

County Road Highway Maintenance Revenue Budget and On-street Parking Account 2019/20

Report of the Chief Officer for Highways, Infrastructure Development and Waste

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendations: That

- (a) the budget allocations for highway maintenance for 2019/20 detailed in Appendix 1, be approved;**
- (b) authority to amend the allocations between different work types to maintain the budget within the total allocation and to maximise the impact of the maintenance programme be delegated to the Chief Officer for Highways, Infrastructure Development and Waste in consultation with the Cabinet Member for Highway Management;**
- (c) the programme funded from the On-street Parking Account for 2019/20 as set out in Appendix II be approved.**

1. Background

This report recommends the allocation of revenue highway maintenance funding for 2019/20 by maintenance function. In addition, it also recommends for approval a programme of work identified in accordance with the provisions of Traffic Management Act 2004, to be funded from the On-street Parking Account.

Revenue funding for highway maintenance provides for the funding of reactive repairs and routine/cyclic maintenance.

The demand for reactive revenue funded highway maintenance is affected by the amount of capital investment in the highway asset. The need for structural repair of the network has been assessed using an asset management, data led approach. This shows that the level of Capital Funding currently available is not enough to prevent parts of the network, particularly lower category rural roads and estate roads, from continuing to deteriorate. The result of this is that expenditure on reactive and safety related maintenance can be volatile, especially during and after severe weather events.

Highways revenue budgets have been through a rigorous review in recent years to drive the required reductions from budgets that had previously been allocated on a historical basis. Where possible budgets are now based on need with the overall strategy focused on maintaining a prescribed level of service over the long term. The reductions have however driven a reduction in routine maintenance operations such as drainage.

The revised Code of Practice, Well Managed Highway Infrastructure published in October 2016 came into force in October 2018. The guidance moves highway authorities towards a more risk-based approach to its maintenance and to review their maintenance policies to take account of the likelihood and impact when considering investment in maintenance activity. Analysis of our service has identified a number of areas which require further

review, a change in policy and the identification of the risk to the Authority in how it delivers its highway maintenance service. The code requires that ratification of all policies and their risks should be through its Stakeholders and an exercise in finalising this process is currently underway.

This risk-based approach is now used in Devon on highway safety inspections where a defect will be assessed for its level of risk based upon its likelihood to cause harm and the impact if such harm occurred.

2. Introduction

As the local highway authority, Devon has the duty to maintain a road network of 8,025 miles (12,915 km) comprising:

- 597 miles (961 km) of principal (A) roads,
- 407 miles (655 km) of non-principal (B) roads,
- 2,815 miles (4,531 km) of non-principal (C) roads,
- 4,206 miles (6,768 km) of unclassified roads,

There are basically three types of maintenance works undertaken:

- (a) Reactive repairs such as pot-hole filling, dealing with flooding, replacing road signs and markings, clearing overhanging vegetation and the like, which, if neglected, would pose a potential danger to road users. Additionally, during the winter period precautionary salting and snow clearance are carried out as needed.
- (b) Routine or cyclic maintenance such as gully emptying, grass cutting, cleaning and clearing of drainage pipes, ducts and channels and the like, mostly carried out to a defined frequency.
- (c) Planned, programmed or structural maintenance such as resurfacing, reconstruction, surface treatments, which is aimed at keeping roads structurally sound and reducing long term maintenance costs. This work is largely funded from the Capital budget.

This report deals with the funding of reactive repairs and routine and cyclic maintenance. Approval of the Highway Maintenance Capital budget is detailed in report HIW/19/38 also being considered at this meeting.

Within the County Council revenue budget for 2019/20 the highway maintenance base budget has been set at £23,115,000, comprising £20,815,000 in the Highways service budget and £2,300,000 funded from the On-street Parking account.

