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| <b>9 January 2014</b>   |                          | <b>ITEM 5</b> |
| <b>Planning, Transport and Regeneration Overview and Scrutiny Committee</b>   |                          |               |
| <b>2014/15 – 17/18 Highways and Transport Capital Programme</b>   |                          |               |
| <b>Report of:</b> Cllr Andy Smith, Portfolio Holder for Regeneration, Highways & Transportation   |                          |               |
| <b>Wards and communities affected:</b><br>All   | <b>Key Decision:</b> Key |               |
| <b>Accountable Head of Service:</b> Basil Jackson – Head of Transportation & Highways   |                          |               |
| <b>Accountable Director:</b> David Bull – Director for Planning & Transportation  |                          |               |
| <b>This report is</b> Public  |                          |               |
| <p><b>Purpose of Report:</b></p> <p>To consider the Highways and Transport Capital Programme for 2014/15 based on the Department for Transport's (DfT) allocation;</p> <p>To consider the Council's package of capital measures to be delivered through the Local Sustainable Transport Fund (LSTF) for 2014/15; and</p> <p>To consider a supplementary capital programme that would arrest the decline in the highway infrastructure and how this might be funded.</p> |                          |               |

## **EXECUTIVE SUMMARY**

This report sets out our suggested programme of work for spending the Department for Transport's (DfT) funding allocation. The report also details capital measures to be delivered for the Local Sustainable Transport Fund (LSTF) schemes. Finally, this paper identifies a supplementary four year Highways & Transport Capital Programme (2014/15 to 2017/18) that would arrest decline in the Thurrock highway infrastructure.

### **1. RECOMMENDATIONS:**

**That Members:**

- 1.1 Consider and comment on the Highways and Transport Capital Programme related to the Department for Transport's (DfT) funding allocation for 2014/15, attached at Appendix A.**
- 1.2 Consider and comment on the Local Sustainable Transport Fund elements of the programme, attached at Appendix B.**

**1.3 Consider and comment on a supplementary Highways and Transport Capital Programme for 2014/15 to 2017/18 that will arrest decline in the highway asset, attached at Appendix C.**

**2. INTRODUCTION AND BACKGROUND:**

- 2.1 In 2013 the Council published the long-term Thurrock Transport Strategy (TTS) to cover the period to 2026. The refreshed Thurrock Transport Strategy is Thurrock's long-term Local Transport Plan (LTP) strategy for this planning period. The strategy is based upon the core objectives against which transport improvements and priorities are set. The priorities are: Tackling Congestion (supporting economic growth), Delivering Accessibility (promoting equality of opportunity), Safer Roads (better safety, security and health), Better Air Quality (reducing carbon emissions & improving quality of life) and Facilitating Regeneration. It should be noted that the TTS was refreshed to account for changes in policy and guidance and to highlight the Council's strategic position in relation to key regeneration issues such as London Gateway and J30/31 of the M25.
- 2.2 Thurrock Council has developed an Implementation Plan as part of the local transport planning process. The Implementation Plan complements the Transport Strategy, acting as a business plan for implementing the changes set out in the strategy. Thurrock's first Implementation Plan covers the four-year period 2011/12 to 2014/15. The evidence base used to develop the TTS and the Implementation Plan has informed the development of the Highways & Transport Capital Programme, allowing priorities to be identified and for appropriate levels of funding to be allocated across the priority transport themes.
- 2.3 This report asks Overview and Scrutiny (O&S) Members to consider the 2014/15 Highways & Transport Capital Programme attached in Appendix A. The programme sets out how the Council will prioritise available funding to maintain and enhance the highways, transport infrastructure and service provision within the Borough. It also establishes the provision for variation to the programme and the means by which requests for additional works are considered and authorised.
- 2.4 In addition to the DfT capital settlement for maintenance and integrated transport schemes, the Council has been successful in its bid for the Local Sustainable Transport Fund (LSTF). This means that the Council will receive a further £5m from the DfT to develop and deliver a package of sustainable transport measures over a 4 year period from 2011/12 to 2014/15.
- 2.5 Thurrock's LSTF package is focused on enabling a modal shift away from single occupancy car use towards sustainable transport such as walking, cycling and public transport. The LSTF programme includes an integrated and complementary package of both capital and revenue measures that, if delivered effectively, will work to encourage and enable sustainable transport

modes, support economic growth and reduce carbon emissions in the Borough. The LSTF programme includes:

- Smarter Choices:
  - Workplace Travel Planning
  - School Travel Planning
  - Rail Station Travel Plans
  - Sustainable Travel To School
  - Personalised Journey Planning
  - Lift Sharing
  - Marketing and Promotion
- Walking and Cycling Improvements
- Public Transport Improvements
- Sustainable Freight measures

2.6 This report also seeks to inform O&S Members of the gradual decline in highway infrastructure over many years (similar to the rest of the country) and the investment required to arrest that decline. This results in a 4 year capital work programme supplementing the DfT's funding allocation dealing with issues such as road resurfacing, street lighting, bridges, drainage etc so that future budgets can be used for proactive network improvements, reducing the need for wasteful reactive repairs.

### **3. ISSUES AND/OR OPTIONS:**

3.1 There are two sources of funding which make up the annual allocation for the 2014/15 Highways & Transport capital programme. The DfT annual capital settlement provides the allocations for maintenance and integrated transport schemes, while a separate allocation is identified for LSTF capital schemes.

#### DfT capital settlement

3.2 The Department for Transport confirmed that Thurrock Council will receive a total of **£2,847,000** for capital transport improvements for the 2014/15 financial year. This settlement is allocated as **£1,235,000** for Integrated Transport schemes (e.g. bus priority and cycling schemes) and **£1,612,000** for Maintenance. This allocation is not 'ring fenced' for spend in the specific areas set out by DfT and Local Authorities have some flexibility to manage these allocations. As a result, our funding allocations have been amended slightly, within the total allocation, to meet local needs on the network (See Appendix A). Thurrock's current four-year settlement allocations are identified below. Note that Government funding for maintenance from 2012/13 is declining.

### DfT Capital Funding

| Funding Stream                    | 2011/12           | 2012/13           | 2013/14           | 2014/15           |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Integrated Transport Block</b> | £823,000          | £878,000          | £878,000          | <b>£1,235,000</b> |
| <b>Maintenance</b>                | £1,853,000        | £2,132,000        | £1,711,000        | <b>£1,612,000</b> |
| <b>TOTAL</b>                      | <b>£2,676,000</b> | <b>£3,010,000</b> | <b>£2,589,000</b> | <b>£2,847,000</b> |

- 3.3 The 2014/15 settlement has been allocated to themes within the capital programme to ensure that maintenance and scheme improvement priorities are delivered, in line with the Council's scheme determination process. The programme (attached in Appendix A) has been developed utilising the Thurrock Transport Strategy and Implementation Plan which set out where transport priorities will be focused, taking account of national guidance and the views of local residents, communities, partners and stakeholders.
- 3.4 The benefits of some schemes will overlap due to the nature of work delivered. For example, Traffic Management schemes will deliver air quality benefits while walking and cycling schemes can help to reduce congestion and improve local air quality.

#### Local Sustainable Transport Fund (LSTF) allocation

- 3.5 Following the Department for Transport announcement that Thurrock Council was successful in its LSTF bid, officers have developed a programme of sustainable transport measures to be implemented in 2014/15, which is the last year of this funding source.
- 3.6 The programme has been developed in line with the LSTF bid that the Council submitted to DfT. The programme is consistent with the capital and revenue spend profile of £1,600,000 for the 2014/15 financial year and the works programme for the entire LSTF period which was agreed by Cabinet in July 2011. For the purposes of this report only the capital funding allocations, equating to £630,000, are relevant. Details of the spend profile for the LSTF period are identified below.

#### **LSTF Spend Profile**

|                 | 2011/12  | 2012/13    | 2013/14    | 2014/15           | Total             |
|-----------------|----------|------------|------------|-------------------|-------------------|
| Revenue funding | £435,000 | £875,000   | £920,000   | <b>£970,000</b>   | £3,200,000        |
| Capital funding | £265,000 | £365,000   | £540,000   | <b>£630,000</b>   | £1,800,000        |
| Total           | £700,000 | £1,240,000 | £1,460,000 | <b>£1,600,000</b> | <b>£5,000,000</b> |

- 3.7 Details relating to the allocation of capital funds for 2014/15 are set out in Appendix B. This identifies the broad allocation of funding across both revenue and capital work streams for the LSTF period. The capital allocations

are highlighted. These amounts were set out in Thurrock's successful LSTF bid and were subsequently approved by Cabinet last year.

