implementation of measures to address traffic management concerns	10	0	0	0	Abb 1
TM L12	Depot Street Area Residents Parking Investigation, Design and Implementation: Implementation of residents parking scheme	10	5	0	0	Arb 1
TM L13	Kingsway Park Close Investigation, Design and Implementation: Introduction of waiting restrictions	0	10	0	0	Mac
TM L14	Stepping Lane Investigation, Design and Implementation: Introduction of waiting restrictions	0	10	0	0	Mac
TM L15	Mackworth Through Traffic Investigation, Design and Implementation: Feasibility, option development and consultation	0	20	0	0	Mac
TM L16	Stenson Road/Wellesley Avenue Parking Area – Leadership Priority Investigation, Design and Implementation: Introduction of waiting restrictions	0	10	0	0	Bla
Traffic Management Schemes for Implementation						
TM L17	Waiting Restrictions Implementation: Introduction of minor amendments at various locations	10	0	0	0	City

Classification: OFFICIAL

TM L18	Parking Restrictions Implementation: Continuation of scheme commenced in 2016/17 – implementation of further phases	160	0	0	0	City
TM L19	Littleover 20mph Zone Implementation: Detailed design and implementation of scheme following study in 2015/16	0	40	0	0	Lit 1
TM L20	Raynesway Park Drive Implementation: Implementation of a scheme to reduce congestion	80	0	0	0	Alv
TM L21	'The Victoria Area' Waiting Restrictions Implementation: Introduction of waiting restrictions	10	0	0	0	Dar 1
TM L22	West Avenue Area Waiting Restrictions Implementation: Introduction of waiting restrictions	10	0	0	0	Dar 2
TM L23	Manchester Street Area Residents Parking Implementation: Implementation of residents parking scheme following consultation undertaken in 2016/17	10	0	0	0	Mac 1
TM L24	Blagreaves Lane/Moorway Lane Design and some Implementation: Continuation of work started in 2016/17	10	0	0	0	Bla 1
TM L25	Acorn Way 50mph Speed Limit Investigation, Design and Implementation: Investigation of 50mph speed limit	0	6	0	0	Cha/Spo
Total		400	111	0	0	511

NM – Casualty Reduction (CR)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Safety Schemes for Implementation						
CR L01	Small Scale Scheme Option Development Feasibility and Design: design of schemes small scale scheme for implementation in a future year	10	0	0	0	City
CR L02	Small Scale Schemes for Implementation Implementation: the delivery of small scale schemes	10	0	0	0	City
CR L03	Casualty Reduction Schemes Implementation: the delivery of Casualty Reduction schemes: <ul style="list-style-type: none"> • Markeaton Lane/Ashbourne Road • Burton Road/Farley Road 	30	0	0	0	City
Total		50	0	0	0	50

NM – Land Use Policy & Strategic Transport Schemes (SI)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Strategic Transport Scheme Development						
SI L01	A52 Wyvern Transport Improvement Scheme Design and Implementation: Final design, land acquisition and commencement of construction	200	252	0	8,988	City
SI R07	Strategic Transport Scheme Development Officer input or strategy and policy development: The progression of identified strategic transport schemes	0	0	rev	0	City
SI R02	Strategic Modelling Improvements Officer input or strategy and policy development: Officer input into continued Maintenance of DATM. Includes revalidating and upgrading of the DATM model	0	0	rev	0	City
Integration of Transport and Land Use Planning						
SI R06	Strategic Transport Priorities Officer input or strategy and policy development: Coordination and support for the city's input into regional, sub regional prioritisation devolved funding and policy	0	0	rev	0	City
SI R03	Input into Core Strategy & LDF Officer input or strategy and policy development: Officer Input into development of the Core Strategy and Local Development Framework.	0	0	rev	0	City
SI R04	Growth Point/HMA Work Officer input or strategy and policy development: Officer Input into Growth Point/HMA work.	0	0	rev	0	City
SI R05	Planning Applications & Transport Assessments Officer input or strategy and policy development: Ongoing review of planning applications and transport assessments.	0	0	rev	0	City
Total		200	252	0	8,988	9,440

Active Travel – supporting and encouraging travel choice, providing information on travel alternatives available through promotion and training, delivering and promoting walking and cycling schemes and initiatives

This is split into 3 sub-sections:

- Smarter Choices (SC)
- Pedestrian Accessibility Improvements (PA)
- Cycle Derby (CD)

AT – Smarter Choices (SC)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Marketing & Travel Awareness Activities						
SC R01	Smarter Choices Implementation Implementation: Pursue smarter choice initiatives, to ensure impacts of developments are mitigated and to ensure people are aware of, and encouraged to use, all of their travel options. Progress dependent upon available resources. This work supports investment in all LTP3 strategy areas.	0	0	Rev	0	City
SC L01	Smart Bus Routes Implementation: Improved bus links from the city centre to Osmaston and Infinity Park	0	0	0	25	City
SC L02	Smart Cities, Real Time Information Implementation: system to track buses in the city to improve efficiency and quality of information conveyed to passengers	0	0	0	30	City
SC L03	Smart Cities, Smart Ticketing Implementation: Expansion of existing Spectrum ticket	0	0	0	30	City
SC L04	Public Transport Infrastructure Improvements Implementation: New and/or improved bus stops on key routes	0	0	0	35	City
SC L05	South Derby Cycle Package Implementation: cycle infrastructure improvements including contra-flows, segregated routes, junction improvements and improved signing and lining	0	0	0	700	City
SC L06	Smart Cities, Information Technology Implementation: package of small projects that make use of innovative technology	0	0	0	10	City
SC L07	Smart Cities, Electric Charging Implementation: Installation of electric vehicle charging points	0	0	0	25	City
SC L08	Cycle Hire Scheme Implementation: implementation of a cycle hire scheme	0	0	0	480	City
SC L09	Smart Cities, Car Club Implementation: Enhancement and extension of the car club	0	0	0	10	City
SC L10	Sustainable Grant System Implementation: continuation of our sustainable transport grant scheme	0	0	0	40	City
		0	0	0	1,385	1,385

AT – Pedestrian Accessibility Improvements (PA)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Dropped Crossings & Junction Protection						
PA L01	Palm Court Island Investigation, design and some implementation: measures to address pedestrian accessibility issues	10	10	0	0	All 2
PA L02	Berwick Avenue Area Implementation: installation of dropped crossings at a number of locations	10	0	0	0	Der 2
PA L03	Oakwood Ward Implementation: installation of dropped crossings at a number of locations	10	0	0	0	Oak1
Total		30	10	0	0	40

AT – Cycle Derby (CD)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Cycle Network Development						
CD L01	Small scale cycle network improvements Design & Implementation: Small scale cycle improvements including signing and lining to overcome barriers to cycling and provide better route continuity. Locations include:	20	0	0	0	City
CD L02	Mandatory Cycle Lanes Investigation and Implementation: continuation of work commenced in 2016/17 to review existing TRO's and implement appropriate replacements	10	0	0	0	City
Education, Training, Promotion & Information						
CD R01	School Cycle Training Cycle skills training for school pupils. Includes Bikeability levels 1 and 2 and the possible development of level 3, Summer Bikeability, Scootability, Learn to Ride.	0	0	rev	0	City
CD R02	Cycling activities & initiatives Including: Promotions and marketing, Support to Derby Strategic Cycle Forum, Corporate Champions: Work Area Team	0	0	rev	0	City
		30	0	0	0	30

Public Transport – supporting and encouraging travel choice, providing information on travel alternatives, working in partnership with public transport providers to improve services

Public Transport (PT)						
Ref	Scheme	Contribution (£'000s)				Ward/Priority See ward key
		LTP	S106	Rev	Other	
Public Transport Infrastructure Improvements						
PT L01	Small Scale Bus Stop Improvements Implementation: small scale bus stop infrastructure improvements include signing and lining	10	0	0	0	City
PT L02	The Spot Implementation: Implementation of public transport infrastructure improvements	30	0	0	0	Arb
Quality of Service Improvements						
PT R01	Revenue Support for Contracted Local Bus Services Officer input or strategy and policy development	0	0	rev	0	City
PT R02	Concessionary Fares Officer input or strategy and policy development: Implementing our statutory duty to provide a concessionary fares scheme for older people and certain groups of disabled people specified by the government as part of the English National Concessionary Travel Scheme (Gold Card scheme implementation). Also to continue with the Bline scheme for young people up to the age of 19	0	0	rev	0	City
Total		40	0	0	0	40

