

Delegated Cabinet Member Key Decision Report

Decision Maker and Portfolio area:	Cllr A Jabbar, Cabinet Member for Finance and Low Carbon
Date of Decision:	17th June 2021
Subject:	Updated Highways Improvement Programme (2021/22) and Local Transport Plan Capital Programme (2021/22)
Report Author:	Eleanor Sykes
Ward (s):	Boroughwide

Reason for the decision:

Since approval at Cabinet in March 2019 of the 3-Year Highways Improvement Programme (2019/20 – 2021/22) there has been a need to update the programme due to additional delivery in year 2 (2020/21) and the recent Annual Engineering Inspection (AEI) survey carried out in February 2021 which has provided us with updated data on the condition of the network across the borough.

The previous 3-Year Local Transport Plan Capital Programme (2018/19 – 2020/21) was approved in March 2018 and updated in May 2020 with changing/emerging priorities. This is now complete and therefore we need to prepare and approve a 1-Year Local Transport Plan Capital Programme for 2021/22 based on proposed GM allocations to districts ahead of a longer-term settlement being agreed for 2022/23 onwards in the Comprehensive Spending Review (CSR) later this year.

Summary:

To seek formal approval of amendments to the remaining year of the Highways Improvement Programme, as discussed and agreed with the Portfolio Holder, based on good practice and ensuring best value for money.

To note the existing delegated approval from Cabinet for all tender award decisions, including those with a value of over £400,000, in the remaining year of the Highways Improvement Programme to be delegated to the Cabinet Member for Neighbourhoods and the

Deputy Chief Executive – People and Place in order to meet delivery timescales.

To seek approval for any underspend generated as the 'HIP Red' programme progresses to be used to deliver additional schemes 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 year.

To seek approval for any underspend generated as the 'HIP Amber' programme progresses to be used to deliver additional schemes 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 the new financial year (2022/23). This is due to these schemes being preventative treatments, as opposed to resurfacing. These schemes are best delivered between May – July due to weather conditions and temperatures being more favourable.

This approach to utilising underspend means we do not need to gain further approvals to deliver additional schemes, ensuring they can be delivered as soon as practically possible. Any additional schemes to be delivered will be communicated with the Portfolio Holder in advance and Ward Members as a delivery date is agreed.

To seek formal approval of the Transport Capital Programme 2021/22 comprising the expected Local Transport Plan capital allocation totalling £3,776,000, subject to the receipt of the formal grant notification letter, as discussed and agreed with the Portfolio Holder in June 2021, based on good practice and ensuring we meet our duties as a highway authority. Further details of the 2021/22 allocation are detailed later in this report.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Highways Improvement Programme

Option 1 - Members agree:

- The remaining year of the Highways Improvement Programme be amended in accordance with the spreadsheet appended to this report (Appendix 1);
- That any underspend generated across the programme be used to deliver further schemes 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 either in year (HIP – Red) or early 2022/23 (HIP – Amber).

Members note:

- That all tender award decisions, including those with a value of over £400,000, in the Highways Improvement Programme have been delegated to the Cabinet Member for Neighbourhoods and the Deputy Chief Executive – People and Place.

Option 2 – Members don't agree:

- The remaining year of the Highways Improvement Programme, as appended to this report;
- That any underspend generated across the programme be used to deliver further schemes 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.

Option 1 is recommended in order to progress the Highways Improvement Programme as efficiently as possible and achieve the improvements to the borough's highways.

Transport Capital Programme 2021/22

Option 1 - Members agree:

- The proposed programme of schemes which would fully utilise the expected Local Transport Plan allocation available for 2021/22, but with no commitment of resources until the formal grant notification has been received from GMCA..

Option 2 – Members don't agree:

- The proposed programme of schemes set out in Appendix 2 which would fully utilise the expected Local Transport Plan allocation available for 2021/22.

Option 1 is recommended in order to progress the Transport Capital Programme 2021/22 and deliver improvements and infrastructure across the borough's highway assets.

Recommendation(s):

Highways Improvement Programme

Option 1 - Members agree:

- The remaining year of the Highways Improvement Programme;
- That any underspend generated across the programme be used to deliver further schemes 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.

