

## Report to CABINET

# 3-Year Highways Improvement Programme (2019/20 – 2021/22)

### Portfolio Holder:

Councillor Shah, Cabinet Member for Neighbourhood Services

**Officer Contact:** Helen Lockwood, Deputy Chief Executive –  
People and Place

**Report Author:** Eleanor Sykes, Transport Policy Officer  
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**25<sup>th</sup> March 2019**

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### Reason for Decision

To seek approval of the 3-Year Highways Improvement Programme, as discussed and agreed with Members during January 2019, based on good practice and ensuring best value for future investment.

To seek approval for all tender award decisions, including those with a value of over £400,000, in the 3-Year Highways Improvement Programme to be delegated to the Cabinet Member for Neighbourhood Services and the Deputy Chief Executive – People and Place in order to meet delivery timescales.

To seek approval for any underspend generated as the programme progresses to be used to deliver schemes on the approved list in priority order (although lower priority schemes may be selected depending on available budget, value for money and type of treatment) until the budget is fully expended in any particular year. This approach means we do not need to gain further approvals to deliver additional schemes, ensuring they can be delivered as soon as practically possible.

### Recommendations

It is recommended that Members agree:

- That the 3-Year Highways Improvement Programme, as appended to this report, be approved.

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- That all tender award decisions, including those with a value of over £400,000, in the Highways Improvement Programme be delegated to the Cabinet Member for Neighbourhood Services and the Deputy Chief Executive – People and Place.
  - That any underspend generated across the programme be used to deliver further schemes on the approved list in priority order (although lower priority schemes may be selected depending on available budget, value for money and type of treatment) until the budget is fully expended in any particular year without gaining further approvals. Any additional schemes to be delivered would be taken to the briefing with the Cabinet Member for Neighbourhood Services;
  - That local Members be advised on completed schemes in their area as part of communication around delivery of the programme.
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### 3-Year Highways Improvement Programme (2019/20 – 2021/22)

#### 1 Background

- 1.1 In October 2018 Cabinet agreed to a programme of highway works to be delivered over 3 years (2019/20 - 2021/22) with a capital investment of £12m in total.
- 1.2 The annual budget of £4m would be allocated to schemes, enabling a programme informed by both condition survey results and local Member knowledge, following analysis of the Annual Engineering Inspection (AEI) survey and discussion with districts around the best approach.
- 1.3 The AEI survey was carried out in autumn 2018 and this has been analysed by Unity officers to ensure that the available funding over the next 3 years be utilised in the best way. The findings of the AEI have been presented to Members at the District Highways Workshops during January 2019 to aid discussions around priorities of Members in each district.
- 1.4 In brief the condition of the network is as follows:
- 6% Red (these are the worst areas of highway which have gone beyond using any preventative treatment and are in need of full resurfacing / reconstruction);
  - 58% Amber (these areas will need some form of preventative treatment i.e. maintenance patching, micro asphalt, surface dressing. The type of treatment will be decided upon by highway engineers to best fit the street type and usage);
  - 36% Green (these areas do not currently require any action).
- 1.5 The results reflect the investment over recent years on, particularly, the main road network in Oldham. A large amount of work has been carried out on highways in 2018 using the initial £6m investment which means the 'red' percentage has been significantly lowered.

#### 2 Current Position

- 2.1 The full AEI survey was evaluated by highways engineers and a £4m programme put together for each year based on the condition survey with a mixture of 'red' and 'amber' schemes being proposed.
- 2.2 This approach will deal with the worst of the 'red' category that have already failed and contain significant defects (reactive maintenance). As these roads have already failed and require full resurfacing they will already incur significant costs regardless of whether they are delayed in the programme or not. Dealing with these locations removes a high volume of requests for service and reduces the burden on the revenue budget.
- 2.3 The 'amber' schemes will benefit from preventative maintenance taking place on roads that are showing signs of failure. This is generally a road that requires surface replacement or surface treatment to extend the residual life of the carriageway. This approach provides best value for money long term, with high opportunity for cost saving as it delays surface failure of the carriageway. By treating these roads now we can repair them for a fraction of the cost of full resurfacing and this will prevent more roads from deteriorating further and therefore becoming a further burden on the revenue budget.
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2.4 Good asset management techniques provide an appropriate balance between the two types of maintenance outlined above to ensure all priorities are best met. Furthermore, when allocating funds the Department for Transport (DfT) favour local highway authorities that adopt a preventative approach.