Ward Key

Ward	Code
Abbey	Abb
Alvaston	Alv
Allestree	Als
Arboretum	Arb
Blagreaves	Bla
Boulton	Bou
Chaddesden	Cha
Chellaston	Che
Citywide	City
Darley	Dar
Derwent	Der
Littleover	Lit
Mackworth	Mac
Mickleover	Mic
Normanton	Nor
Oakwood	Oak
Sinfin	Sin
Spondon	Spo

Appendix 2B: 2017/18 Highways and Transport s106 Programme

Ref	s106 ref number	Development Location	Ward	Amount	Scheme Name	Neighbourhood board comments / suggestions
IM L06	CitC1-01b	City Contracting	Spondon	45,000	Nottingham Road/Willowcroft Road	Previously approved
NM L01	SouDer1-08	Stenson Road	Blagreaves	231,000	Stenson Road/Blagreaves Lane	Scheme specific contribution
TM L06	ColR1-01	Aldi	Alvaston	10,000	Brighton Road	NHB suggestion
TM L12	FulS2-01	Full Street	Arboretum	5,000	Depot Street	No objections received
TM L13	ArtN1-03	Arthur Neal House	Mackworth	10,000	Kingsway Park Close	NHB suggestion
TM L14	ArtN1-03	Arthur Neal House	Mackworth	10,000	Stepping Lane	NHB suggestion
TM L15	MacC1	Mackworth College	Mackworth	20,000	Mackworth Through Traffic	NHB suggestion
TM L16	SouDer1-08	Stenson Road	Blagreaves	10,000	Stenson Road/Wellesley Avenue	Leadership priority
TM L19	Acu1-02h	Royal Derby Hospital	Littleover	4,166	Littleover 20mph Zone	NHB suggestion
	AcuS1-03	Royal Derby Hospital		13,150		NHB suggestion
	Mank1-05	Manor/Kingsway		22,684		NHB suggestion
TM L25	Brof2-01	Brook Farm	Chaddesden/Spondon	6,000	Acorn Way 50mph Speed Limit	Scheme specific contribution
SI L01	ChasS1-02	Chaddesden Sidings	Chaddesden/Alvaston /Spondon/ Derwent	36,000	A52 Wyvern Transport Improvement Scheme	No agreement/alternative
	SawP4-02	Sawley Packaging		5,129		Counter proposal
	Ray1-04	New Raynesway		105,614		Agreement secured
	SpoRes1-04	Huntley Avenue		25,312		No agreement/alternative
	BelW3-02	Belmore Way		39,047		Counter proposal
	BelW5-01	Belmore Way		20,428		Counter proposal
	Boc1-01	Boc Gases		20,340		Developer approval needed
PA L01	PalC1	Palm Court	Allestree	10,000	Palm Court Island	No objections received
TOTAL				648,870		

Appendix 2C: 2017/18 Highways and Transport Neighbourhood Priorities

Ward	Priority	Included in 17/18 work programme?	Strategy Area
Abbey			
Priority 1	Carlton Road Area Traffic Management Issues	Yes	Local Traffic Management
Priority 2	Abbey Ward Highways Maintenance	Yes	Highways Maintenance
Allestree			
Priority 1	Birchover Way Carriageway Resurfacing	Yes	Highways Maintenance
Priority 2	Palm Court Roundabout Area Pedestrian Accessibility	Yes	Pedestrian Accessibility
Alvaston			
Priority 1	Brighton Road Junction Protection	Yes	Local Traffic Management
Priority 2	St John Fisher School Area Junction Protection	Yes	Local Traffic Management
Arboretum			
Priority 1	Depot Street Area Residents Parking	Yes	Local Traffic Management
Priority 2	Arboretum Ward Highways Maintenance	Yes	Highways Maintenance
Blagreaves			
Priority 1	Blagreaves Lane/Moorway Lane Junction	Yes	Local Traffic Management
Priority 2	Blagreaves Ward Footway Slurry Sealing	Yes	Highways Maintenance
Boulton			
Priority 1	Boulton Ward Highways Maintenance	Yes	Highways Maintenance
Priority 2	Holbrook Road Area Junction Protection and Traffic Management	Yes	Local Traffic Management
Chaddesden			
Priority 1	Chaddesden Primary School Area Traffic Management	Yes	Local Traffic Management
Priority 2	Chaddesden Ward Highways Maintenance	Yes	Highways Maintenance
Chellaston			
Priority 1	High Street Traffic Congestion and Speed Concerns	Yes	Local Traffic Management
Priority 2	Parkway Traffic Calming	Yes	Local Traffic Management
Darley			
Priority 1	'The Victoria Area' Waiting Restrictions	Yes	Local Traffic Management
Priority 2	West Avenue Area Waiting Restrictions	Yes	Local Traffic Management

