

Cabinet

11 June 2020

Delegated Budget Scheme - Covid Response and Long Term Scheme Proposals

Recommendation

That Cabinet supports the proposed changes to the Delegated Budget Scheme and implements them for the 2021/22 financial year.

1. Executive Summary

- 1.1 In October 2018 a motion was raised a full Council over concerns with road repairs and the delay in delivery of some member delegated budget works. This resulted in a cross-party working group being established, reporting to the Communities Overview and Scrutiny Committee, to identify the barriers to improving performance for the residents of Warwickshire.
- 1.2 A review of member highway scheme delivery and minor highway fault resolution was then undertaken. This involved interviews with a number of members to capture the key concerns. Further engagement with members of the Overview & Scrutiny Committee took place in June 2019 followed by a member workshop on the 8th July.
- 1.3 The workshop was focused on discussing potential solutions to support improvements in the delivery of highways fault resolution and member delegated budget works. The workshop provided officers with a clear steer on which options should be considered for taking forward; including;
 - The development of a website dedicated to delegated budgets explaining the scheme, what it should be used for, generic costs for different works and how to put works forward.
 - Quarterly updates provided to all members showing the list of delegated works that have been requested along with completion or planned completion dates.
 - Elimination of the £6k scheme minimum requirement to enable members to agree smaller scale works giving them greater flexibility.
 - Inclusion of a deadline for communicating and agreeing delegated budget works early enough in the financial year so that a large percentage of the works can be delivered during the year.
 - Consideration of a match funding scheme, enabling the delivery of larger or more complex schemes and doing away with the need to hold over funding between years.

- Strengthening of the Highways Locality Officer role including overall responsibility for managing the Delegated Budget schemes with their allocated members.
 - Setting up of a dedicated minor works team within County Highways which will speed up delivery of small scale works by bringing design, works ordering, supervision and contractor works crews together in a focused delivery team.
- 1.4 A further update report was presented to the Overview & Scrutiny Committee in September 2019 which recommended that officers bring forward proposals, based on the ideas generated at the workshop, to improve the administration of the Delegated Budget scheme enabling a greater degree of transparency for members, faster delivery of works and a greater amount of in-year delivery of works.
- 1.5 Member engagement also identified the issue of the profiling of capital funding for these schemes. Currently there is over £2m of unspent Delegated Budget scheme funding. This is mainly as a result of complex schemes that involve consultation or significant design work taking more than one year or funding being held over in order to deliver a specific higher costing scheme; but also includes savings where schemes have cost less to deliver than original estimates or where all funds have not been committed.
- 1.6 The overall result of the proposed changes should be to reduce the capital underspends from Delegated Budgets and to see a higher number of member-requested schemes delivered in-year. This will help address member perceptions around 'capital slippage' and inability of WCC to deliver schemes in a timely way. Setting a target of 80% of the £1,995,000 to be spent within the financial year it is allocated will be very challenging, but this is the recommended direction of travel.

2. Supporting Information

2.1 Clarification of Delegated Budget Work

The Delegated Budget scheme has been very popular with members since it was introduced in 2015. It provides a good way for involving members in the prioritisation of local works and has offered opportunities to undertake works that would not have otherwise been possible given highways prioritisation towards safety and maintenance need or budget constraints. It can often be used to address local issues raised by parishes, wards, community groups and residents which would otherwise not be prioritised.

- 2.2 One of the aims of redesigning how the Delegated Budget Scheme works will be to reduce the potential for underspend by focusing on schemes that can be delivered in-year. In practice this will mean actively encouraging members to use their funding for small minor maintenance related works rather than larger complex schemes that require planning, consultation, extensive design work, or traffic regulation orders. This will need to be clearly explained and feature on a dedicated website so that members and their constituents clearly

understand the nature of the delegated budget spend. The recommendation would be for the delegated budget to predominately be spent on the following types of works:

Footway resurfacing	Carriageway patching	Replacement of bollards
Tree planting	Tree maintenance	Pedestrian guardrails
Renewing road markings	Safety road markings	Dropped kerbs
Repointing retaining walls to improve appearance	Drainage repairs to improve resilience	Additional verge maintenance such as grass cutting
Clearing of footways	“Sidingout”	Replacement of signs
Sign cleaning	Additional weed spraying	Footway slab replacement/repairs
Repairs to fencing or other highway street furniture	Birds mouth fencing (knee rail)	Staggered barriers (motorcycle control barriers)
Verge hardening schemes	Retaining walls/sheet piling (structures)	Structural patching
Surface treatments (slurry seal and surface dressing)	Tactile crossing points (DDA compliant or blacktop)	Drainage schemes/investigations
Additional gully jetting	Hedge flailing/cutting	Provision of find and fix gangs in a given area for a given period

- 2.3 **Contributions to Larger Schemes** - Many members will still want to spend some or all their delegated budget on larger more complex schemes and officers’ recommendations are not designed to inhibit this. However, the desire is still to deliver these schemes in-year, whereas currently some members have saved or pooled their allocations over a period of years in order to invest in a specific larger scheme. It is recommended that members work with their Highways Locality Officer to enable these schemes to be delivered in-year by match funding the scheme from highway capital.
- 2.4 Ultimately officers would like to move away from carrying any delegated budget funding forward into future years but would rather work with members to enable the right set of schemes to be allocated funding so that delivery can be achieved within the financial year. There are likely to be other larger or more complex schemes that involve traffic regulation orders or advanced design which cannot be delivered in one year. It is recommended that these schemes are assessed and considered through the normal capital budget prioritisation processes for consideration of funding based on merit and need from the road safety or highways budgets and that Delegated Budget funding is not used for these types of schemes or only as a contribution to the scheme in the year that it is built.

- 2.5 **Removal of the £6k limit** - Encouraging members to spend their funding on smaller minor works schemes is a significant change as previously they have been told they can only deliver works in value in excess of £6k. The £6k minimum limit has previously been required as the funding for the Delegated Budget scheme is capital expenditure and works under £6k in size are considered to be minor revenue expenditure. Highways Locality Officers have traditionally pooled smaller works together to form packages of work over £6k in order to meet the capital requirements. Removing the £6k minimum limit was very popular with members attending the Overview & Scrutiny Committee workshop as there have clearly been some frustrations around the inability to get smaller works that parishes have requested completed.
- 2.6 It is recommended that works are grouped together so that works orders always exceed the £6k limit. However, from a member perspective, the new delegated budget scheme should make it clear to members that they can spend their funding on schemes of any value. This may result in some additional pressures on Highway revenue budgets where potentially a stand-alone small value scheme cannot be grouped for delivery through capital, but officers are looking at how these can be managed or offset against other revenue works that could be capitalised.
- 2.7 **Deadlines** - To enable in-year delivery, the recommendation is to introduce a deadline for members to communicate and agree their delegated budget schemes by the end of May each year. This should enable enough time for highways staff to organise the design, planning and delivery of the works before the end of the financial year. It will also enable us to give a robust programme of planned works to our partners Balfour Beatty early enough in the construction year so they can ensure they are adequately resourced to deliver the works. The intent will be to bring all of this work together annually in May into a programme of work that each member then signs off, so there is clarity for the member on what highways is delivering for them against the delegated budget.
- 2.8 To ensure compliance with the deadline, an email to all members from the highway's portfolio holder each spring along with an annual report showing progress on delivery of delegated budget works could be provided to remind members of the deadline. Some members may wish to withhold some part of the delegated funding to put forward on schemes that come up during the year or in the last quarter of the year. It is recommended that this is discouraged and that the primary focus should be on the May deadline which gives us some assurance of delivery. Members will still be able to promise delivery of schemes in the next financial year when their new allocation becomes available and in practice Highways Locality Officers will work with members throughout the year to develop the list of works, they will want for the following year. This will take some of the pressure off members for the May deadline as they should have a list ready to agree by May each year.