#### 4. A CAPITAL PROGRAMME TO SUPPLEMENT THE DfT's ALLOCATION

- 4.1 To date Thurrock Council has relied on its DfT allocation (detailed in section 3 above) for providing capital improvements to its highway infrastructure. This limited capital investment on our roads has had a profound affect on revenue spending, increasing the number short-term emergency repairs, accelerating public and Member dissatisfaction and increasing the risk of claims brought against Thurrock Council; all of which impact upon the Council's reputation and image for investors.
- 4.2 In maintaining Thurrock's infrastructure, there is an optimum life cycle where the lowest maintenance cost and highest service levels for users are achieved. However, this requires planned maintenance before the asset starts to deteriorate. Beyond a certain level of deterioration, maintenance costs increase significantly.
- 4.3 Investment in our infrastructure is important to Thurrock's growth agenda, safety of the travelling public and promoting healthier lifestyles:
- Growth agenda - Well-maintained infrastructure, in a sustainable funding environment, is pivotal in achieving the Council's growth agenda. Housing growth, for example, cannot be achieved without sufficient infrastructure to attract development and sustain it once complete.
  - Safety - A network of roads in poor condition has a direct correlation to highway safety. As the local highway authority, the Council has a legal duty to maintain the network to a reasonable standard. Furthermore, an asset in poor condition is likely to promote a lack of pride in the community, and can be a precursor to crime, fear of crime and anti-social behaviour. Clearly, the Authority and relevant senior managers have a duty of care where any part of the asset is life expired and is prone to failure, which could result in members of the public being seriously injured.
  - Promoting Healthier lifestyles - An asset in poor condition, particularly footways and cycleways, curtails promotion of sustainable modes of transport such as walking and cycling. Accordingly, assets in good condition increase the safety and attractiveness of these modes, with the resultant health benefits and the reducing need to access healthcare.

#### History

- 4.4 The highway network includes footways, bridges, street lights, traffic signals, drainage etc. Each part of the asset has a life which needs to be properly managed. Though we don't often hear of the collapse of a street light or a bridge failure, these incidents do occur if left unattended. Our de-minimus capital works programme currently relies on Government funding only, but this is not sufficient to arrest the decline in our highway asset.
- 4.5 Thurrock's Highways Service is allocated approximately £3 million of revenue funding each year. However, this is used to "patch up" the network reactively

(e.g. fill pot holes attend to light outages, winter gritting and carry out bridge assessments). This revenue budget has been under increasing pressure year on year and is insufficient to cope with the rate at which the asset is declining.

- 4.6 There is a misconception that the more potholes we fill, the better we are managing our road network; in fact, the opposite is true since pot hole filling does not improve the integrity of our roads. Pot hole filling is a temporary fix until we are ready to carry out a permanent solution (i.e. resurfacing a road). This wastes money which could be more usefully spent on improvements the public wish to see. At the same time, we are the highway authority in Thurrock and, as such, we have a statutory responsibility to keep roads safe for the travelling public; so we must keep filling potholes to protect the Authority from claims for damaged vehicles, or personal injury.
- 4.7 There are a number of areas in the asset where a lack of capital investment is having a serious impact on our ability to manage the network (see Appendix C for a full list). However, the key areas are roads, street lighting and structures (such as bridges and retaining walls). The following section provides a summary of the issues in these three key parts of the highway asset, which cannot be managed through revenue, and funding requirements are in excess of the DfT's capital allocation.

### **Road infrastructure**

- 4.8 Thurrock's success as a growth area brings with it a significant amount of additional traffic; specifically HGVs which are known to cause damage to roads. Any extra capital investment needs to ensure that A, B and C class roads within Thurrock do not deteriorate to a point where their condition falls into the lower quartiles in comparison to other authorities, and that sufficient investment is made in unclassified roads and footways to ensure that they can be resurfaced after a maximum of 50 years in use.
- 4.9 Officers estimate that £40m additional capital over 5 years is required to address this issue, bringing the condition of the network up to a level where the minimum amount of maintenance is needed.

### **Street lighting**

- 4.10 Life-expired lighting columns can collapse under high winds or following collision by motor vehicles and, in such cases, need to be replaced urgently. In addition, many of our lanterns on sound columns are unreliable and inefficient, placing undue pressure on revenue maintenance and energy consumption costs.
- 4.11 Additional capital funding in this area would be used to:
- replace structurally unsound/life expired columns, thus reducing the Council's risk of damage claims; and
  - replace lanterns on sound columns with more reliable, longer life and more efficient LED lamps which will result in revenue savings whilst maintaining and powering them.