Members note:

- That all tender award decisions, including those with a value of over £400,000, in the Highways Improvement Programme have been delegated to the Cabinet Member for Neighbourhoods and the Deputy Chief Executive – People and Place;

Transport Capital Programme 2021/22

Option 1 - Members agree:

- The proposed programme of schemes which would fully utilise the expected Local Transport Plan allocation available for 2021/22.

Implications:

What are the **financial** implications?

The proposed £4.88m Highways Improvement Programme (HIP) allocation for 2021/22 will be funded by £0.88m of resources rephased from 2020/21 and the previously approved £4m allocation.

The HIP is financed by prudential borrowing, with the revenue financing costs reflected within the Council's 2021/22 revenue budget and Medium Term Financial Strategy.

A breakdown of all schemes planned for delivery in 2021/22 is included at Appendix 1 and totals £5.762m. This includes £4.88m of HIP schemes alongside a further £0.882m of pre-approved gateway, unclassified network and Incentive Fund schemes that are financed from Local Transport Plan (LTP) and DfT Incentive grants.

The expected 2021/22 allocation of LTP is £3.776m. This will be allocated to specific schemes within the Transport Capital Programme. A breakdown is provided in Appendix 2 and includes the £0.882m of schemes to be delivered in 2020/22. It should be noted that currently only £1.973m of the LTP allocation for 2021/22 is recognised within the Capital Programme, as this was the minimum allocation previously expected. It is anticipated that the additional £1.803m will be approved by the GMCA in late June. Once this grant notification is formally received by the Council, there will be a requirement to increase planned expenditure financed by the additional LTP grant to align to the information in Appendix 2. Until such time as there is such confirmation of the grant, no financial commitments will be made that would expose the Council to expenditure that may not have a firm funding source.

(John Edisbury)

What are the **procurement** implications?

Subject to approval of the recommended Option 1 of this report, all subsequent schemes will be reviewed and where possible tendered using the Council's Construction and Highways Works and Services Framework Agreement (2019) (CHWSF), by way of Further Competition or by Direct Award. Should this not be possible an alternative appropriate procurement route that complies with the Council's Contract Procedure Rules will be used. (Marc Hayes)

What are the **legal** implications?

The Council should follow compliant routes to market to select the most economically advantageous bids for any road works proposed under any of the road improvement schemes outlined in the body of this

report and seek the appropriate levels of approval for awards of contract in accordance with the Council's constitution including the Contract Procedure Rules. (Sukie Kaur)

What are the **Human Resources** implications?

N/A

Equality and Diversity Impact Assessment attached or not required because (please give reason)

N/A

What are the **property** implications

N/A

Risks:

None

Co-operative agenda

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. These two things alongside each other will provide the Borough with the best opportunity to maintain the roads which serve the local economy.

The Transport Capital Programme is determined and approved centrally (involving Council and Unity officers at a senior level and the Portfolio Holder for Neighbourhoods) so that schemes meet the Council's statutory duties and wider transport strategy objectives. In the light of decreasing levels of funding, the development of the programme reflects a co-operative approach, ensuring that where possible schemes meet multiple objectives and complement other capital and revenue programmes such as regeneration. This approach can often result in composite schemes comprising carriageway maintenance, safety enhancements, public realm, pedestrian and cycle improvements, which achieves better value for money.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

List of Background Papers under Section 100D of the Local Government Act 1972:

Title	Available from
3-Year Highways Improvement	https://committees.oldham.gov.uk/documents/s102559/Cabinet%20Report%20Highways%20Improvement%20Programme.pdf

Programme (2019/20 – 2021/22)	
-------------------------------	--

Report Author Sign-off:	
Eleanor Sykes	
Date: 27 th May 2021	

Please list any appendices:-

Appendix number or letter	Description
Appendix 1	Highways Improvement Programme 2021/22 (Revised)
Appendix 2	Local Transport Plan Programme 2021/22

Background:

Highways Improvement Programme

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. 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 initial Annual Engineering Inspection (AEI) survey carried out in Autumn 2018 and discussion with districts around the best approach.