Classification: OFFICIAL

Derwent			
Priority 1	Stratford Road Surface Dressing	Yes	Highways Maintenance
Priority 2	Berwick Avenue Area Pedestrian Accessibility	Yes	Pedestrian Accessibility
Littleover			
Priority 1	Littleover 20mph Zone	Yes	Local Traffic Management
Priority 2	Shepherd Street Highways Maintenance	Yes	Highways Maintenance
Mackworth			
Priority 1	Manchester Street Area Residents Parking	Yes	Local Traffic Management
Priority 2	Humbleton Drive Carriageway Maintenance	Yes	Highways Maintenance
Mickleover			
Priority 1	Arundel Drive Footway Maintenance	Yes	Highways Maintenance
Priority 2	Haddon Close Footway Maintenance	Yes	Highways Maintenance
Normanton			
Priority 1	Balaclava Road Carriageway Maintenance	Yes	Highways Maintenance
Priority 2	St Thomas Road Carriageway Maintenance	Yes	Highways Maintenance
Oakwood			
Priority 1	Pedestrian Accessibility Improvements	Yes	Pedestrian Accessibility
Priority 2	Oakwood Ward Footway Slurry Sealing	Yes	Highways Maintenance
Sinfin			
Priority 1	Old Sinfin Estate Traffic Management	Yes	Local Traffic Management
Priority 2	Deepdale Lane/Wragley Way Gateway Signs	Yes	Local Traffic Management
Spondon			
Priority 1	Chapel Street Traffic Management Concerns	Yes	Local Traffic Management
Priority 2	Stewart Close/Frazer Close Footway Maintenance	Yes	Highways Maintenance

2017/18 Vehicles, Plant & Equipment Work Programme

Work Area	2017/18 Budget (000's)
Grounds Plant & Equipment The purchase of plant and equipment to undertake grounds maintenance activities including grass cutting	564
Waste Disposal – New Treatment Plant Derby's contribution to the build costs of the new waste plant on Sinfin Lane	25000
Total	25,564

2017/18 Flood Defence & Land Drainage Work Programme

Scheme	2017/18 Budget (000's)
Cuttle Brook	15
Cotton Brook	100
Burley Brook	73
Wilmore Road Rain Gardens	75
Markeaton Lane Phase 2	50
Total	313

Highway Maintenance Funding

SUMMARY

- 1.1 Derby City Council has approximately 767km of roads and 1,195km of footways. This is by far the Council's biggest property asset which is worth over £1.2 billion.
- 1.2 Like all property assets, the condition of our roads and footways deteriorates over time, which causes a loss of value. Through lifecycle planning, we have calculated the value of our roads and footways in Derby is currently reducing by £4.9million per year. This is known as Annual Depreciation.
- 1.3 Deterioration will always occur but the aim of effective asset management is to target investment to slow the rate of deterioration or keep it in check, commonly referred to as maintaining 'steady state'.
- 1.4 The 2016/17 allocation for highway maintenance funding is approximately £2million, which is 41% of the annual depreciation and less than 0.16% of the asset value. There is a shortfall in annual spend of £2.9million and whilst we have been working to slow the network decline, there is now an accumulated maintenance need for the road and footway assets in the region of £15.5million.
- 1.5 Early deterioration modelling shows the cost to Derby to implement the required maintenance strategy to deliver a network in a steady state is £118m over the next 20 years. The cost to Derby to continue with the current strategy and levels of funding is £182m. A long term deficit of £64 million.
- 1.6 If the maintenance need identified now of £15.5million is not reduced soon and we continue with the current levels of funding, the annual depreciation will increase further, the cost of reactive maintenance will rise and the cost to the local economy with a failing network will escalate.

SUPPORTING INFORMATION

2.1 Derby City Highway Network

Derby City has approximately 767km of roads (categorised as A, B, C and unclassified roads) and 1,195km km of footway.

