

Councillors Briefing Note No. 23 - 34

Service: Highways and Transport **Further Enquiries to:** Spencer Drinkwater

Date Prepared: 7 November 2023 **Direct Line:** (01225) 713480

THE 'SUBSTANTIVE HIGHWAYS SCHEME FUND' BID APPLICATION PROCESS FOR FUNDING IN 2024/25

Background

A Substantive Highways Scheme Fund will again be made available in 2024/25 to enable Area Boards to bid (via their respective Local Highways and Footpath Improvement Groups (LHFIGs)) for funding to deliver priority transport schemes that exceed their Discretionary Highways Budget.

A two-year design and build programme has been adopted for Substantive Highways Schemes whereby Area Boards submit funding bids in the current year for detail design prior to implementation in the following financial year. As such, the bidding process will take place in 2023 for funding in 2024/25 financial year.

Subject to source funding remaining available¹, the Substantive Highways Scheme Fund for the 2024/25 financial year will be set at £250,000.

Mechanism for Awarding Substantive Highway Scheme Funding

The mechanism to be used to award Substantive Highway Scheme Funding will be that agreed by the Cabinet Member for Highways and Transport in July 2011.

With this mechanism, competing scheme bids are assessed and awarded funding according to two factors:

- Value for money
- Deliverability

Value for money is the ratio of the cost and benefit of the prospective schemes. Under this system, the benefit is determined from the priority score following assessment under the Scheme Assessment Framework (see **Appendix 1**) and the cost is that which would be borne by the Council in implementing the scheme. In this way, the cost/benefit ratio of any scheme is calculated to both acknowledge and stimulate contributory funding from town/parish councils and other external bodies.

¹ Local Transport Plan Integrated Block – Annual Grant Funding from Department for Transport

Deliverability is an assessment of how challenging a scheme would be to implement within the next financial year, considering technical, legal/procedural, operational, financial and public factors. Schemes are given a 'confidence score' based on these factors.

Appendix 2 sets out the Substantive Highways Scheme Bid Evaluation Formula incorporating the above value for money and deliverability criteria. It should be noted that, as the Council is looking to fund those schemes that are easily deliverable, and offer the maximum benefit for the minimum cost, the successful bids will be those that achieve the lowest score.

Eligibility to Bid for Substantive Highway Scheme Funding

An Area Board is eligible to bid for Substantive Highway Scheme Funding when the cost of implementing a scheme is estimated to exceed its annual Discretionary Highways Budget allocation.

Schemes which can be achieved within an Area Board's Discretionary Highways Budget or where it is reasonable and realistic to implement discrete, stand-alone sections in phases over time are not eligible for Substantive Highways Scheme Funding. However, projects that comprise a number of separate but linked elements that form an integral highway improvement will be eligible.

Each bid must include a local financial contribution to the scheme. This can come from the relevant LHFIG or another source, such as a parish or town council, or be a combination of different sources. In addition, the sum of the local contribution and the bid for Substantive Highways Scheme Funding must cover the full estimated cost of implementing the scheme.

Schemes for which bids are submitted must have been developed to a stage which demonstrates that the detail design work can be achieved in 2023/24 and the scheme delivered in the 2024/25 financial year when the funding will be available. Development of a scheme should include topographical surveys, completion of statutory processes, early-stage design and scheme drawing, and detailed cost estimates. The extent of scheme development prior to the submission of a Substantive bid will depend on the type of scheme being proposed and advice should be taken from council officers. Schemes submitted without reaching the required development stage will score poorly and are unlikely to secure funding.

Area Boards can submit up to two bids, although bidding more than once may reduce an Area Board's chances of success as the bids would effectively compete against each other.

Bidding Process

Bids should be completed on the attached pro-forma application form (see **Appendix 3**) and submitted by Friday 15 December 2023 to the highways officer serving the relevant Area Board LHFIG. The bids will then be scored in accordance with **Appendix 2**.

It is anticipated that a provisional decision on the awarding of funding will be made in February 2024 by the Cabinet Member for Highways & Transport, Street Scene and Flooding.