

County Road Highway Maintenance Revenue Budget and On-street Parking Account 2017/18

Report of the Acting 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 2017/18 be approved as detailed in Appendix I;**
- (b) authority to amend the allocations between different work types to maintain overall the budget within the total allocation and to maximise the impact of the maintenance programme be delegated to the Acting Chief Officer for Highways, Infrastructure Development & Waste;**
- (c) the programme funded from the On-street Parking Account for 2017/18 as set out in Appendix II be approved.**

1. Background

This report recommends the allocation of revenue highway maintenance funding for 2017/18 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 part 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.

The year on year reduction in revenue funding for highway maintenance has led to the development of the current strategy; to drive efficiency in the delivery of the service, manage demand and enable community self-help.

Highways revenue budgets have been through a rigorous review in recent years in order to drive the required efficiencies 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.

Devon County Council has been recognised by the DfT for developing new ways of working to help tackle the challenges we face including our innovative approach to encouraging

localism and inspiring communities to get involved in helping to maintain their local highway assets.

The revised Code of Practice Well Managed Highway Infrastructure was published in October 2016. The guidance is moving highway authorities towards a more risk based approach to its maintenance, encouraging authorities to review their maintenance policies to take account of the likelihood and impact when considering investment in maintenance activity. 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 12,405 kilometres comprising:

- 582 miles (934 km) of principal (A) roads,
- 396 miles (637 km) of non-principal (B) roads,
- 2,706 miles (4,355 km) of non-principal (C) roads,
- 4,026 miles (6,479 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 Capital funded Highway Structural Maintenance and Bridge Assessment and Strengthening Programme for 2017/18 was considered by Cabinet at its meeting on 12 April 2017 (Ref: HCW/17/34, Minute *182).

Within the County Council revenue budget for 2017/18 the highway maintenance base budget has been set at £23,378,000. However, at the County Council budget meeting on 16 February the Council incorporated additional spending in the sum of £2,000,000 on rural roads and £500,000 on Highways Drainage as proposed by Cabinet following input from the Council's Scrutiny Committees.

The additional £2 million will provide a resource to consider patching/surfacing schemes on category 7 and lower rural roads. Using Asset Management principles maintenance will not only focus on defective surfaces but also address drainage and causation factors. The revenue patching budget will consequently be targeted towards the urban network.

The remaining £0.5 million will be allocated to enhanced siding and ditching programmes associated with improving highway surface water drainage across the network.

The budget is made up as follows:

Road Maintenance	£17,447,259
Street Lighting	£3,858,000
Winter Maintenance, Emergencies & Depots	£4,572,741
Total Revenue Budget	£25,878,000

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 prolonged cold periods and flooding events, in recent years. 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. Even though the winter of 16/17 was particularly mild this will remain a significant issue for the service in the foreseeable future.

3. Strategy and Analysis

The strategy uses a framework to manage the highway network as described in the Highway Infrastructure Asset Management Policy. With a gross value in excess of £12 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 Highway Infrastructure Asset Management Framework. 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

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.

The above strategy is developed further in the Highway Infrastructure Asset Management Strategy in deciding highway revenue budget savings in 2017/18.

An analysis of individual functions delivered through the new Term Maintenance Contract (TMC) has been re-assessed for 2017/18 to take account of changes in rates under the new TMC.

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.

The overall reduction proposed in the base budget for 2017/18 compared to 2016/17 is £2,597,000. This has been offset by the additional £2.5m incorporated for rural roads and highway drainage.

There are no reductions to service delivery. The following adjustments are being made to the way budgets are allocated:

- Reducing the revenue budget for highway functions taking into account the savings from the re-procurement of the highways maintenance contract.
- Reducing the street lighting budget due to energy savings associated with LED and part night lighting programmes.
- Returning the money allocated for Ash die-back (on the basis that the disease has not spread as had been anticipated when the Medium Term Financial Strategy was planned).
- Reducing but not entirely cutting the emergencies budget (this heightens the risk for the Authority if a large number of emergencies happen in year).
- Reducing the revenue budget for bridges expenditure by undertaking more planned works which will be charged to the capital budget.
- Charging for more works which are eligible to the On-street Parking Account.
- Allocating £50,000 to the highway Maintenance community enhancement fund.

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 funds/surplus must then be used in accordance with the eligibility criteria set out in the legislation.

The current draw against the On-street Parking Account exceeds annual income by in excess of £1.5 million. This is currently afforded due to a surplus accrued over previous years.

Significant additional pressures have been applied to the account such that the rate of expenditure is no longer sustainable. Current projections see the surplus reducing to nil in the next 3 years (a small surplus being retained in the account as a contingency).

Once the surplus hits a minimum level, funding will need to be cut to projects/initiatives currently drawing from the On-street Parking Account. In order to prepare for this the Chief Officer for Highways, Infrastructure Development & Waste will be working with relevant service leads to ensure transitional measures are taken. It is intended that this will include the setting of indicative three year funding allocations, incorporating phased reductions to funding as opposed to hard final year cuts, so as to enable better planning and any necessary consultations to be undertaken.

