

North Yorkshire County Council
Business and Environmental Services
Executive Members

26 June 2020

Highways Capital Programme Headline Allocations 2021/2022

Report of the Assistant Director – Highways and Transportation

1.0 Purpose of Report

- 1.1 That the Corporate Director, Business and Environmental Services (BES) in consultation with BES Executive Members,
- i. Agree the indicative headline structural highways maintenance capital allocations based on current planning assumptions.
 - ii. Grant approval to carry out the relevant procurement processes.

2.0 Background

- 2.1 The delivery of the capital works programme is the tangible outcome of the whole of life cycle asset management approach outlined within the North Yorkshire County Council Highways Asset Management Framework.
- 2.2 Specifically the programming and delivery of capital works align with the Highways Infrastructure Asset Management Strategy. As such the objectives of the capital works programme are as follows:
- Maximise and demonstrate Value for Money (VfM)
 - Manage VfM and drive efficiencies over the whole programme term, not just the financial year at hand.
 - Deliver on time and to budget, safely and without incident
- 2.3 The North Yorkshire County Council Highways Capital Programme is made up of four specific elements:
- Street Lighting
 - Bridges and Structures
 - Integrated Transport
 - Structural Highway Maintenance
- 2.4 This report seeks to provide an update on funding assumptions for 2021 /2022 capital programme and an indicative overview of the headline allocation per the four elements outlined above.

3.0 Covid-19 Impact

- 3.1 As with many parts of society, Covid 19 has had an impact on the identification and development of the future years Capital Programme. Operationally the vast majority of tasks involved in the development of the programme (site visits, network surveys etc) have essentially been able to carry on as normal. Delivery of the 2020/21 programme is currently progressing to plan, notwithstanding the reprogramming of some schemes due to revised working practices linked to Covid-19.

- 3.2 Indicative allocations are known up until 2020/21 as part of the last comprehensive spending review (CSR). The government is due to set out its future spending priorities in a new CSR. This will then allow DfT to provide indicative capital funding allocations.
- 3.3 NYCC received its confirmed allocation for 2020/21 last month. The final allocation of £52.6M was £3.98M more than had been anticipated. This was due to the reallocation of highway maintenance challenge funding, the competitive element of this being removed for 2020/21, with all highway authorities receiving a proportionate element of this, and DfT's formula for awarding pothole funding.
- 3.4 The CSR was due to take place in July this year, but as a result of the Covid-19 pandemic and associated response this has been delayed. It is currently anticipated that the CSR will now take place in the autumn, with subsequent capital allocations to be confirmed by DfT following this announcement.
- 3.5 NYCC Officers have been liaising with DfT officials, regarding funding announcements and indicative allocations. It is the view of DfT officials that a sensible approach is to assume that the allocations for 2021/22 will be in line with the allocations received in 2020/21 for block allocations, incentive funding, LTP integrated transport grant and pothole funding. There is however the caveat that this is subject to ministerial approval and sign off and the outcomes of the CSR.

4.0 Use of DfT Funding Allocations

- 4.1 Funding allocations from DfT are used to develop the highways capital works programme. Programme development throughout the service, is based on planning to a level of available funding plus a level of over programming to manage variations in scheme delivery. Schemes are prioritised based on an assessment of maintenance need and are delivered up to the level of funding available.
- 4.2 Identifying a target budget to work towards enables a draft programme to be developed. The 2021/22 programme is currently being developed and will be brought to a future meeting of the Corporate Director and BES Executive Members for approval.

5.0 Assumed Annual Programme Grants 2021/22

- 5.1 Funding for highway capital maintenance is made up of a range funding sources. These are outlined in the following section alongside an indicative allocation from each source. Information regarding funding sources can be found in Appendix A.
- 5.2 **Block Allocations**
The DfT confirmed the LTP block allocation for the 'needs based' Highway Maintenance element in November 2018. This amount is assumed to remain constant from the at £23.9M (as per the allocation for 2020/21 programme).
- 5.3 **LTP Grant Integrated Transport**
£3.02M was confirmed as the Integrated Transport Grant from the DfT. This amount is assumed to remain constant from the previous funding block (up to 2020/21). As with previous years a proportion of this funding circa £1.1M will be retained for improvements, e.g. road safety improvements, with the remainder being allocated for capital maintenance activities.

5.4 Incentive element

Members will recall that local highways authorities are required to self-assess annually, with the assessment attracting a given level of incentive fund according to a banding system. North Yorkshire County Council continue to attract the largest amount of incentive funding by remaining at the highest Band (Band 3), so maximising the funding allocation available.

5.5 The Table below contains details of the incentive fund allocations for 2020/21 which we are assuming will remain constant for 2021/22.