## Structures

- 4.12 Maintaining structures (such as bridges, culvert and retaining walls) involves firstly carrying out an inspection regime. These inspections (paid out of revenue budget) provide important information about the residual life of the structure. We want to improve our inspection of structures up to national standards with a yearly programme of principal inspections. Although officers have managed to carry out brief safety inspections, they have not been able to carry out the more important principal inspections which identify the need for timely repairs.
- 4.13 Under the Highways Act, Thurrock Council is obliged to maintain its bridge stock in a reasonable condition. Furthermore there is statutory requirement in relation to weight limits in force on structures to ensure imposed load from vehicles does not exceed its capacity to withstand them.
- 4.14 Until the detailed inspections are carried out it is not possible to accurately assess the funding required to carry out repairs. Continuing with current annual capital expenditure of around £400,000 pa instead of increasing to £2m would mean that the repair and strengthening programme for sub standard structures would take over 25 years to complete instead of 5 years. Timely inspections and repairs will reduce the overall repair costs as defects will not lead to further deterioration and consequential increased costs.
- 4.15 Officers estimate that an additional £72 million over 5 years is required in order to stabilise the overall highway infrastructure. However, it is recognised that there are significant pressures on Thurrock's finances rendering this level of funding unachievable. This report therefore recommends starting with an investment that is currently affordable. Thurrock Council is rationalising its asset stock, releasing funding which could allow £2.5 million annually for 4 years to beneficially improve the worse parts of the highway network. After this period the Council will need to assess available funding for highways in order to address the remaining shortfall. Details relating to the proposed allocation of supplementary capital funds for 2014/15 to 17/18 are set out in Appendix C. The following table is a summary of suggested additional investment over and above addition to the DfT's allocation.

### Suggested additional investment in highways infrastructure

| Work area  | 2014/15<br>(£) | 2015/16<br>(£) | 2016/17<br>(£) | 2017/18<br>(£) |
|--|----------------|----------------|----------------|----------------|
| PROW Improvements  | 0.00           | 50,000.00      | 50,000.00      | 50,000.00      |
| Refurbish footway network<br>(including shared use routes)       | 450,000.00     | 400,000.00     | 400,000.00     | 400,000.00     |
| Unclassified roads   | 350,000.00     | 300,000.00     | 300,000.00     | 300,000.00     |
| Other classified roads   | 400,000.00     | 300,000.00     | 300,000.00     | 300,000.00     |
| Principal roads  | 525,000.00     | 450,000.00     | 450,000.00     | 450,000.00     |
| Light replacement  | 300,000.00     | 500,000.00     | 500,000.00     | 500,000.00     |
| Broadband cameras (top up for DfT<br>funded scheme, year 1 only) | 50,000.00      | 0.00           | 0.00           | 0.00           |

|                          |                     |                     |                     |                     |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| Bridge improvements      | 325,000.00          | 400,000.00          | 400,000.00          | 400,000.00          |
| Car Parking Improvements | 50,000.00           | 50,000.00           | 50,000.00           | 50,000.00           |
| Safety Fencing           | 50,000.00           | 50,000.00           | 50,000.00           | 50,000.00           |
| <b>TOTAL</b>             | <b>2,500,000.00</b> | <b>2,500,000.00</b> | <b>2,500,000.00</b> | <b>2,500,000.00</b> |

### **Prioritisation**

- 4.16 The prioritisation process for the determination of highway and transport schemes was agreed by Cabinet in March 2010 and follows DfT guidance. The process sets out the means by which scheme proposals can be assessed transparently against policy, deliverability, acceptability and value-for-money. This process has been used to prioritise the schemes within the 2014/15 programme.

### **Variation**

- 4.17 The Council receives regular requests for maintenance and improvements to be carried out on the transport network. These requests are prioritised using the agreed scheme determination process with the responsibility to authorise recommendations delegated to the Portfolio Holder for Regeneration, Highways and Transportation, in consultation with the Director for Planning & Transportation.
- 4.18 Whilst there is limited flexibility within the programme once agreed, in some cases requests will need to be actioned within the financial year, rather than held pending a future programme. This might include works to protect the public from risk of injury, for example.
- 4.19 Similarly, the schemes that are listed within the approved composite programme may be subject to cost changes. This might occur for a number of internal or external reasons, including increase to scope of project (to enable better value) or realignment of cost estimate for the works following local investigation and / or consultation.