6. Highways and Traffic Orders Committees (HATOC) Waiting Restriction & Aids to Movement Project

In 2016/17 a new process was introduced to deliver an annual programme of works to deal with the requests for waiting restrictions to be introduced or amended that the County Council regularly receives. This was known as the HATOC Waiting Restriction Project.

This project has been well received by Members and the public. The project has been successful with 168 locations treated in the last financial year demonstrating this mechanism for delivery to be effective. It is proposed to create a further programme of works for 17/18, extending the scope to include other restrictions and minor aids to movement improvements such as dropped crossing points.

A budget of £100,000 has been allocated and it is recommended that this is divided equally between the 8 HATOC areas for the first year, each being allocated £12,500. If any HATOC has surplus funds these will be shared between other HATOC areas.

It is proposed that in future years the split of monies is informed by the contribution of each HATOC to the On-street Parking Account; monies being allocated proportionally based on Pay & Display contribution.

The proposed On-street Parking Account programme for 2017/18 is shown in Appendix II.

7. Options/Alternatives

The revenue funded programme for 2017/18 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 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 2016 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 <http://nhtsurvey.econtrack.com>

A summary of the results for Devon since 2009 is shown at Appendix III. The survey shows that the level of satisfaction with most of the indicators is static or improving, but the longer term trend has been one of reduced level of public satisfaction in the last 6 years. A similar trend is evident in the results for neighbouring authorities in the South West Region.

9. Financial Considerations

The cost of this work will be met from the County Council's Revenue Budget.

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. On carriageways, surface treatment and reconstruction work is tightly controlled to achieve long term durability. 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

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.

The continued implementation of part-night street lighting and LED replacement programmes contributes to reducing carbon emissions.

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 2017-18 Equality Impact Assessment for all service areas has been circulated previously and is available to all Members of the Council at: <https://new.devon.gov.uk/impact/published/budget-setting-201718/>

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. This will lead to an overall reduction in maintenance standard, and potentially result in road closures, particularly on the minor part of the network. This may be legally challenged by local residents and road users.

There is also likely to be an increase in user dissatisfaction and complaints which could lead to challenges to the Authority under Section 56 of the Highways Act.

Following an extreme event, the service may not be able to adequately react to it nor keep pace with safety defect repair policy timescales.

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.

The previous reductions in this budget have significant implications. Inability to undertake enough planned and general preventative maintenance work will result in an increased depreciation of the highways asset. This will lead to increased deterioration and defects as a consequence.

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 cumulative reduction in budgets could also have an impact on public health with reduced maintenance having an effect on 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, reductions and 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.

Meg Booth
Acting Chief Officer for Highways, Infrastructure Development and Waste

Electoral Divisions: All

Cabinet Member for Highway Management: Councillor Stuart Hughes

Local Government Act 1972: List of Background Papers

Contact for enquiries: Paul Davis

Room No. Lucombe House, County Hall, Exeter. EX2 4QD

Tel No: (01392) 383000

Background Paper	Date	File Reference
1. Impact Assessment	January 2017	https://new.devon.gov.uk/impact/published/budget-setting-201718/

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County Roads Highway Maintenance Budget Allocation 2017-18

Function Narrative	2017/18 Budget Allocation £
Cyclic Maintenance**	3,389,445
Street Lighting	3,858,000
Public Rights of Way	627,000
Retaining Walls & Bridges	483,719
Routine Maintenance*	5,376,676
Safety Reaction	5,864,906
Winter and Emergencies	4,572,741
TMC Fixed Contract Charge	1,263,513
TMC Mobilisation Charge	442,000
Total	25,878,000

* Routine maintenance includes:-

- patching
- 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/17/35**

On-street Parking Account 2017/18

<u>Other Expenditure</u>	2017/18 Budget Allocation £'000
TCS: Bus rail, and community transport support	2,411
CPE Road Signs & Road Markings	225
Traffic Management Plans	100
Disabled parking bays	20
Cyclical Maintenance for the purposes of environmental improvement	1,200
Route reviews & improvements to road signs / lines	100
HATOC Waiting Restriction Project	100
Speed Management	60
Traffic and Parking IT Systems	20
Safety Camera partnership	10
Real time passenger Information	78
Variable Message signs	10
CPE P&D machine maintenance	40
Road Safety Improvements - Reactive	50
Park & Ride business rates	100
Park & Ride minor site maintenance	10
Country Parks	219
Total Other Expenditure	4,753

TCS - Transport Co-Ordination Service
CPE - Civil Parking Enforcement
P&D - Pay and Display

NATIONAL HIGHWAYS & TRANSPORT NETWORK HIGHWAY MAINTENANCE BENCHMARKING INDICATOR RESULTS

