

June 2017

CYNGOR SIR POWYS COUNTY COUNCIL.

PORTFOLIO HOLDER DELEGATED DECISION

By

County Councillor Liam Fitzpatrick

Portfolio Holder for Highways

June 2017

REPORT AUTHOR: Nigel Brinn, Head of Highways, Transport and Recycling

SUBJECT: Highways Capital Programme 2017 - 2018

REPORT FOR: Decision

1.0 Summary

1.1 This report outlines proposals for the allocation of capital funding for the Highways service area in line with the budget allocations in the Council's 2017-18 Budget Book.

2.0 Proposal

2.1 To allocate capital expenditure as set out in Appendix A and Appendix B.

3.0 Options Considered/Available

3.1 The backlog of work across the highway network exceeds £40 million. The range of options for allocating expenditure is therefore considerable.

3.2 The schemes considered have been prioritised in accordance with established scheme ranking systems to help ensure allocations are on a needs basis. Candidate schemes have been identified from routine inspections, stakeholder raised issues (e.g. public, Town & Community Councils) as well as those put forward for consideration by County Councillors through the regular area liaison forums between Members and Highways Grounds and Street Scene (HGSS) Managers.

4.0 Preferred Choice and Reasons

4.1 The preferred choice is set out in Appendix A (proposed income and expenditure) and Appendix B (proposed scheme expenditure) and is considered to represent those schemes with the highest need.

4.2 The highway core funding of £1.5 million will be allocated to highway strengthening (resurfacing), town centre footways, bridge strengthening, structures major maintenance, drainage, remedial earthworks. Road safety and traffic management schemes will continue to deliver schemes approved by the relevant shire committee and are prioritised through the approved ranking system. The bridge

works will continue to be determined by the approved ranking system whilst the other work areas will be prioritised based on a ranking system that takes into account hierarchy, safety, engineering and democratic factors.

- 4.3 The council has made available funding of £1.12 million for the structural maintenance of roads to mitigate the effects of reduced revenue funding. This will be targeted at prioritised sites throughout the county.
- 4.4 As part of the Medium Term Financial Plan, Cabinet at their meeting of the 7th February 2017 approved budget of £3.95m each year for the next three years, totalling an investment in the highways infrastructure of £11.85m. This investment will be targeted at improving the condition of the highway network.
- 4.5 The movement of surface dressing from the revenue stream to capital funding requires the life expectancy to be sub-divided having regard to the class of road and type of treatment. Ahead of formal approval of the new Highways Asset Management Plan (HAMP), it is recommended that revised life expectancies for surface treatments are adopted in order to inform financing of the capital funding allocations. The proposed average life expectations are set out in Appendix C.
- 4.6 It is recommended that delegation for approval is given to the HAMP Project Board to determine and approve amendments to the prioritised list of schemes within overall budget allocations in accordance with asset management principles.
- 4.7 The council has made available funding of £1,488,000 for the provision of strategic salt reserves within the county. This is to provide resilience in salt stocks in the event of severe winter conditions to ensure the council can continue to provide an effective winter service. Welsh Government have indicated that if this resilience is not provided then access to the Welsh Government's own reserve salt stock could not be guaranteed.
- 4.8 It is proposed that the moratorium on major schemes continues in order to focus on investment in the existing infrastructure. Such schemes will therefore only be considered if they unlock significant regeneration potential or are primarily funded through external sources. Any such proposals would require approval through Cabinet or Council.

5. Impact Assessment

- 5.1 There is no impact assessment required.

6.0 Corporate Improvement Plan

- 6.1 The Plan sets out the vision, values and principles for the Council and provides a framework for delivering services.

- 6.2 The plan's guiding principles are based on the well-being of future generations. The Well-being of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural well-being of the nation. The draft Well-being assessment 2016 demonstrates the significance of investment in the highway network.
- 6.3 The Powys Public Services Board Well-being Assessment 2016 (Draft) analysed 33 situations to identify which have the most detrimental and most favourable impact on the seven wellbeing goals in Powys. Whilst most assessments only affected one or two wellbeing goals, there was one particular goal, 'Travelling around Powys', which was identified as having a direct negative impact on four of the wellbeing goals (Prosperous, Resilient, Cohesive and Vibrant Wales). If there is no intervention then the potential negative effects in the medium-term are anticipated to extend to a further two of the wellbeing goals Healthier and Equal Wales). The only wellbeing goal not having an identified impact is a Responsible Wales. Given this the planned investment in the highway network is a high priority.

7.0 Local Member(s)

- 7.1 Schemes are assessed on a countywide basis. Local Members are able to feed opinions and priorities through the HGSS Manager for considerations during the development of the scheme programmes.

8.0 Other Front Line Services

- 8.1 Not applicable for this report.

9.0 Communications

- 9.1 The Communications Manager comments: The report is of public interest and requires proactive communication action using news release and appropriate social media to publicise the report and decision.

10.0 Support Services (Legal, Finance, HR, ICT, BPU)

- 10.1 The Solicitor for Highways notes the programme and has no overall concerns. Specific issues may arise as schemes develop which may require specific legal input.
- 10.2 The Capital and Financial Planning Accountant supports the programme. The revision to the asset lives for the elements of the work programme will mean that any depreciation reflects the beneficial use of the asset in the accounts. The Accounting Policies in the Statement of Accounts will need to be updated from 17/18 onwards to reflect this change, if approved. The additional benefit is that some of the work will have a longer life than the current policy allowing borrowing to be over an extended period. The funding for item 4.4 above may need to change from Prudential Borrowing to other forms of financing, ie capital receipts or supported borrowing once the details have been finalised by the HAMP Project Board (4.6). The Prudential Indicators for 17/18 are calculated on a 50 year life and any reduction

in the life will increase the annual cost of the Minimum Revenue Provision to the authority.

11.0 Scrutiny

11.1 This report been not been scrutinised.

12.0 Statutory Officers

12.1 The Strategic Director Resources (S151 Officer) notes the comments made by finance.

12.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report."

13.0 Members' Interests

13.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest he/she should declare the interest, complete the relevant notification form and refer the matter to Cabinet for decision.

Recommendation:	Reason for Recommendation:
1. That the funding proposals outlined in Appendix A and Appendix B are approved.	To enable delivery of infrastructure investment to protect council assets.
2. Delegate approval to the HAMP Project Board to determine and approve amendments to the prioritised list of schemes within overall budget allocations in accordance with asset management principles. (Para 4.6)	To ensure flexibility in programming works having regard to priorities whilst ensuring equity of allocation.
3. That the revised life expectancies for surface treatments in outlined in Appendix C are adopted in order to provide a useful life for the asset to reflect its beneficial use. (Para 4.5)	To ensure the asset is depreciated in line with its beneficial use to the authority.
4. To continue the moratorium on major schemes within these budget allocations.	To focus investment in the existing infrastructure.

Relevant Policy (ies):	
Within Policy:	Y / N
Within Budget:	Y / N

Relevant Local Member(s):	n/a
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Person(s) To Implement Decision:	Head of Highways, Transport and Recycling
Date By When Decision To Be Implemented:	Relevant financial year

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Background Papers used to prepare Report:

Budget book