Year	Allocation (£M)	Extra Sum available through 'Incentive' element (£M)		
		Band 3	Band 2	Band 1
2020/21	23.858	4.969	1.491	0

5.6 Pothole Funding

As part of the budget in March this year, the government announced an additional allocation of highway maintenance funding to the value of £500M per year over the five years from 2020/21. This funding is an addition to the funding allocations identified above. Currently ministers have yet to formally confirm the methodology by which the £500M will be allocated locally. Discussions with DfT officials have suggested that network length will be used to determine funding. Using this methodology, this funding source equates to £15.16M per year in North Yorkshire.

5.7 Other funding sources

It is not clear at this point in time what if any additional funding opportunities will be available, such as future LEP funding and Highway Maintenance Challenge Fund. Officers are continuing to monitor the potential for additional funding and should appropriate opportunities arise, will look to submit funding bids, subject to the approval of the Corporate Director in consultation with BES Executive Members.

5.8 Based on the above the assumed programme planning budget equates to £47million.

6.0 Programme Management

6.1 Within each year's capital programme, there is a level of over commitment, whereby the value of schemes initially in the programme exceeds the value of funding available to deliver the programme. This provides an important level of flexibility in the programme to help ensure the available budget is spent in full. Recognising that due to the nature of capital works delivery, there will be a number of schemes that cannot be delivered or are slipped in to a subsequent year due to issues with delivery. There is focus on ensuring that the level of over commitment does not exceed 10% of the total programme value.

6.2 £7.3M of schemes have been carried forward from 2019/20 to 2020/21. Every step is being taken to deliver the 2020/21 programme in its entirety, however there will be a requirement to carry over some schemes in to 2021/22.

6.3 The schemes carried forward alongside allocated funding for repairs to the A19 at Chapel Haddesley, following the flooding event in February 2020, has resulted in a significant level of over commitment within the current year's programme. A review of this programme is taking place to identify which schemes could be moved in to 2021/22 and reduce the current value of over programming. Alongside this, proposals for the draft programme for 2021/22 are being reviewed to accommodate the movement of schemes from 2020/21.

6.4 In order to bridge the potential gap between financial year end and capital grant receipt, it is proposed to bid in to the corporate reserve for funding to cash flow a potential overspend from the previous financial year. This transition period typically lasts no more than a working week and would see the Council reserves immediately repaid in full, as soon as the next year's capital grant from government is received.

7.0 Proposed 2021/2022 Headline Allocations

7.1 Based on the estimated funding amounts, the following headline allocations are proposed for Highways Capital maintenance funding on 2021/22. A summary of how the headline allocations are split categories and asset types can be found in Appendix B.

7.2 Street Lighting
The funding will continue the upgrade of the existing street lighting stock. The proposed allocation for 2021/22 is £0.8M.

7.3 Bridges.
The funding will continue to be targeted at maintaining and strengthening the existing structures stock. The analysis of routine or special inspection reports will identify and prioritise those bridges and structures in need of treatment. The proposed allocation for 2021/22 is £2.09M.

7.4 Integrated Transport
The proposed headline allocation for Integrated Transport for 2020/21 is £1.14M.

7.5 Top Slice allocations
In line with previous years, there will be an element of "top-slicing" for specific activities and projects. These include traffic data collection and modelling, highway condition surveys, structures inspections; and pavement investigation and analysis.

Project	2020/21 Allocation /£
Network Condition Surveys (SCANNER / SCRIM / CVI)	330,000
NYCC Traffic Data Collection Contract	70,000
Pavement Investigation and Analysis	500,000
Highway Drainage Assets	30,000
Highway Drainage Culvert Inspections	10,000
Structures Inspections	190,000
Pre-Planning Application Advice	33,600
Bridges AMX	12,200
Total Top Slice	1,175,800

7.6 A review of the Pavement Investigation and Analysis (highway coring) budget is currently being carried out. This involves reviewing previous expenditure and proposed work programmes for 2020/21 to establish if the proposed allocation is appropriate. A further update will be provided as part of future reports.