The budget is made up as follows:

Highway Maintenance	£7,417,204
Bridges and Structures	£483,719
Safety Reaction	£6,058,970
Winter Maintenance, Emergencies & Depots	£3,462,567
PROW	£591,851
Street Lighting	£4,104,000
TMC Fixed Overhead Charge	£996,689
Total Revenue Budget	£23,115,000

Table 1

The service is under extreme pressure to deal with the impacts of historic Capital underfunding of highway structural maintenance and the effects of severe winter weather such as snow events, prolonged cold periods and flooding events. Progress towards providing resilience across the whole of the network is proving to be very challenging, as evidenced by high numbers of potholes and recurring flooding related issues.

We have been fortunate that a good summer in 2018 followed by a fairly unremarkable winter has ensured we have been able to keep pace with our safety response; however, an extended period of extreme weather could easily put pressure on this position.

3. Strategy and Analysis

The strategy uses a framework to manage the highway network as described in the Highway Infrastructure Asset Management Policy (HIAMP). With a total asset under CIPFA guidance valued at £12.26 billion (Gross Replacement Cost) of which carriageways alone are valued at £10.2 billion, the highway network maintained and managed by Devon County Council is our County's most valuable and important public asset.

The management of such a valuable and vital asset needs to be undertaken in a systematic manner, through the HIAMP. The Framework aligns with the 2015-21 business plan model and focuses on the way we work together, with the aim of delivering the best we can with the resources we have. Our business plan has a strong and consistent message on how we approach delivery of sustainable and resilient services in support of *Better Together, Devon's Strategic Plan*.

The approach to highway infrastructure asset management is aligned to our three clear business plan objectives to;

- Drive efficient delivery of the service
- Mobilise community support
- Manage demand for highway services

Devon's transformation approach to 'doing what matters' is leading how the service can make fundamental changes to the way it operates to provide better outcomes for customers at a lower cost. Partnership working grows increasingly in importance. Community, voluntary and private enterprises are being encouraged and supported to innovate and run services that would have traditionally been delivered by the Council.

The introduction of a team dedicated to triaging potholes reported by the public has been introduced following a successful trial. This process will deliver efficiency savings by greatly reducing the number of repeat defects being logged which historically led to our contractor attending to repair defects already completed. This new way of working ensures the contractor can manage their resource more effectively and efficiently; and is also enabling the root cause of the problem to be considered.

We are working with District and Parish Councils to improve the delivery of elements of the service traditionally delivered direct by the Authority. In operations such as localised grass cutting and weed treatment, winter service, pothole repairs and lengthsman works we are encouraging a community approach to elements of this service delivery and support this through focused training and plant and material contributions.

Our thinking will challenge the current ways of working and influence how we design and adapt our systems and processes to deliver our service whilst ensuring we take account of

Devon's objectives and vision and the needs and aspirations of highway users. We will need to balance the risk of failure of the asset due to lack of investment, the effects of climate change and the future financial resources available to invest in the highway asset.

4. Detailed Allocations

Detailed allocations by work function are given at Appendix I. These are based on Devon's asset management principles and experience of maintaining the network.

A one-off additional £6.5M was provided in the previous financial year. This has enabled the service to: focus on improving the networks ability to deal with the increase in surface water by enabling improvements in its localised drainage and ditching assets through a programme of siding, ditch clearing and cleaning; develop a revised approach to safety repairs which is currently being implemented countywide; provide much needed support to addressing drainage and flooding issues whilst reviewing and implementing data collection systems to help future planning of cyclic operations; and enabling routine patching works to continue for an additional year.

Further to corporate budget pressures that emerged during the 2018/19 year, an in-year review of highway funding was undertaken to establish whether any savings could be identified. In particular, the review focused on analysing the type of works being undertaken to establish if any of these could be capitalised by testing whether they renewed or added value to existing highway assets.

After taking into account the savings targets, inflationary increases and capitalisation of some work activities, the 2019/20 highway budget has been achieved with no further reduction of the level of service requirements identified in the Highway Infrastructure Asset Management Plan.