The annual Whole of Government Accounts (WGA) for highway assets, submitted to Accountancy in July 2016 calculated a gross replacement cost of £1,020,751,000 for carriageways and £189,030,000 for footways, totalling £1.2billion. This is effectively the value of the highway network and is by far the Council's biggest

property asset. We can have assurance of this figure as it is based on recently collected inventory and condition data collected in summer 2016.

Like all property assets, the condition of our roads and footways deteriorates over time, which causes a loss in value. It is the aim of asset management to maintain the asset in steady state i.e. at its optimum performance. Using National Standards supplied by DfT and CIPFA and life cycle planning tools to produce the Highways WGA submission, our annual depreciation is calculated at £4.9 million.

However Derby City has not had this required level of funding to maintain the network at its optimum condition (steady state) and has deteriorated to its current condition. Therefore there is now an accumulated maintenance need required to bring the network back up to the desired condition level of £15.5million. With the current funding level of approximately £2.0 million per year, we can expect the network to keep deteriorating and Derby will have to carry out more costly treatments to fewer assets each year.

- 2.2 The Department for Transport have made it clear to local authorities that to secure current indicative capital funding levels, we must actively be seeking to adopt asset management principles, i.e. provide effective and efficient delivery of services and maximise the return on funding.

Derby City engaged XAIS Asset Management to undertake lifecycle planning to identify the best strategy for maintaining our key assets which also proves value for money. This provides a business case to determine the budget required to effectively manage these assets over the next 20 years. The full technical report is available on request.

The report in appendix 2 illustrates that delivering the maintenance need for carriageways and footways of £15.5million over the next 5 years (£3.1m per year) and then receiving the required budget of £4.9m each year to maintain the network at steady state has a greater impact on the performance of the network. It would also dramatically reduce the revenue funding required for reactive maintenance. The 2017/18 Statement of Accounts will need to include transport infrastructure assets onto the balance sheet. This in total is looking at approx. £2.7bn Gross Replacement Cost. XAIS are also working with the Council to prepare for an external audit of our asset management systems and inventory data to assure that we are not materially misrepresenting the valuation figures.

2.3 **Options to achieve a steady state**

There are a number of options available to Derby to remove the initial maintenance need and deliver a steady state network

Local Maintenance Challenge Fund

The Local Highways Maintenance Challenge Fund announced in the 2014 Autumn Statement has a total value of £575 million between 2015/16 and 2020/21. The funding is wholly capital and open to 115 local authorities to bid for. The Department for Transport are due to announce soon an opportunity to bid from Tranche 2 in 17/18, seeking funding from 2018/19 to 2020/21. Local Authorities will be expected

to contribute a minimum of 10% of the total scheme costs. (Derby City submitted a bid for A52 corridor improvements in 2015/16 which was unsuccessful)

The Fund is designed to help maintain existing local highways infrastructure. The types of project that will be eligible for funding include major maintenance of carriageways, footways and drainage assets

There is no guarantee that Derby will be awarded any funding through this Challenge Fund.