- 2.9 **Match Funding Scheme** – It is also recommended that un-spent allocations from previous years should be used to create a ‘match funding’ pot. This funding pot could then be used to support parish, wards and community groups that want to prioritise highway works in their area through an application or bidding process.
- 2.10 A bidding process could be developed where match funding schemes applications are considered twice each year. The scheme could have a dedicated webpage and electronic application process. A similar scheme in Gloucestershire has proved to be successful in meeting local community needs
- 2.11 This fund could also be used to support a local community highway steward. There are some good examples amongst some parishes where the parish hires a steward/handyman that carries out various works around the parish such as vegetation clearance, minor repairs to footways or paths, planting painting, clearing drainage channels or gully tops and other minor one-man tasks. The funding for the role could be split between the parish and the member Delegated Budget with additional support from the County for materials, training the steward and providing tools and personal protective equipment.
- 2.12 **Traffic Regulation Orders** - Some members have used their delegated budget funding to support new or changed traffic regulation orders (TRO’s) such as weight restriction, changes to speed limits or parking restrictions such as double yellow lines. This is in part because there is no longer a revenue budget dedicated to TRO schemes. TRO’s typically take 18 to 24 months to deliver so they are not schemes that would fit with the proposed new approach to Delegated Budget delivery. It is recommended that TRO’s are not delivered through the Delegated Budget offer, but that budget is allocated for Countywide TRO work and that new TRO schemes are priority assessed against this budget. Members wishing to allocate some of their Delegated Budget funding towards a TRO could do so and this would improve the value for money scoring for the priority assessment. The Delegated Budget funding allocated by the member would be transferred over to the TRO scheme. In this way members would not have to ‘save up’ delegated budget funding in order to deliver a TRO scheme but could still demonstrate their local commitment to the scheme by making a contribution towards its delivery.
- 2.13 **Ownership and Administration** - Key to making the new delegated budget scheme work will be ownership of the schemes being delivered. Too often there has been a lack of co-ordination between highways, roads safety, design services and contractors with members having to do the chasing to ensure schemes are delivered.
- 2.14 The recommendation is that nominated officers become responsible for agreeing what schemes will be delivered from member’s budgets and take ownership of the scheme from feasibility to design to delivery by the minor works team. Consideration is being given to the staffing structure to determine how best this can be achieved.

- 2.15 Minor Works Team** - As part of the Highways restructure consideration is being given to the establishment of a minor works team within County highways. Creating a new team would put the feasibility, design and delivery elements of most delegated budget work into a single team which should improve the pace of delivery. The Highways Locality Officers can then work directly with this team to agree programmes of work and proposed delivery dates for members.
- 2.16 Relaunching the Scheme** - These changes, particularly the move towards encouraging minor maintenance work spending, could be perceived by members as a significant change in direction for delegated budget. Some members clearly see delegated budget as being for 'additional' works and not for things they believe should be funded through the general maintenance budgets. We are suggesting a wider view that focuses on the ability of members to help prioritise local works, maintenance or otherwise, which are delivered in a timely way to meet local desires/demands. For this reason, we are suggesting renaming the scheme as 'Highways Local' or something similar as it really does what it says, delivering local highway priorities for communities.
- 2.17 As part of the relaunch of the scheme officers would provide a presentation for members which could be webcast with a link on the new Delegated Budget website.
- 2.18 Transitional Arrangements - It is recommended that we try to resolve as much of the delegated budget work that has already been committed but not delivered. This could be done in discussions with Balfour's by arranging for additional resources to that the backlog of works could be pushed forward for completion in the first year of the new scheme.

3. Financial Implications

- 3.1 There is no recommendation to increase or reduce the delegated budget allocations. It may be that other costs emerge during the first year of operation but currently the anticipation is that this can be delivered within existing budgets.
- 3.2 A clear decision will need to be made about using the unspent Delegated Budget funding through a match fund and some work needs to be done to determine what previous committed works can now be delivered and what if any works need to be re-considered.
- 3.3 We are also proposing to create a separate budget (part revenue and part capital) to support an annual programme of Traffic Regulation Work. We are anticipating this to be approximately £100k of capital and approximately £50k of revenue. The intention is to make a CIF bid for the capital over a 5-year period and to request the revenue as part of the MTFs bids for 2021/22 budget setting process.

4. Environmental Implications

- 4.1 There are no direct environmental impacts identified from these proposals: however, members have the option to choose works such as tree maintenance, tree planting or highway verge maintenance that could support or enhance our natural environment. Well managed and well-maintained highway verges can add to ecological diversity.

5. Timescales associated with the decision and next steps

- 5.1 Should the recommendations be accepted they would be implemented fully in financial year 2021/22. The current financial year, 2020/21, would be used as a transition year with some of the recommendations being implemented or trialed during the year.

Background Papers

None

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