



**ENVIRONMENT AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE – 5th NOVEMBER 2020**

HIGHWAY CAPITAL PROGRAMME – 2020/21 UPDATE

REPORT OF DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose of Report

1. The purpose of this report is to provide an update to the Environment and Transport Overview and Scrutiny Committee on the impacts of Covid-19 on the highway capital programme and the allocation of additional central government funding for highway maintenance.

Policy Framework and Previous Decisions

2. The Medium Term Financial Strategy for 2020/21 to 2023/24 was approved by the County Council on 19th February 2020. Over the autumn and winter of 2020, the MTFS will be reviewed and updated.
3. A report was considered by Cabinet on 18th September 2020 which provided an update on the 2020/21 revenue budget and capital programme monitoring position as at the end of period 4 (the end of July), and approved changes to the previously agreed 2020-24 capital programme and the approach to update the Medium Term Financial Strategy (MTFS) for 2021 to 2025 – see Appendix A for comparison.

Background

4. The Cabinet considered reports regarding the impact of the Covid-19 pandemic at its meetings in March, April, May and June and among other issues have noted the significant financial impact that Covid-19 is having on the Council's finances which was further noted by Full Council on 8th July 2020.
5. The Committee was briefed on the impact of the pandemic on the services provided by the Environment and Transport Department and the subsequent response at the meeting of 4th June 2020, with a further update on 3rd September 2020.
6. Regular briefings on the continued impact of Covid-19 on Environment and Transport services and subsequent recovery plans have been given for all members, providing the opportunity for issues to be raised and guidance sought where required.
7. A review of the Capital Programme has taken place as a result of Covid-19 impacts and this has been reflected in changes to the MTFS as recently approved by Cabinet.

8. As part of the recovery process after the national lockdown in March 2020, the government has awarded additional highway maintenance funding under the Transport Infrastructure Investment Funding which includes Pothole funding (initially announced in governments budget in February 2020) and Highway Challenge Funding.

Major Highway Schemes

9. At the start of national lockdown, it was necessary to review the ability of the department to continue delivery of major highway schemes in the capital programme, taking into account national restrictions on social distancing and reductions in resources due to the prioritisation of key services. Wherever possible projects continued to be delivered, however there have been some impacts on delivery programmes. The current status of the relevant projects is outlined below.

Anstey Lane/A46 – improving highways capacity through dualling and roundabout upgrades.

10. This scheme is now complete and has entered the 12-month maintenance/snagging period. The benefits of the scheme are being monitored to feed into scheme evaluation and longer-term reporting to the Leicester and Leicestershire Enterprise Partnership. Current scheme forecasts indicate completion to be on budget despite adjusted working methods to accommodate social distancing guidelines.

M1 Junction 23/A512 Improvements – creating access to development and improving capacity through a series of junction improvements and dualling along the A512 between Shepshed to Snells Nook Lane, Loughborough including Junction 23 of the M1.

11. This scheme is continuing with all aspects of the on-site works now being delivered using revised Covid-19 safe methods with completion expected in May 2021. There have been some additional costs as a result of the lockdown which currently total £150,000, with a risk allocation in case of further impacts. Scheme completion remains on track for spring 2021.

A511/A50 Major Road Network – improving capacity through junction improvements along the A511 corridor between the A42 and the M1 and Junction 22 and a new road link to development to the south east of Coalville.

12. Following submission of the Outline Business Case in December 2019, discussion and feedback continues with the Department for Transport to refine the business case as needed, to reflect Covid-19 impacts. The design of the scheme is continuing but the programme has been extended due to issues in completing the topographical surveys. Initially during lockdown, it was not possible to carry out the surveys on private land, and since being able to get out on site there have also been some issues with equipment being stolen.
13. The planning application needed for the scheme is now planned for submission in July 2021. The Department for Transport have yet to confirm the outcome of the funding bid for the scheme, however if successful the scheme will be delivered by 2025.

Melton Mowbray Distributor Road – North and East Sections– improve network capacity and facilitate development via a new distributor road from the A606 Nottingham Road to the north joining A606 Burton Road.