The following adjustments are included in how budgets are being allocated:

- routine patching repairs are no longer being funded but provision for localised needs are being addressed in the capital programme.
- A reduction in the safety reaction allocation in view of predicted efficiencies arising from the revised approach implemented to improve efficiency in the identification and the repair of safety defects.
- An increase in provision for hedge and tree maintenance to address the escalation in ash dieback disease.
- Reducing but not entirely cutting the emergencies budget (this heightens the risk for the Authority if a large number of emergencies happen in year).
- A reduction in the Term contract fixed charge fee to reflect the reduced value of revenue related works being allocated to the Highway Term Maintenance Contractor.
- A slight increase in Street lighting to reflect the significant energy price increases which almost completely offsets the savings accruing from asset investments in LED lighting and other asset renewals.

5. On-street Parking Account

The expenditure of on-street parking income is restricted by the Road Traffic Regulation Act 1984. The costs of operating the on-street parking service is the first call on the income held in the On-street Parking Account. Any remaining surplus must then be used in accordance with the eligibility criteria set out in Section 55 of the Act, with surpluses used for:

- The provision or operation of public transport services
- The provisions of facilities for public transport services

- Highway or road improvement projects
- Environmental improvements.

The 2019/20 Highways Maintenance budget includes £2.3m for highways cyclic maintenance and lining works, which are funded from the On-street Parking account. Full details of the proposed On-street Parking Account non-operating expenditure for 2019/20, totalling £5.473M, are shown in Appendix II.

The projected closing balances of the On-Street Parking reserve are shown on page 108 of the 2019/20 Budget Book. The estimated balance of the account is expected to reduce from £2.999M at 31 March 2019 to £1.583M by 31 March 2020 and £0.489M by 31 March 2021. As a result of concerns about the reducing balance, a review has been conducted of works charged to the account to see whether any expenditure could legitimately be funded from capital. As a result, some minor traffic management improvements (route reviews and improvements, HATOC waiting restrictions project, CPE pay and display machines, road safety and speed management improvements) have been removed from the On-Street Parking account and will be funded from the Highway Maintenance Local Transport Plan grant from 2019/20.

6. Traffic Management Plans

There continues to be a high demand from communities for the review and implementation of parking restrictions. Larger schemes looking at community wide changes (including measures such as residents parking) are served via the £50k Traffic Management Plans budget in the On-street Parking account.

The current level of demand means that the 2019/20 programme is filled with existing commitments, including Implementation of Topsham Residents Parking Scheme (as agreed at Exeter HATOC on 14/01/19), consultation on new schemes within Exeter (schemes to be agreed at Exeter HATOC on 09/04/19), a review of the recent Teignmouth Traffic Management Scheme (as agreed at Teignbridge HATOC on 28/02/19), and a review of residents parking in Sidmouth and Sidford (as agreed at East Devon HATOC on 07/12/19)

Due to the high level of demand it is proposed that new requests are prioritised on the basis of traffic management need, sustainability, and community support for inclusion in the 2020/21 programme to ensure resource and monies are used to best effect. To ensure sustainability, schemes should be substantially self-financing, including components of residents parking and / or pay & display, in line with our policy on new residents parking schemes.

Requests for small changes will continue to be served by our annual HATOC Waiting Restriction Project.

7. Options/Alternatives

The revenue funded programme for 2019/20 optimises the use of the available funding to provide for reactive and clear-up activities, winter maintenance, safety defect repairs and routine and cyclic maintenance activity.

The distribution of funding is based on experience of managing the network, data on asset management, collaboration with the Term Contractor and consultation feedback. It strikes a balance between the competing needs of the network and the needs of the travelling public.

There is a need for in-year flexibility in the funding of work functions to enable the service to

respond to unforeseen and extreme events.

8. Consultations

The results of the 2018 National Highways and Transport (NHT) Public Satisfaction Survey reflect public perception of performance, importance and desire for various activities to be funded. Analysis shows that the condition of the highway network and the speed and quality of repairs are important to the public.