7.7 Highway Drainage.
The proposed allocation is £600K which is in line with previous years.

- 7.8 Landslip Schemes
Landslips can occur at any time of the year although many are identified at an early stage as a consequence of routine Highway Safety Inspections. Area Offices submit locations which are subsequently prioritised countywide. The proposed allocation for 2021/22 is £600K.
- 7.10 Other Special Engineering Schemes:
The annual programme of Other Special Engineering Schemes is based upon locations identified by Area Offices which do not fall 'objectively' into other works categories, e.g. areas of cobbles or setts, laybys and guardrails etc. Area Offices identify the rationale behind their submissions and the countywide programme is determined based upon an assessment of need and network priority. The proposed allocation for 2021/22 is £600K.
- 7.11 Vehicle Restraint Systems (VRS):
As a consequence of progressing our cyclical service inspection regime on our VRS assets we have identified a significant programme of required upgrading and repairs. In addition to this, inspections on assets over 15 years old are required every 2 years to assess condition and assist in prioritising repair works. The proposed allocation for 2021/22 is £600K.
- 7.12 Cattle Grids:
Each Area Office has identified and prioritised an on-going annual programme of cattle grid maintenance schemes. The increased budget reflects the underlying risk created by the condition of this asset group the proposed allocation for 2021/22 is £200K.
- 7.13 Footway Surface Treatment and Schemes
It is intended to continue to fund maintenance of the footway network (approximately 4250km) in line with existing allocations. This level of funding in conjunction with our robust cyclic inspection regime is responsible for the gradual reduction in the number of successful Third Party Insurance claims. Funding for footways surface treatments and schemes is split in to the following categories;
- 7.14 Category 1a, 1 and 2 footways
The DfT have traditionally monitored the condition of the most heavily used element of the Footway network (Category 1a, 1 and 2), in a similar way to carriageways and as a result the scheme based programme is based upon network condition surveys with schemes prioritised across the whole of the countywide network The proposed allocation for 2021/22 is £400K.
- 7.15 Category 3,4 & 5 footways
The scheme based programme for Category 3, 4 & 5 Footways is based upon locations initially identified by Local Area Offices which are subsequently condition surveyed, and assessed in the same way as the heavily used footway network with the resulting schemes prioritised across the whole of the countywide network. As a consequence of introducing a local version of the Footway Network Survey (FNS), whereby the footway condition is identified by Highways Officers during their routine Highway Safety Inspections, Area Offices can now make more objective submissions of locations for assessment and prioritisation. The proposed allocation for 2021/22 is £1.0M.
- 7.16 Category 3,4 & 5 Surface Treatments
The Surface Treatment budget acknowledges that many of the lesser used footways (Categories 3, 4 & 5) benefit in the same way as carriageways with the application of preventative maintenance treatments. The budget allocation is based upon the (estimated) percentage of footway network in each Area; each Area Office is

responsible for the identification of their programme which is based upon local knowledge and the cyclical Highway Safety Inspections. The proposed allocation for 2021/22 is £520K.

7.17 Footway Patching

The patching budget is allocated on the percentage of that category of footway network within the Highways Area Office boundary. The proposed allocation for 2021/22 is £100K for Category 1a, 1 & 2 footways and £125K for: Category 3, 4 & 5 footways).

7.18 Cycleways/Cycle Tracks:

This budget is used for maintenance of the network of cycleways/ cycle tracks that form part of the highway network. The proposed allocation for 2021/22 is £60K.

7.19 Category 6 Roads (Unsurfaced Unclassified Roads)

Although our UUR network at 730km in length is only 8% of our network length, it is important for recreational users including walkers, horse riders, motorcyclists and 4x4 drivers. Due to various factors, one of which being the Mechanically Powered Vehicles effect upon the often loose surface of these routes, their deterioration, once begun, can accelerate rapidly. The proposed allocation for 2021/22 is £200K.

7.20 Carriageway Maintenance

The vast majority, £30.9M, of the overall budget is allocated to carriageway structural maintenance activities, including surface treatment, resurface and reconstruction and patching schemes. Proposed allocations for 2021/22 are outlined below:

Surface Treatment	£9.9M
Resurface and reconstruction	£11.3M
Patching Schemes	£9.7M

7.21 For Local Roads these budgets have been allocated to each Highways Area and then split for each road hierarchy and treatment type based on the principles of HMIT as approved by the Corporate Director BES in consultation with BES Executive Members in June 2018.

7.22 For the Strategic Roads the budgets are allocated Countywide with scheme programmes developed to ensure efficient maintenance of the Strategic Network.

7.23 The underlying philosophy of this element of the works programme is to maximise the programmes of Surface Treatments (e.g. surface dressing) which are intended to extend the 'useful' life of the pavement and delay the requirement to undertake more major (Resurfacing / Reconstruction) scheme based maintenance activities.

7.24 The Resurfacing / Reconstruction and patching schemes are identified as a consequence of analysing road condition data in order to identify 'locations where maintenance should be considered now and soon'. Secondary analysis of the data groups together these locations of defects into homogenous 'scheme' lengths suggested by Highways Areas to match their HMIT allocations.

8.0 Financial Implications

8.1 Sections 5 to 7 above and appendices A & B attached set out and summarise the financial aspects of this report relative to the 2021/22 capital works programmes.