14. This scheme has continued with little impact from Covid-19 restrictions and Statutory Order consultation has started. County Council officers have worked closely with Aecom and Galliford Try to keep the scheme progressing and liaison continues with landowners and Network Rail remotely. It is currently anticipated that some early accommodation works will start in 2021 with completion of the road by 2023/24.
15. Melton Distributor Road – Southern Section – to facilitate development through a section of distributor road between the A606 Burton Road and the A607 Leicester Road.

This scheme would see a new road around the south of Melton opening up land for housing development. Following a successful bid to the Housing Infrastructure Fund there is potential for approximately £15million grant funding to support delivery of the scheme, with the remaining £13million required for the scheme to be paid for from future developments, forward funded by Leicestershire County Council. The risks to the County Council associated with delivery of the scheme are not resolved.

Lutterworth Development - Infrastructure – delivery of the strategic highway infrastructure for the proposed development at Lutterworth East. Please note that this scheme is subject to a future grant bid.

16. Design of highway infrastructure continues to support the delivery of the Lutterworth East development following approval of the planning application by Harborough District Council's Planning Committee in July 2020.

Coalville Ashby Road – Highway Works – rationalise speed reduction scheme linked to the Snibston development

17. The Ashby Road scheme is funded by North West Leicestershire District Council and the County Council to support the Snibston regeneration project. The scheme was paused during the summer when it was necessary to prioritise highway delivery resource on safety critical services. The scheme is now continuing and due to be on site in spring 2021.

Zouch Bridge Replacement – replacement of deteriorating historic bridge

18. The development of the scheme has continued through the summer but due to the current financial position, given the scheme is internally funded, the County Council are reviewing the most cost-effective way of delivering the new bridge alongside looking for alternative external funding sources.

Hinckley Hub (Rugby Road/Westfield Road/Hawley Road and Rugby Road/Brookside junctions) – junction capacity improvements with new crossing facilities

19. Development of the scheme continued through the lockdown, but onsite works were delayed due to the proximity of the main junction scheme to Hinckley town centre and the need to accommodate social distancing.
20. Land acquisition has reached the final transfer stages and trial holes are being programmed by the contractor Eurovia. The main junction works are now programmed to

start in spring 2021 with a public consultation on the implementation of residents parking currently ongoing. The Department for Transport have confirmed that the National Productivity Investment Fund (NPIF) can be allocated for use in financial year 2021/22 to complete the scheme.

Desford Crossroads – conversion of a signal junction on the A47 between Leicester and Hinckley to a roundabout, increasing capacity supporting development in the area.

21. Work is continuing to progress the necessary financial agreements with the Leicester and Leicestershire Enterprise Partnership but there remains a funding gap. The County Council has sought to address this through a bid submission to the Department for Transport Pinch Point fund however, award of this fund is currently on hold. Design of the scheme is continuing with topographical surveys to be undertaken in accordance with social distancing restrictions. This work will support funding bids and discussions with developers through the planning process but to ensure best value, the project is being regularly reviewed to consider spend against current budget.

Castle Acres s106 works – upgraded signals near Fosse Park to support development.

22. This scheme is now substantially complete with just some off-highway works to support the developer still to be delivered. The scheme was able to take advantage of lower traffic levels during lockdown to deliver improvements using lane closures during the day, rather than night works.

Capital Maintenance Programme

23. Whilst there was a pause in the delivery of the capital maintenance programme at the start of lockdown, national guidance quickly clarified that highway works were considered essential and should continue where possible in accordance with social distancing guidelines.

24. Working methods were reviewed and discussions took place with external contractors to establish which programmes could continue. Following this review all programmes were continued and are on track with the exception of surface dressing where funding has been reallocated to alternative restorative treatments such as patching.

25. The surface dressing programme was cancelled for 2020/21 due to lower traffic levels impacting the embedding of grit on rural roads and the inability to maintain social distancing particularly in urban areas with the public working from home.

Additional Department for Transport funding

26. The Department for Transport has released a £1.7billion Transport Infrastructure Investment Fund (the 'Pothole' fund) to improve roads, repair bridges and fill in millions of potholes across England. The investment is intended to help put the nation back on the path to recovery.

27. The Transport Infrastructure Investment Fund combines funding from the Highways Maintenance Challenge Fund, the existing Pothole Action Fund and the £500million a year pledged in Government's Budget 2020 to repair potholes and maintain local roads. Leicestershire's allocation from this fund is £10.2million (a £700k Pothole Action Fund was already expected and allocated in 2020/21) leaving an additional £9.5million to

allocate for 2020/21.