## **5. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 5.1 The composite capital programme has been developed as a result of the extensive community and stakeholder engagement process for the Thurrock Transport Strategy and the 4 year Implementation Plan. It has also been developed in response to findings of specialist surveys relating to the highway network. This process has enabled the key local transport priorities to be identified, assessed and prioritised.
- 5.2 Local residents, interest groups and key stakeholders have been influential in providing the evidence base that has informed the development of the Highways and Transport Capital Programme, and all Ward Members will be advised of works affecting their respective wards.
- 5.3 The LSTF element of the programme was subject to extensive consultation with local residents, key stakeholders, transport user groups and neighbouring



authorities as the LSTF bid was developed. The LSTF Project Board has been involved in the development of the LSTF programme and the prioritised schemes that are to be taken forward for delivery in 2014/15.

- 5.4 Whilst the suggested supplementary funding has not been through a consultation process, the areas to be addressed are those raised by elected Members and residents through forums and meetings, or relate to safety work that must be dealt with.

## **6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 6.1 The Highways and Transport Capital Programme will have an impact upon the local community within Thurrock. It will improve and enhance the transport network across the borough making it safer, less congested and more accessible to local people, promoting job creation and access to skills and learning. Delivery of the programme will assist Thurrock's aspiration to create a great place for learning and opportunity, fulfilling its socio-economic potential and enhancing its sense of 'place' where businesses and retail grow and where vibrant and diverse communities live, meet and do business.

## **7. IMPLICATIONS**

### **7.1 Financial**

Implications verified by: **Michael Jones**  
Telephone and email: **01375 652772**  
**mxjones@thurrock.gov.uk**

Calculations have been provided, based on the DfT Decision Letter. DfT has confirmed final allocations for 2014/15. The cost of implementation will be contained within the funding announced by Government or built into future capital programmes and resources identified.

The Council's LSTF allocation for 2014/15 has also been identified within this report. LSTF funds are to be committed and spent by the end of the 2014/15 financial year in order to avoid returning any uncommitted funds to central Government.

With regard to the supplementary capital funding, the £72m required to stabilise the highway infrastructure is not currently affordable. However, the suggested £10 million over 4 years is achievable through the disposal of Council assets.

## **7.2 Legal**

Implications verified by: **Alison Stuart**  
 Telephone and email: **01375 652 040**  
**alison.stuart@bdtlegal.org.uk**

Section 108 of the Transport Act 2000 provides that a local authority must develop policies in a strategy for the promotion and encouragement of safe, integrated, efficient and economic transport facilities. Because these policies supersede the policies in the adopted Thurrock Transport Strategy they have to be adopted by the Council.

## **7.3 Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
 Telephone and email: **01375 652472**  
**sdealyn@thurrock.gov.uk**

An Equality Impact Assessment has been carried for the 2014/15 Highways & Transport Capital Programme. It recognises the transport interventions that will support improved quality of life in the Borough and its social and economic regeneration as well as transport priorities for, congestion & CO2 mitigation, accessibility, safety, air quality and climate change adaptation.

Access to services and the safety of residents have been highlighted and will be addressed throughout the plan period. The evidence base for the Thurrock Transport Strategy and Implementation Plan identify specific areas of the borough and population where implementation will be prioritised to improve road safety, air quality and access to services, taking account of legislative considerations such as the Equality Act. These have been applied to the capital programme.

## **7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

## **8. CONCLUSION**

- 8.1 The approval of this report will enable the 2014/15 Highways & Transport Capital Programme, including the LSTF programme, to be implemented. The delivery of the programme will ensure the ongoing maintenance of the highway network and improvements to transport infrastructure and service provision within the Borough.
- 8.2 Delivery of the LSTF section of the programme will promote and enable a modal shift away from single occupancy car use towards Smarter Choices such as walking, cycling and public transport.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- Thurrock Transport Strategy
- Implementation Plan
- LSTF bid document

**APPENDICES TO THIS REPORT:**

- Appendix A – 2014/15 Highways & Transport Capital Programme
- Appendix B – LSTF Works Programme
- Appendix C - Supplementary Capital Programme

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