Following this a 3-year, £4m per year programme was put together based on the condition survey with a mixture of 'red' and 'amber' schemes being proposed. This approach dealt with the worst of the 'red' category highways that have already failed and contained significant defects (reactive maintenance). The 'amber' schemes would 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 would provide best value for money long term, with high opportunity for cost saving as it delays surface failure of the carriageway. By treating these roads at this stage, 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. Below is a breakdown of how the £4m allocation for each year has been spent:

	2019/20	2020/21	2021/22
Value of Red Schemes	£1.5m	£2m	£2m
Value of Amber Schemes	£2.5m	£2m	£2m

The reason the split of funding changed between 2019/20 and 2020/21 was that the percentage of 'red' roads increased from 6% to 20% between the Annual Engineering Inspections (AEI) of the entire highway network carried out in November 2018 and February 2020 and it was felt this needed to be partially addressed by a readjustment of the funding split as agreed in May 2020.

Transport Capital Programme 2021/22

The Council receives grant funding from the Local Transport Plan (LTP) from the wider Greater Manchester allocation, which comes with a national and regional expectation that it will be used for LTP purposes.

In February 2021 the Department for Transport (DfT) announced the GM allocations totalling £35.7m for the Integrated Transport Block (ITB), Highways Maintenance Block and 'Incentive Element'. The confirmation of funding for 2021/22 was later than in previous years and not received in time to be included in the 2021/22 GMCA Capital Programme approved by GMCA in February 2021. This DfT announcement also included the 2021/22 allocation for the Pothole and Challenge Funding of £15.5m which has previously been received later in the year.

Nationally the maintenance block funding has been reduced by c30% from £1.7bn to £1.2bn in 2021/22. The announced allocations for 2021/22 show that every authority in England has suffered a reduction of approximately the same percentage.

The allocations between GM local authorities of the Highways Maintenance and Pothole funding have been on the basis of factors previously used by DfT when the funding was awarded directly to local authorities, including road length in each area. This basis of allocation continues to be used in 2021/22 to distribute Highways Maintenance, Incentive element, Pothole and Challenge funding.

Until 2020/21 the ITB awarded to GMCA had been ringfenced solely for funding the Greater Manchester Transport Fund (GMTF), in line with the strategy agreed by AGMA in 2008. During 2020/21 this commitment was completed. In 2021/22 the full amount of ITB is available for allocation by GMCA and the ten local authorities.

In 2021/22 ITB funding awarded to GMCA has been maintained at the same level as in recent years at £16.3 million. It is proposed that the allocation of the funding available in 2021/22 returns to the 'pre GMTF' basis of a 50:50 allocation between GMCA and the ten local authorities. This would compensate for the reductions in Maintenance and Incentive funding in 2021/22 compared to 2020/21 and make some contribution to the reduction in Pothole funding.

Oldham's settlement for 2021/22 is expected to be £3,776,000 (this will be confirmed at GMCA in late-June) and will be passported, via the Council's Capital Strategy and Capital Programme 2020/21 to 2024/25 approved by full Council on the 26th February 2020, for investment in and maintenance of Oldham's transport network. This is in accordance with current Local Transport Plan expectations.

The following table shows the expected breakdown of the £3.776m allocation for Oldham per funding stream:

Highways Maintenance Allocation 2021/22	Incentive Fund Allocation 2021/22	Pothole and Challenge Fund Allocation 2021/22	Integrated Transport Block (ITB) Allocation 2021/22	Total Allocation
£1.361m	£0.340m	£1.361m	£0.714m	£3.776m

Oldham Council need to approve a 1-Year Local Transport Plan Capital Programme for 2021/22 based on the proposed GM allocations ahead of a longer-term settlement being agreed for 2022/23 onwards in the Comprehensive Spending Review (CSR) later this year.

Proposals:

Highways Improvement Programme

An updated Annual Engineering Inspection (AEI) survey of the borough's highway network was carried out in February 2021, 12 months after the last survey was completed. Unity has checked the data presented and used it to revise the current Highways Improvement Programme (originally approved in March 2019 and updated in May 2020) for the remaining year of delivery (2021/22). The AEI results show the network has improved significantly with the main headlines as follows:

- Green roads across the network increasing from 59% (Feb 2020) to 65% (Feb 2021), an increase of 6% or approx. 81km;
- Red roads across the network decreasing from 20% (Feb 2020) to 9% (Feb 2021);
- Amber roads across the network have increased slightly from 21% (Feb 2020) to 26% (Feb 2021).