28. The purpose of the funding is to repair potholes or to allow for longer term road resurfacing work to prevent the potholes from forming in the first place. However, the funding is not ring-fenced and can be used to fund Challenge Fund schemes. The Department for Transport also advised that as part of a future spending review they may look again at some of the Challenge Fund proposals. An Expression of Interest was submitted to the Challenge Fund in 2019 for Zouch Bridge and an update on the scheme funding issues and risks is included as part of this report.
29. It is hoped that the additional funding of £9.5million made available by the Department for Transport this year, is just the first Tranche of the extra £2.5billion for local road maintenance pledged in the Budget. It was announced that councils will receive an extra £500million a year from 2020/21 to 2024/25 through the new Transport Infrastructure Investment Fund. Having confirmed funding over a five-year period will allow maintenance to be programmed more efficiently and allow the County Council to start to address the current network deterioration rates.
30. The additional funding is being used to deliver an enhanced programme of maintenance across the network in 2020/21 benefiting more than 250,000 users on a daily basis. Allocation of the additional funding is based on the risk in line with the County Council's risk-based approach.

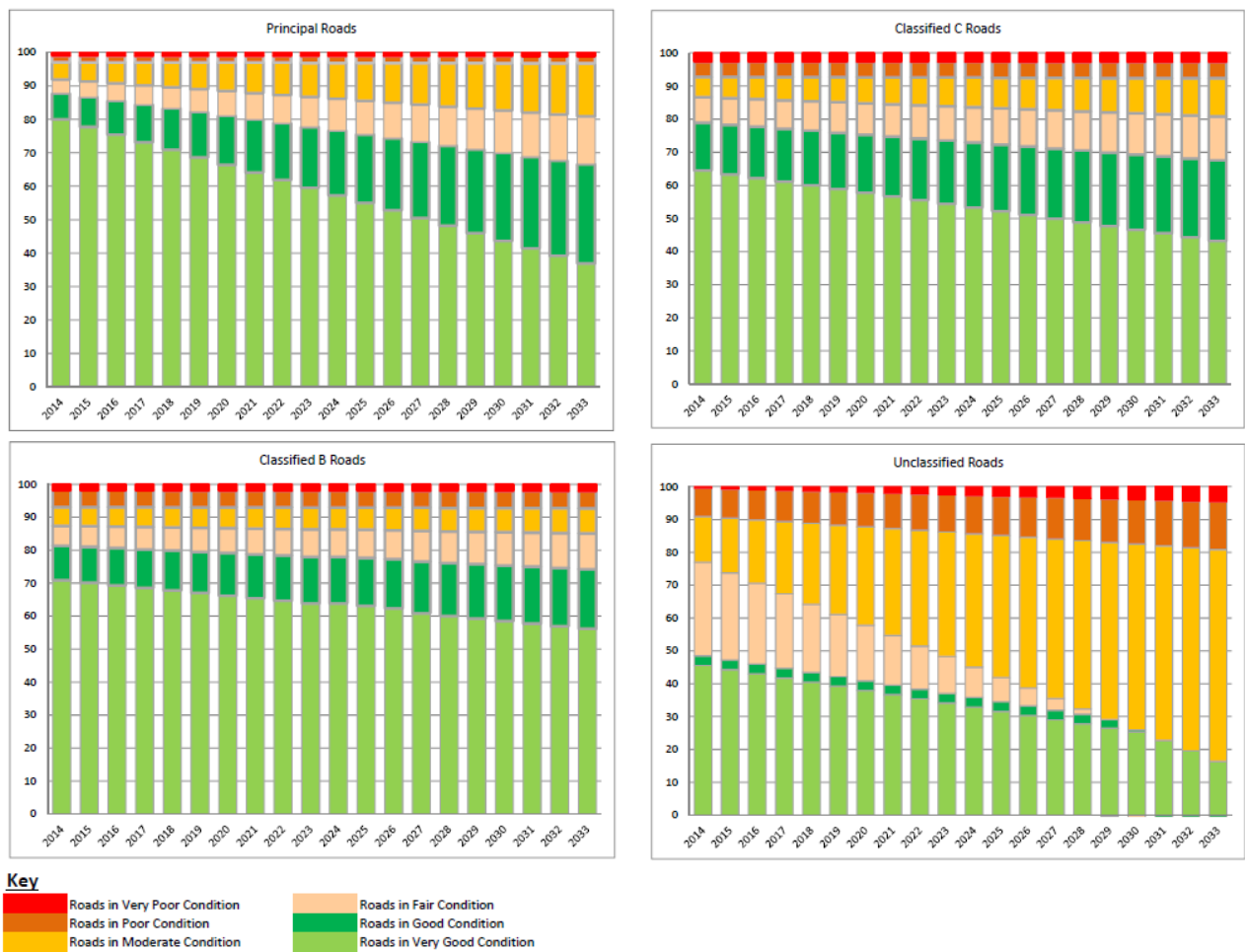
Allocating funding based on risk

31. Under the Council's adopted Risk Based Approach the likelihood of injury or damage as a result of any highway asset defect, and the wider consequences of that event should it occur, are assessed. Decisions on priority and treatments are informed by data and knowledge derived from the analysis of previous maintenance activities, such as highway safety inspections and surveys.
32. Between 2009/10 and 2019/20 the combined revenue and capital spend, taking into account inflation, reduced from £32million to £22million, leaving at least a £10million gap in the annual funding needed to keep the Council's network maintained. This year on year reduction in maintenance had led to deteriorating asset condition and some assets are reaching the end of their serviceable life e.g. some rural roads and street lights. Whilst additional one-off funding in 2020/21, as mentioned in paragraph 38, has helped to mitigate the funding gap for one year there is no certainty over this funding level continuing. Spend is now skewed towards repair rather than prevention which is less efficient. Deterioration is not being addressed and reactive repair will soon cost more than allocated budgets.

Carriageway deterioration