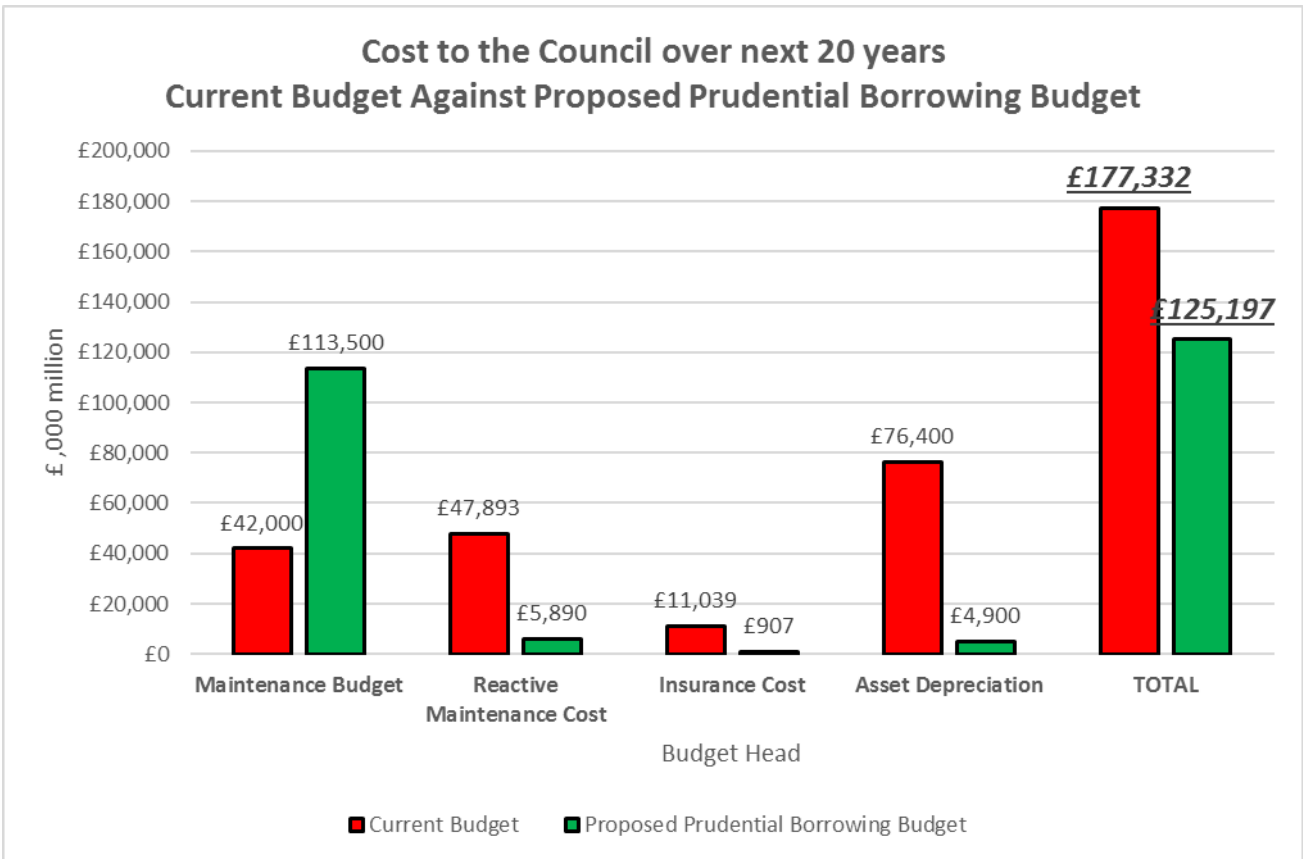
Using the lifecycle planning approach to ascertain our funding need puts us in a good position to tender for these funds to assist with a core investment period. With further detailed deterioration modelling, we can suitably demonstrate that it is effective use of monies which delivers a safe and sustainable network.

Prudential Borrowing

Reactive maintenance, including the repairing of potholes is costing Derby £543k per year. This equates to 25% of the overall budget for highways. It has been shown by the Asphalt Industry Alliance (AIA) through the ALARM survey that spend on a network that is at "Steady State" is 12%. Therefore, if prudential borrowing was undertaken to deliver steady state, there would be an expected saving of £280k per year, after the initial maintenance need has been rectified.

A review of the claims paid in the past 6 years suggests that if prudential borrowing was successful, then it would be expected to reduce the amount paid in claims by 50%. This would also reduce the Councils insurance premiums. Overall, removing the maintenance need would save the authority £320k per year.

The following graph illustrates the cumulative cost to the council over 20 years. It shows that by investing in the highway network, using prudential borrowing, will deliver a net saving of £52.1 million over the next 20 years, £2.6m per year.



Prudential borrowing means that capital projects can be implemented to timescales that are appropriate locally. Having a known regular stream of capital can allow for better programming of schemes, some of which require a longer lead in time for consultation, design and phasing of work. Using the results from the recent Engineer Inspection Survey, we have a clear prioritised programme that can be developed further into a costed annual programme and approved by Cabinet.

Again, the lifecycle planning tool can assist in achieving this long term efficiency gain through an ‘invest to save’ approach, which will bring the highway network back to a steady state. Having this level of funding available also introduces some real collaborative opportunities with our supply chain to procure services and take advantage of economies of scale. This is a further demonstration through the self-assessment process that operational efficiencies are being realised.

It is important to learn from other authorities which have undertaken this route for finance. Derby has spoken to other authorities and would implement lessons learnt. Having completed a detailed condition inspection of our carriageway and footway assets and continuing further detailed deterioration modelling, we would have the necessary tools to develop a fully costed and prioritised programme of repairs to provide a sound business case for prudential borrowing that is specific to Derby’s needs.