### 3 **District Highways Workshops**

3.1 During January 2019 Unity and Council officers attended meetings with all districts where Members had the opportunity to:

- Discuss an overview of the highway survey and the context for future spend;
- View recommendations of what could be delivered per district using a condition-led approach to maximize benefits/value for money;
- View information on other highway programmes with funding (~£1.5m per year) to give the context of the full programme;
- Input to the programme with schemes/locations from their local knowledge and where they are receiving a high number of complaints.

3.2 Following these workshops Unity Highways engineers have priced up suggested schemes and made recommendations around how the programme would look in their district. This has subsequently been agreed with the relevant Members in each district.

3.3 The 3-year Highways Improvement Programme is appended to this report (Appendix 1), along with the full programme of all highway works (including the above) over the next 3 years (Appendix 2).

### 4 **Delivery**

4.1 Unity Partnership has developed a delivery programme for the schemes listed in the appendices to this report which will begin in April 2019. The schemes in the interim period will be procured through a combination of means primarily via the Councils Low Value Construction & Highways Services Framework (LVCHSF) as follows:

- Direct Award: where schemes have an estimated value of under £25,000 (this value will increase to £49,999 in August 2019) the route to market will be via LVCHSF (Lot 7 – Highways Minor Works) which will be direct awarded to J Hopkins (Contractors) Limited who has pre-agreed tendered rates with the Council for minor work items;
  - Highways Operations: our internal Highways Operations team can lay certain types of materials (mainly Bitmac). Schemes of this type in the programme will be delivered by Highways Operations (subject to their capacity);
  - Mini Competition: packaged schemes falling outside of the above routes will be procured via the LVCHSF (Lot 13 Highways Carriageway Surfacing) via a mini competition exercise with the five suppliers on this Lot. Tender packaged as individual schemes with values in line with Framework value thresholds over £50,000 and under £500,000 total (or smaller schemes grouped to meet this value) all will be sourced via this route. Where possible these will be grouped by localised areas to achieve value for money through economies of scale. These tender awards are the ones proposed to be delegated to save time in programme delivery;
  - Invitation to Tender: schemes with combined values over £500,000 will be procured via an Open Tender.
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- A longer term strategy will be developed to meet the requirements of the Highways Improvement Programme once meetings with Procurement and Key Stakeholders have taken place.

## 5 Options/Alternatives

### 5.1 Option 1 - Members agree:

- The 3-Year Highways Improvement Programme, as appended to this report;
- That all tender award decisions, including those with a value of over £400,000, in the Highways Improvement Programme be delegated to the Cabinet Member for Neighbourhood Services and the Deputy Chief Executive – People and Place;
- That any underspend generated across the programme be used to deliver further schemes on the approved list in priority order (although lower priority schemes may be selected depending on available budget, value for money and type of treatment) without having to gain further approval.

### 5.2 Option 2 – Members don't agree:

- The 3-Year Highways Improvement Programme, as appended to this report;
- That all tender award decisions, including those with a value of over £400,000, in the Highways Improvement Programme be delegated to the Cabinet Member for Neighbourhood Services and the Deputy Chief Executive – People and Place;
- That any underspend generated across the programme be used to deliver further schemes on the approved list in priority order (although lower priority schemes may be selected depending on available budget, value for money and type of treatment) without having to gain further approval.

## 6 Preferred Option

6.1 Option 1 is the preferred option.

## 7 Consultation

7.1 Cabinet agreed in October 2018 that resources of £12m be set aside across 2019/20 – 2020/21 for delivery of a further 3 years of the highway improvement programme.

7.2 The Cabinet Member for Neighbourhood Services has been regularly updated on the development of the Highways Improvement Programme.

7.3 All other Members have been engaged through the District Highways Workshops as described in section 3.

## 8 Financial Implications

### Capital

8.1 This report proposes a capital investment of £12m for Highways over the next 3 financial years at £4m per year – from 2019/20 to 2021/22.

