

Agenda Item No. 7(i)

DERBYSHIRE COUNTY COUNCIL

CABINET

20 September 2018

Report of the Strategic Director – Economy, Transport and Environment

REVIEW OF HIGHWAYS CAPITAL BUDGETS (HIGHWAYS, TRANSPORT AND INFRASTRUCTURE)

(1) **Purpose of Report** To inform Cabinet of the final allocation of capital grants from the Department for Transport (DfT) towards highways and local transport in Derbyshire, to seek approval to make a contribution from earmarked reserves to fund capital expenditure relating to fees on highways projects and to seek approval to amend the capital programme accordingly.

(2) **Information and Analysis**

DfT Grant Allocations

At its meeting on 5 April 2018, Cabinet considered and approved the Economy, Transport and Environment (ETE) Department's Highways and Transport Capital Programme. At the time of writing that report, the DfT had not confirmed the levels of funding that would be available for the 2018-19 financial year, so for purposes of planning, preparation and timely implementation of the programme's schemes, assumptions were made based on previous years' allocations. Following correspondence from the DfT, confirmed funding allocations have now been received. The key variations from the April estimates are a reduced Pothole Action Fund allocation of £961,138, offset by an additional Flood Resilience Fund allocation of £1,513,943. The Highways Maintenance Incentive element was £25,000 more than the estimated allocation. A summary of the estimated and confirmed amounts is available at Appendix A.

The Flood Resilience Fund is given to repair potholes and to protect the local road network from adverse weather. Therefore, being of a like nature, it is proposed to pool this funding with the Pothole Action Fund. A programme of schemes to utilise this additional funding is presented at Appendix B; this includes some new schemes, but also re-instates £961,138 of schemes that had been removed from the approved programme when the reduced Pothole Action Fund was confirmed.

The additional £25,000 Maintenance Incentive grant has been added to the approved scheme for carriageway surface treatments in the 2018-19 Local Transport Plan (LTP).

Highways Capital Fees Budgets

Within the Highways capital programme, budgetary provision is made for the cost of design and supervision undertaken by both staff employed by the County Council and external consultants. Changes were implemented in 2016-17 and 2017-18 to better reflect the cost of staff time spent on highways capital projects, including changes implemented as part of the Highways Review. Whilst this has reduced the pressure on the Revenue budget, it has consequently impacted on the highways capital budget. At the time that the changes were implemented, the full impact of them had not been allowed for in those years' capital fees budgets. Forecasts, recently produced, suggest that there is likely to be a shortfall in funding of around £300,000 over all the core Highways Infrastructure projects. These forecasts are presented at Appendix C. Although there are contingency budgets across these projects, it would be prudent to maintain these to meet potential cost over-runs on capital works.

Therefore, approval is sought to contribute up to £500,000, as required, from ETE's earmarked reserves to the capital programme for fees on Highways Infrastructure projects. This funding is available from underspends brought forward from 2016-17 and 2017-18.

Highways Capital Programmes from 2018-19 onwards have set aside an increased budget for design and supervision fees. Therefore, this funding shortfall is not expected to continue into future years.

Also, the current allocation of fees budget across the Highways Infrastructure projects does not match the distribution of expenditure anticipated. Therefore, approval is sought to vire budget between these projects as required to ensure that the fee budget within each of these projects is sufficient to meet the anticipated fees expenditure.

(3) **Financial Considerations** As outlined above.

Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, social value and transport considerations.

(4) **Key Decision** Yes.

- (5) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.
- (6) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Karen Howes, extension 38730.
- (7) **OFFICER'S RECOMMENDATIONS** That Cabinet:
- 7.1 Notes the final allocation of capital grants from the Department for Transport towards highways and local transport in Derbyshire.
- 7.2 Approves the addition to the capital programme of £1,513,943 for the Flood Resilience grant funding.
- 7.3 Approves the addition of up to £500,000 to the capital programme for fees on Highways Infrastructure projects, funded from Economy, Transport and Environment Department's earmarked reserve.
- 7.4 Approves the virement of budget between the Highways Infrastructure projects, detailed in Appendix C, as required to ensure that the fee budget within each of these projects is sufficient to meet the anticipated fees expenditure