The complete survey can be seen at [NHT Survey](#)

A summary of the individual NHT highway maintenance benchmarking indicator results illustrating public satisfaction levels for highway maintenance and road condition since 2009 is shown at Appendix III. The 2018 survey summary specific to highway maintenance shows that the level of public satisfaction for the four Key Benchmarking Indicators are showing a downward trend from last year's public satisfaction results with the:

- Street Lighting at 65% satisfaction which compares with the 66% in 2017,
- Highway Maintenance at 49% satisfaction which compares with the 52% in 2017,
- Highway Enforcement / Obstructions at 47% satisfaction which compares with the 48% in 2017,
- Condition of Highways at 27% satisfaction which compares with the 36% in 2017.

Comparing the results of the 105 Authorities that took part in the Survey both this year and last year, the overall trend nationally in public satisfaction is down with 58% of all Key Benchmarking Indicators showing a downward trend this year.

The largest downward movement across all Authorities is in the condition of highways results where 85% of the Authorities have seen their results drop by more than 4%. However, the timing of the survey would have been shortly after the proliferation of potholes that appeared on the network nationally following the adverse winter of 17/18 and therefore the national downward trend is not surprising. Analysis of the national decline in public satisfaction with road condition appears to show a correlation with the level of public satisfaction and an increase in the perception that (i) the council is 'taking less action, (ii) that there are 'more' potholes and (iii) the public felt 'not at all informed' about what actions the council is taking to repair local roads.

These findings seem to support anecdotal evidence that effective communication is an important factor in determining public satisfaction. Greater focus is therefore needed in how we publicise our programme of works, our strategy applied producing the programme and how this then feeds into future work programmes and the council's future plans to deal with highway maintenance.

9. Financial Considerations

The cost of this work will be met from the County Council's Revenue Budget and the On-street Parking account.

10. Sustainability Considerations

The ability to efficiently transport people and goods around the County underpins Devon's economy and has a direct impact on the quality of the environment.

When maintenance work is undertaken it is managed to ensure that the effect on the

surrounding environment is kept to a minimum. Recycled materials and secondary aggregates are used whenever possible. When cleaning and other cyclic work is undertaken soil and other material is returned to roadside verges if appropriate.

11. Carbon Impact Considerations

General Considerations

The carbon impact of this highway maintenance programme through the manufacture and laying of materials is likely to be offset by reduced emissions from highway users utilising a better maintained network and using suitable alternatives such as walking and cycling. We continue to work with our supply chain to improve efficiency in the manufacture of materials we use and also seek improvements in the methods used in the programming and application these materials across the network.

Street Lighting

Following the approval of a revised Street Lighting Policy in January by Cabinet, the authority will be applying a risk-based approach to managing defects which should allow revenue funding to be used more effectively. There continues to be a drive to reduce energy consumption with conversion to LED lighting, and hence a reduction in carbon usage.

Traffic Signals

Modern traffic signals use LED signal heads and a 48v electrical system, which when compared with conventional traffic signals deliver a reduction in power consumption of 70% to 80%. The reduced energy consumption is reflected in reduced levels of carbon emissions. Financially, whilst the cost of electricity has more than doubled, we have been able to hold the electricity bill for traffic signals at about the same level, by upgrading the old signals to energy efficient signals. There are some safety benefits in running the signals on 48v instead of 230v.

Winter Service and Emergency Response

This authority continues to implement national best practice to ensure that winter service is delivered in an effective and cost-efficient way. A few gritters are being replaced each year which enables the latest Euro standards to be adopted in terms of emissions, and new forecasting technology enables more discriminations over the number of routes that require treating on each frosty night. With regard to emergency response, new vehicles were introduced with lower emissions by the new term maintenance contract and with fewer gangs on standby more efficient use is made of a more limited resource.

12. Equality Considerations

Where relevant to the decision, the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- Advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- Foster good relations between people by tackling prejudice and promoting understanding.

Taking account of age, disability, race/ethnicity (includes Gypsies and Travellers), gender

and gender identity, religion and belief, sexual orientation, pregnant women/new and breastfeeding mothers, marriage/civil partnership status in coming to a decision, a decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

This may be achieved, for example, through completing a full Equality Impact Needs Assessment/Impact Assessment or other form of options/project management appraisal that achieves the same objective.