8.2 There is Prudential Borrowing budget of £12m in the transport capital programme which is to be allocated over a 3 year period as follows: -

2019/20 £4m  
2020/21 £4m

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8.3 The full 3-year programme is appended to this report (Appendix 1) with the preferred route being option 1 as per paragraph 5.1.

8.4 Budgets will be held within the Transport Capital Programme on the following capital cost centres: -

- M0941 – REP Secondary Corridor Schemes
- M0942 – REP Unclassified Network Schemes
- M0943 – REP Accident Reduction Schemes
- M0944 – REP Gateway Corridor Schemes

### **Revenue**

8.5 Improvements in the condition of the transport infrastructure should have a positive impact in terms of minor road and footpath repairs. This should have an impact of reducing the amount for smaller repairs which are charged to the revenue maintenance budget.

8.6 Prudential borrowing costs will be over a 3 year period based on borrowing of £4m per year and have been included within the current Medium Term Financial Strategy (MTFS). (Sadrul Alam)

### **9 Legal Services Comments**

9.1 The body of the report explains how the Council will follow Rule 4.1 of its Contract Procedure Rules in using the Low Value Construction and Highways Framework Agreement to make direct awards for the low value works contracts and conducting a mini competition for the higher value works contracts. Where this framework cannot be used the Council will follow the requirements set out in the table in Rule 4.3 its own Contract Procedure Rules to offer the opportunity to the market. (Elizabeth Cunningham-Doyle)

### **10 Co-operative Agenda**

10.1 The Council is obligated as the Highways Authority to maintain the highway network. Residents are requested to use the network with consideration and report defects to enable quick repair. This will provide the Borough with the best opportunity to maintain the roads which serve the local economy.

### **11 Human Resources Comments**

11.1 None

### **12 Risk Assessments**

12.1 None

### **13 IT Implications**

13.1 None

### **14 Property Implications**

14.1 None

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## 15 Procurement Implications

- 15.1 Procurement will ensure that all contracting activity for this intended spend is in line with Oldham Council Contract Procedure Rules (CPR) item 4.1 which states where an existing Contract or Framework Agreement is available to meet the Procurement requirements it should be used.
- 15.2 Discussions are planned with key stakeholders to establish a Procurement Strategy that will maximise the Highways Improvement Programme budget whilst also giving consideration to the social benefits of Oldham. (Steve Boyd)

## 16 Environmental and Health & Safety Implications

### 16.1 Environmental

The procurement process must ensure that the contractors appointed to deliver the works are competent and comply with all environmental legislation. (Justine Addy)

### 16.2 Health and Safety

It must be ensured that any contractors appointed are suitably competent and have suitable arrangements in place for the management of health and safety.

Health and Safety critical documentation such as risk assessments, safe working methods etc. must be assessed by the by the relevant project manager. Relevant supervisory checks of any contractors/works must also be undertaken. (Laura Smith)

## 17 Equality, community cohesion and crime implications

- 17.1 The schemes will have a positive impact on equality, community cohesion and crime. The proposed works will improve the highway network for the benefit of all highway users, including pedestrians, cyclists and other vulnerable road users. The schemes will facilitate movement between communities by vehicle thus assisting cohesion.

## 18 Equality Impact Assessment Completed?

- 18.1 No. The schemes will be designed in accordance with accessible design principles and will become part of the approved transport capital programme.

## 19 Key Decision

- 19.1 Yes

## 20 Key Decision Reference

- 20.1 NEI-11-18

## 21 Background Papers

- 21.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

Records held in Oldham Council, Civic Centre, West Street, Oldham, OL1 1UH

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Officer Name: Eleanor Sykes

Contact No: 0161 770 1668

- Highways Investment Programme – Key Principles: Cabinet Report 22<sup>nd</sup> October 2018

## 22 **Appendices**

22.1 Appendix 1 – Highways Improvement Programme 2019/20 – 2021/22

22.2 Appendix 2 – Full Highways Programme 2019/20 – 2021/22 (including LTP funding, Incentive Fund, Pothole Fund)