Mike Ashworth
Strategic Director – Economy, Transport and Environment

Appendix A

Public

Funding Allocations 2018-19			*		
			Estimated	Confirmed	Additional/ (Shortfall) in Funding
Local Transport Plan 2018					
Provider	Type	Funding Block	£	£	£
DfT	Grant	LTP - Highways Maintenance Block	15,273,000	15,273,000	0
DfT	Grant	LTP - Highways Maintenance Incentive Fund	3,181,000	3,206,000	25,000
DfT	Grant	LTP - Integrated Transport Block	3,644,000	3,644,000	0
Total Basic and Incentive LTP Funding			22,098,000	22,123,000	25,000
Pothole Fund 2018					
Provider	Type	Funding Block	£	£	£
DfT	Grant	Pothole Action Fund 2017-18 Tranche 2	1,018,813	1,018,813	0
DfT	Grant	Flood Resilience Fund 2017-18	0	1,513,943	1,513,943
DfT	Grant	Pothole Action Fund 2018-19	1,483,187	522,049	(961,138)
Total Pothole Funding			2,502,000	3,054,805	552,805
PSA Road Safety Programme 2018					
Provider	Type	Funding Block	£	£	£
N/A	EM Reserve	PSA2 Reward Funding	300,000	300,000	0
Total PSA Road Safety Funding			300,000	300,000	0
Total Highways and Transport Capital Programme 2018-19			24,900,000	25,477,805	577,805

* As approved in the Cabinet Report 5th April 2018

Schemes to be funded from Flood Resilience Fund

Parish	Location (list of streets or names of assets affected. Wider area schemes use a broad location)	Intervention description (linked to project/ programme objectives)	Electoral Division	2018-19 Cost Estimate
Ashbourne	B5035 The Green Road (30mph limit to Cockayne Avenue)	Carriageway Resurfacing (P)	Dovedale	£140,000
Dronfield	Gosforth Drive	Joint Resurfacing (P)	Dronfield West & Walton	£25,000
Brimington	Eastmoor Road	Carriageway Resurfacing (P)	Brimington	£25,000
Bolsover	Bainbridge Road	Carriageway Resurfacing (P)	Bolsover South	£105,000
Chesterfield	Boythorpe Road (Park Road - Whitecotes Lane)	Carriageway Resurfacing (P)	Boythorpe & Brampton South/ Birdholme	£100,000
Chesterfield	Park Road (Boythorpe Road - Summerfield Road)	Carriageway Resurfacing (P)	Spire	£85,000
Cromford	B5036 Cromford Hill Ph2 (2016 joint to 30mph limit)	Carriageway Resurfacing (P)	Wirksworth	£100,000
Midway	B5353 Newhall Road/ Springfield Road roundabout (adjacent school)	Carriageway Resurfacing (P)	Swadlincote Central	£25,000
Wingerworth	Nottingham Drive (No.38 to Setts Way junction)	Carriageway Resurfacing (P)	Wingerworth & Shirland	£60,000
Castle Gresley	Bass's Crescent	Carriageway Resurfacing (P)	Linton	£30,000
Bakewell	Holme Lane	Carriageway Resurfacing (P)	Bakewell	£50,000
Newhall	Park Street (Birch Ave to no.30)	Carriageway Resurfacing (P)	Swadlincote North	£25,000
New Mills	High Lea Road (St Marys Road - Alsfield Way)	Carriageway Resurfacing (P)	New Mills	£40,000
Countywide	Countywide	Pothole Action Fund Capital Design, Fees and detailed laboratory testing (P)	Countywide	£151,138

Total of Schemes Re-instated	£961,138
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Findern	C172 Burton Road (Garden Centre towards Doles Brook)	Carriageway Resurfacing (P)	Etwall & Repton	£110,000
Tideswell	A623 (Manchester Bends)	Carriageway Resurfacing (P)	Dovedale	£115,000

Appendix B

Public

Cromford	A6 Derby Road ph2 (Garden Centre to Cromford traffic lights)	Carriageway Resurfacing (P)	Wirksworth	£120,000
Hasland	Storforth Lane	Carriageway Resurfacing (P)	Birdholme	£120,000
Countywide	Countywide	Pothole Action Fund Capital Design, Fees and detailed laboratory testing (P)	Countywide	£87,805

Total of Schemes - New Additions	£552,805
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Total Addition to the Capital Programme to be funded from Flood Resilience Fund	£1,513,943
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Forecast of Highways Infrastructure Fees Expenditure

	£	£	£
Project	Current Fees Budget	Forecast Outturn	(Shortfall)/Surplus Budget
2013-14 LTP	1,752,141	1,752,340	(200)
2014-15 LTP	2,628,963	2,014,279	614,684
2015-16 LTP	2,822,591	2,487,584	335,008
2016-17 LTP	3,295,500	4,534,619	(1,239,119)
2017-18 LTP	3,475,000	4,833,671	(1,358,671)
2018-19 LTP	5,584,000	4,972,590	611,410
Accelerated Maintenance	499,990	310,376	189,614
Potholes 2016-17	50,000	27,961	22,040
Potholes 2017-18	146,000	66,603	79,397
Potholes 2018-19	241,862	65,000	176,862
PSA Road Safety 2016-17	50,000	67,354	(17,354)
PSA Road Safety 2017-18	70,000	216,561	(146,561)
PSA Road Safety 2018-19	73,000	233,000	(160,000)
Productivity 2017-18	716,000	142,358	573,642
TOTAL	21,405,047	21,724,297	(319,250)