8.2 The contents of this report make no changes to the BES Capital Plan expenditure limits.

9.0 Equalities Implications

- 9.1 Consideration has been given to the potential for any adverse equality impacts arising from the recommendations. The principles and documents discussed in this report are recommended for use in the Well-managed Highway Infrastructure Code of Practice. Officers consider that there are no adverse impacts arising from the recommendations in this report.
- 9.2 A copy of the 'Record of Decision that Equality Impact Assessment is not required' form is attached as Appendix C.

10.0 Legal Implications

- 10.1 The County Council, in its capacity as the Local Highway Authority, Street Authority and Local Traffic Authority must act in accordance with a wide range of statutory powers and duties imposed by legislation.
- 10.2 The proposed capital programme allocations and schemes have been developed and prioritised in line with the relevant legislation such as the Highways Act 1980, the New Roads and Street Works Act 1991, the Road Traffic Regulation Act 1984, the Transport Act 2000, the Traffic Management Act 2004 and the Flood and Water Management Act 2010.

11.0 Recommendation

- 11.1 It is recommended that the Corporate Director BES in consultation with the BES Executive Members'
- i. Agree the indicative headline structural highways maintenance capital allocations based on current planning assumptions.
 - ii. Grant approval to carry out the relevant procurement processes.
 - iii. Authorise to bid in to the corporate reserve for funding to mitigate any short term cash flow issue as a potential overspend from 2020/21.

BARRIE MASON
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Highways and Transportation

Authors of Report: Kirstine Rudd / James Gilroy

Background Documents: None

Assumed Sources of Funding Statement 2021/2022

SOURCES OF FUNDING			2021/22 £000s
Grant	Local Transport Plan	Needs base Incentive	23858
		Incentive Element*	4969
		Integrated Transport	3023
		LTP Sub-Total	31850
	<i>Estimated Future Years*</i> <i>Allocations</i>		
Other Funding			
	Estimated Future Years* Additional Pothole Funding		15,160
Revenue Contribution		Countywide CPE	56
		TOTAL	47066

Applications of Funding Statement 2021/22

Applications of Funding		2021/22 £000s
Available Budget		47,066
Carriageway & Footway	In year schemes	35,160
	Top Slice fees	9,370
	Sub Total	44,530
Integrated Transport Schemes	In year schemes	1145
	Sub Total	1145
Bridges & Structures	In year schemes	2090
	Sub Total	2090
Street Lighting	Allocated Programme Schemes	800
	Sub Total	800
Sub Total of Highways spend		48,565
Borrowing from previous		7500
Countywide CPE maintenance		56
TOTAL		56,121
<i>Over programming in year*</i>		9055

Over programming is allowed for to create some flexibility in the program by way of contingency should projects be delayed to weather, delays, unforeseen circumstances etc Refer to section 6.0 of the main report.

Equality Impact Assessment Screening Form

Equality impact assessment screening form (As of October 2015 this form replaces 'Record of decision not to carry out an EIA')			
This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	BES		
Service area	H&T		
Proposal being screened	BES Executive Member Report – Highways Capital Programme Headline Allocations 2021/22		
Officer(s) carrying out screening	James Gilroy		
What are you proposing to do?	That the Corporate Director, Business and Environmental Services (BES) and BES Executive Members, -Note the indicative headline highways structural maintenance capital allocations based on current planning assumptions -Approve the development of the draft highways capital programme based on the indicative highways capital allocation		
Why are you proposing this? What are the desired outcomes?	Approval to spend the Highways Capital Budget on identified schemes.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	Yes- IRO £50million of Capital funding each financial year		
Is there likely to be an adverse impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics? As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> • To what extent is this service used by particular groups of people with protected characteristics? • Does the proposal relate to functions that previous consultation has identified as important? • Do different groups have different needs or experiences in the area the proposal relates to? 			
If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.			
Protected characteristic	Yes	No	Don't know/No info available
Age		✓	
Disability		✓	
Sex (Gender)		✓	
Race		✓	
Sexual orientation		✓	

Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
NYCC additional characteristic			
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	No		
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	No. The report focuses on the overarching capital maintenance funding position.		
Decision (Please tick one option)	EIA not relevant or proportionate:	✓	Continue to full EIA:
Reason for decision	The allocation of funding is based on the "Manage, Maintain and Improve" (MMI) hierarchy set out in Local Transport Plan 4, which has been the subject of an Equality Impact Assessment (EIA). This concluded that the introduction of fewer improvement schemes may have a greater impact on people with mobility difficulties or without access to a private vehicle as there will be fewer new facilities provided e.g. pedestrian crossings, dropped kerbs, bus stop accessibility improvements; however, it is also considered that prioritising maintenance, particularly for footways, through the MMI hierarchy is likely to produce a net benefit for people with the same protected characteristics; particularly in terms of age and disability.		
Signed (Assistant Director or equivalent)	Barrie Mason		
Date	15/06/20		