A copy of an updated overview of the Budget 2019-20 Equality Impact Assessment for all service areas has been circulated previously and is available to all Members of the Council at: <https://www.devon.gov.uk/impact/budget-2019-2020/>

13. Legal Considerations

The lawful consequences of the recommendations have been considered in the preparation of this report. The reduction in the revenue allocation in previous years has put more pressure on the amount and type of work that will be completed in the capital budget making the service vulnerable under extreme event scenarios. This vulnerability under such circumstances could impact upon the service's ability to adequately react to or keep pace with safety defect repair policy timescales.

The consequence of declining levels of revenue funding will lead to an overall reduction in maintenance standard and potentially result in road closures particularly, but not exclusively, on the minor road part of the network. This offers additional risk to the Authority because of the potential for a legal challenge to be raised by local residents and road users over the Authority's failure in its duty to maintain the highway. There is also a potential, because of reductions in service standards and the inevitable increase in user dissatisfaction and complaints, that the Authority could also see an increase in challenges arising under Section 56 of the Highways Act 1980.

14. Risk Management Considerations

The proposals contained in this report have been assessed and all reasonable actions are taken to safeguard the Council's position.

Where risks have been identified such as the public liability risk associated with compliance with Section 41 of the Highways Act 1980 (the duty to maintain the highway and the duty to ensure, so far as is reasonably practicable that safe passage along a highway is not endangered by snow and ice) the implications have been taken into account in preparing this report.

15. Public Health Impact

The current level of service could also have an impact on public health with reduced maintenance influencing sustainable travel alternatives and potentially more injuries resulting from crashes, trips and falls.

16. Reason for Recommendation/Conclusion

Highway and Traffic services ensure the availability and preservation of a safe and functional highway network which support the economy of the County and region. A key strategic element for the Service, in the current financial climate, is to slow down the rate at which the asset will deteriorate by focusing on the review of service levels, specifications, system and

processes. Nevertheless, insufficient budgets, either capital or revenue, will impinge on the standards of maintenance across the network and are almost certain to increase the rate of deterioration.

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Electoral Divisions: All

Cabinet Member for Highway Management: Councillor Stuart Hughes

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
Impact Assessment	December 2018	https://www.devon.gov.uk/impact/budget-2019-2020/

pd200319cab County Road Highways Maintenance Revenue Budget and On-Street Parking Account 2019 20
hk 08 290319

County Roads Highway Maintenance Budget Allocation 2019-20

Function Narrative	2019/20 Budget Allocation £
Routine Maintenance*	2,809,957
Cyclic Maintenance**	4,607,247
Retaining Walls & Bridges	483,719
Safety Reaction	6,058,970
Winter and Emergencies	3,462,567
Public Rights of Way	591,851
Street Lighting	4,104,000
TMC Fixed Contract Charge	996,689
Total	23,115,000

* Routine maintenance includes:

- cycle routes
- drainage
- fencing
- traffic signs
- roadmarkings
- traffic signals

** Cyclic maintenance includes:

- grass cutting
- weed treatment
- siding & watertabling
- hedge & tree maintenance
- gully emptying

**Appendix II
To HIW/19/39**

On-street Parking Account 2019/20

<u>Other Expenditure</u>	2019/20 Budget Allocation £ 000's
TCS: Bus, Rail, and Community Transport Support	2,411
CPE road signs & road markings	225
Traffic Management Plans	50
Disabled Parking Bays	100
Cyclical Maintenance for the purposes of Environmental Improvement	2,200
Traffic and Parking IT Systems	10
Safety Camera Partnership	10
Real Time passenger information	78
Variable Message Signs	10
Road Safety Improvements - Reactive	50
Park & Ride business rates / minor site maintenance	110
Country Parks	219
Total Other Expenditure	5,473

TCS - Transport Co-Ordination Service

CPE - Civil Parking Enforcement

P&D - Pay and Display