33. The predicted carriage deterioration graphs below were prepared in autumn 2019 and officers advised that the network was likely to deteriorate further / quicker without additional funding. Footways have similar deterioration issues to carriageways and unclassified roads (those between villages and outside people's homes) deteriorate most.

Predicted Deterioration Graphs 2014-2033 – prepared Autumn 2019



34. When assessed in 2019 the graphs showed that 11.6% of Principal Roads, 13.8% of B roads and 13.1% of C roads were reported as currently in need of maintenance, leading to more potholes and uneven surfaces for drivers and cyclists with the roads also more susceptible to damage from climate change.
35. The deterioration is likely to be increased in some areas by the extreme heat and floods experienced over the last few years and these extreme weather events are predicted to become more common. Without increased investment to slow/reverse the deterioration and increase the resilience to climate change, the funding needed to carry out the repairs to keep the network safe will continue to rise.
36. Similarly, the percentage of footpaths needing maintenance had increased from 7% to 21% in the four years since 2015. No programme of footway maintenance works, only safety critical repairs had been carried for the last two years so a £400,000 programme of footway works was proposed in 2020/21 however more funding is needed to manage the backlog.
37. When assessing the need for funding, in addition to condition data, risks are also taken into account and in 2020/21 these included;

- a. 108 schemes in the major maintenance backlog (cost to deliver estimated at £19.5million up from £16million last year) that have already failed in places with temporary repairs being undertaken to try to keep the roads in a safe condition. Revenue costs to repair the defects not addressed by capital spend would increase (overspend in 2019/20 circa £350,000). At the end of period 2 this year, the spend on pothole repairs was already 10% over the profiled spend.
- b. £12million backlog in patching, covering approximately 350,000sqm of carriageway. £4million of this is considered to be a high priority due to the risk of potholes forming but it with limited resources this increases each year.
- c. Zouch Bridge scheme would only progress with external funding and additional costs for inspections (£1,200 per month), one-off surveys (up to £120,000) and potentially diversions (£14,000 per month) would be incurred

38. Sharing the additional funding between highway maintenance and Zouch Bridge to manage the risks for both aspects of the capital programme was determined to be the option that best managed the assessed risks and the funding was allocated as shown in the table below.