The increase in amber roads can be partially explained as we were unable to deliver three large amber schemes in 2020/21 due to COVID-19. These schemes account for approx. 2% (15.6km) of the network. Had the schemes been completed as planned we could realistically have expected Green roads to sit at 67% and Amber roads at 24%. These three schemes are now being delivered in June 2021.

In addition, since the previous AEI in February 2020 we have carried out a network realignment (some road lengths and widths were previously digitised incorrectly), which has increased the overall size of the network from 785km to 844km, seeing an increase of approximately 7.5% (59km).

The AEI Survey carried out in February 2020 estimated that the cost to bring the entire network up to standard was £32,234,367. Between then and the most recent AEI in February 2021, we have spent approx. £4.5m on improving the carriageway condition. The network backlog is now calculated at £32,953,897 which is an increase of just over 2% (£719,530). This is likely to be due to the network size increasing by 7.5% as mentioned above.

Whilst the increase in figures isn't ideal, due to the network increasing in size they are slightly misleading. Last years backlog cost broken down per km was £43,325, this year it works out at £39,044, a drop of almost 10%.

The 3-year Highways Investment Programme, as agreed upon its initial conception, has been reviewed and amended following receipt of the latest condition data so we are confident we are continuing to tackle the correct roads.

In 2020/21 all but 3 schemes were delivered in year, as outlined above. In addition to this we were able to deliver an additional 9 resurfacing schemes from year 3 (a combination of HIP Red and Incentive Fund schemes), worth approximately £375,000. Further efficiencies realised during delivery of the 2020/21 programme (through procurement methods, early tendering and pre-patching of certain locations) has allowed for the inclusion of an additional 14 schemes to be delivered in 2021/22, worth approximately £880,000, listed below. A complete list of schemes included in the 2021/22 surfacing programme is shown in Appendix 1.

Scheme Name	Extents	Ward	Description
Haven Lane	Full Length	St. James	Resurface
Old Mill Lane	Full Length	Saddleworth West & Lees	Resurface
Stanley Street	Full Length	Chadderton North	Resurface
Roebuck Lane	Full Length	Saddleworth North	Resurface / Reconstruction
Burgess Drive / Wrigley Crescent	Full Length	Failsworth West	Resurface
Belmont Avenue	Stamford Road to Crossbank Avenue	Saddleworth West & Lees	Resurface
Rutland Way	Full Length	Shaw	Resurface
Durham Crescent	Full Length	Failsworth West	Resurface
Buller Street / Beech Avenue	Full Length	Waterhead	Resurface
James Street	Full Length	Failsworth East	Resurface

Longfield Road	Full Length	Crompton	Resurface
Stoneleigh Street	Full Length	St. James	Resurface
Hannerton Road	Full Length	Shaw	Resurface
Low Crompton Road (Incentive Fund)	Fir Lane to Low Crompton Farm	Royton South	Resurface

Transport Capital Programme 2021/22

There is a total expected allocation of £3,776,000 to be programmed in 2021/22. In reviewing the programme for 2021/22 officers have considered the following factors:

- Commitments established as part of the previous programme and the Highways Investment Programme;
- Council priorities including highway maintenance, accident reduction schemes and pedestrian safety improvements;
- Scheme requests received throughout the year, including from Councillors, members of the public and other organisations, which are all recorded for consideration as part of this process;
- The authority's statutory duties in relation to highways including:
 - maintaining the network;
 - acting to reduce the likelihood of accidents occurring at known accident locations;
 - promoting safe and sustainable travel to school;
- Ensuring the programme is consistent with the Council's Asset Management Plan (AMP);
- Asset-led priorities including highway maintenance schemes, bridges and structures/retaining walls schemes and accident reduction schemes; and
- Local Transport Plan priorities including Town Centre schemes, traffic management and pedestrian safety improvements.

Appendix 2 sets out a proposed programme of schemes which would fully utilise the expected allocation and is recommended for delivery in 2021/22.

Signed: (Executive Director/Director)



Date: 17.06.21