Allocation of the additional 2020/21 Capital Maintenance Funding

ACTIVITY	PLANNED ALLOCATION
<u>Additional Highway Maintenance Programme</u>	
Carriageway Resurfacing Schemes	2.5
Carriageway Patching Works	2.0
Road Linings and Road Studs Works	0.5
Programme of 'stuck lid' repairs	0.2
Programme of drainage remedials	0.3
Funding to compliment developer Section 278	0.3
Zouch Bridge Scheme	3.0
Match funding to Challenge Fund Bid	0.7
TOTAL	9.5m

Development of the Additional Funding Allocation Programme

Highway Maintenance Carriageway Resurfacing Schemes - £2.5million

39. The amount of funding available for carriageway resurfacing and strengthening has declined dramatically over the last decade. Ten years ago, the allocation for carriageway maintenance schemes was £7million and in 2020/21 the original allocation was only £1.15million for this work. The constant underfunding for carriageway maintenance over the past decade has significantly increased the backlog of resurfacing and strengthening work required across Leicestershire.
40. Each year all carriageway maintenance schemes are prioritised to ensure that when works are carried out, they are undertaken on our highest priority sites. The sites detailed in this proposal have all been classed as high priority sites. If the maintenance schemes are not carried out in the current financial year, then substantial amounts of temporary repairs will be required to try to keep the roads safe until the maintenance scheme is undertaken.

41. Each year the Asphalt Industry Alliance carries out an Annual Local Authority Road Maintenance Survey. One of the tables within the 2020 survey shows the frequency that various classes of road are resurfaced at. The following table provides the frequency for English Roads compared with roads in Leicestershire:

	All Roads	Principal	Non-Principal	Unclassified
England	76 years	33 years	55 years	119 years
Leicestershire	161 years	68 years	152 years	223 years

42. From the above table it is evident that Leicestershire roads are resurfaced far less frequently than the average road in England. Road surfaces are typically designed to last 20 years, although the life can be extended by a factor of two or three by timely surface dressings.

43. The additional funding will allow the high priority carriageway maintenance schemes in the table below to be designed and constructed in 2020/21.

Road No	Road Name	Parish	Site Limits	Treatment	Priority Score
A50	Leicester Road	Groby	Field Head Roundabout - Landfill Roundabout, both directions	Strengthen Carriageway	63
A511	Ashby Road	Ravenstone with Snibston	Alton Hill - STW Pumping Station at Sinope	Strengthen Carriageway	62
A47	Billesdon Bypass	Billesdon	Eastbound dual at B6047 Crossroads	Strengthen Carriageway	60
B5350	Woodgate	Loughborough	Bedford Square - High Street	Strengthen carriageway	54
A607	Leicester Road	Melton Mowbray	Roundabout with Lake Terrace	Strengthen Carriageway	54
UC	Frederick Street	Loughborough	Browns Lane - Ashby Road junction, including Ashby Road junction area	Strengthen carriageway and Asphalt Reinforcement	53
A607	Syston N Bypass Roundabout	Queniborough	Syston N Bypass / Melton Road / Rearsby Bypass / Rearsby Road Roundabout	Resurface Carriageway	53

44. The following two schemes on the A453 are also programmed to be carried out, but the timing may be impacted by the need to manage deliveries to the airport as part of the United Kingdom's exit from the European Union in early 2021.

A453	Ashby Road	Castle Donington	Beverley Road Roundabout - M1 Jct 23a Roundabout	Strengthen Carriageway	63
A453	Ashby Road	Castle Donington	Airport Entrance	Strengthen Carriageway	60

Additional Carriageway Patching Works £2.0million

45. Carriageway patching is the main treatment for repairing areas of potholing and localised carriageway failures. The current backlog of carriageway patching across the county is estimated to be in the region of £12million covering approximately 350,000sqm of carriageway. Approximately £4million of this is considered to be a high priority due to the risk of potholes forming.
46. The current level of funding for planned carriageway patching in 2020/21 is £4.256million. This may be enough to patch the immediate high priority risk areas where potholes are likely to form, but it will not allow the works to keep up with the rate of carriageway deterioration and will not allow for any longer-term issues to be addressed.
47. The further £2.0million has been allocated to planned carriageway patching in 2020/21 to enable the rate of patching to keep pace with the rate of deterioration and to start to address some of the longer-term issues that can successfully be resolved with carriageway patching.

Additional Road Lining and Road Stud Works £0.5million

48. Because of the decade of underfunding for highway maintenance the condition of the road lining and road studs across the county is considered to be poor. A recent night-time survey of Leicestershire's Resilient Road Network identified the poor condition of this network, with £950,000 of lining work required to bring this network up to an acceptable standard. A similar amount is considered necessary to bring the road studs up to an acceptable standard on the Resilient Network.
49. The current allocation for lining and road studs on all the county's roads is £1.045million. The demand for lining and road studs across the county is several times this amount and will take several years of higher funding to enable the demand to be matched by the amount of work carried out.
50. The additional Department for Transport funding is primarily intended for works that will either treat potholes or will stop them from forming in the first place. Increasing the amount of road lining and road stud work carried out will not affect the number of potholes on the network, but better road markings will help to reduce the frequency of accidents. There is flexibility on how the County Council allocates the additional funding and an increase in £0.5million is considered to be appropriate.

Zouch Bridge Replacement Scheme

51. As advised earlier in the report, due to the current financial position the County Council is reviewing how the scheme is funded and delivered.
52. Part of the additional Transport Infrastructure Investment Funding was allocated to Zouch bridge to support this review and manage the risks of not delivering including;
- a. The longer the delay the more it will cost
 - b. Risk to the bridge (regular inspections are being carried out)
 - c. Risk of needing single lane working or closure leading to traffic diversion measures if deterioration reaches a critical point impacting 10,000 users daily
 - d. More costs from more inspections over the next 12 months and beyond

- e. Potential expiry of planning and Environment Agency consents – start must be by July 2023, so no imminent problems.

Challenge Fund Bid

53. The 'Three Bypasses' Highways Maintenance Challenge Fund Bid was submitted by the County Council in October 2019. On 30th June 2020 the Department for Transport announced further funding under the Transport Infrastructure Investment Fund, of which the Highways Maintenance Challenge Fund is part. Full approval was given for the project and the County Council was awarded £4.968million towards the cost, with a local funding allocation of £700,000.
54. The project consists of major maintenance on three key routes in the county and the work will be completed by March 2021. Resurfacing work will be carried out on:
- a. The A6 Market Harborough bypass on the Leicestershire and Northamptonshire sections;
 - b. The A426 Blaby Bypass – including the four roundabouts;
 - c. The A47 Hinckley in two locations - the Dodwells Road section between the A5 and the Triumph roundabout and the Normandy Way roundabout with Wykin Road. Footway and cycle track improvement work will also take place.

Conclusion

55. The challenges of the Covid-19 restrictions and the award of additional maintenance monies by the Department for Transport have resulted in a reprofiling of the Highway Capital Programme as reflected in the recent Medium Term Financial Strategy refresh reported to Cabinet on 18th September 2020. All of the additional funding has been allocated based on the County Council's Risk Based Approach to maintaining the highway network and will benefit users across Leicestershire.

Resource Implications

56. The additional funding will require an increase in staff resource and the use of external contractors from existing framework contracts. The cost of this will be met from the capital programme.
57. The Director of Corporate Resources have been consulted on the contents of this report.

Background Papers

Report to the Environment and Transport Overview and Scrutiny Committee, 4th June 2020, Coronavirus (Covid-19) Update

<http://politics.leics.gov.uk/documents/s152782/COVID-19%20Update%20Report.pdf>

Report to the Environment and Transport Overview and Scrutiny Committee, 3rd September 2020, Covid-19 Recovery Update

<http://politics.leics.gov.uk/documents/s155041/Covid%20Recovery%20-%20Sept%202020.pdf>

Report to the Cabinet, 18th September 2020, Medium Term Financial Strategy - Latest Position

<http://politics.leics.gov.uk/documents/s155524/MTFS%20Latest%20Position%20FINAL.pdf>

Highway Infrastructure Asset Management Plan HIAMP

<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2019/11/14/Highways-Infrastructure-Asset-Management-Plan-HIAMP-Review.pdf>

Circulation under the Local Issues Alert Procedure

None

Appendix

Appendix A – Highway Capital Programme in MTFS February 2020 and September 2020 Refresh.

Officer to Contact

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Relevant Impact Assessments

Equality and Human Rights Implications

58. Capital Highway Maintenance is a universal service supporting all users of the network.

Environmental Implications

59. There are no additional environmental implications of utilising the funding. Ensuring the highway network is managed efficiently including limiting repeat repairs and maintenance will reduce congestion with a potential resultant benefit to air quality.

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