

County Road Highway Maintenance Revenue Budget and On-street Parking Account 2018/19

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 2018/19 be approved as detailed in Appendix I;**
- (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;**
- (c) the programme funded from the On-street Parking Account for 2018/19 as set out in Appendix II be approved.**

1. Background

This report recommends the allocation of revenue highway maintenance funding for 2018/19 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, such as those experienced this winter.

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 7,710 miles 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 Highway Maintenance Capital budget is detailed in report HIW/18/20 also being considered at this meeting.

Within the County Council revenue budget for 2018/19 the highway maintenance base budget has been set at £23,061,000, comprising £20,761,000 in the Highways service budget and £2,300,000 funded from the On-street Parking account.

An additional £6,500,000 has been agreed through the Budget Council meeting on 15 February, bringing the total budget to £29,561,000. This additional funding is provided to consider the balance of approach taken on preventative highways maintenance acknowledging the impact this has on the repair of defects in lower category rural and urban estate roads and also to prioritise preventative work on drainage to include gully emptying and cleaning; as well as ditching.

The budget is made up as follows:

Highway Maintenance	£12,384,051
Bridges and Structures	£483,719
Safety Reaction	£7,058,970
Winter Maintenance, Emergencies & Depots	£3,727,221
PROW	£608,350
Street Lighting	£3,972,000
TMC Fixed Overhead Charge	£1,326,689
Total Revenue Budget	£29,561,000

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. Although the winter of 2017/18 began as a typical winter it ended with a period of extreme low temperatures and extensive snow accumulations demanding considerable resource issues both during the clear-up and in dealing with the increase in road deterioration because of the cold and wet situation. With changes in climate and the potential for more extreme and wetter conditions these events are likely to be more common and 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 (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

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 HIAMP Strategy in deciding highway revenue budget allocations in 2018/19.

An analysis of individual functions delivered through the new Term Maintenance Contract (TMC) has been re-assessed for 2018/19 to take account of changes in rates that are adjusted on the anniversary of contract in line with national indices.

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.

After taking into account the impact of savings targets, inflationary increases and the removal of the additional £2.5M funding allocated for 2017/18 only, the net reduction proposed in the Highways Maintenance budgets for 2018/19, when compared to 2017/18, is £4.143M million. However, this has been offset by the additional £6.5m funding giving an overall increase in revenue compared to the 2017/18 budget of £2,357,000.

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

- Maintaining the revenue budget for routine patching repairs for a further year.
- Increasing the revenue budget for increased maintenance on cyclical drainage features and cleaning works.
- Additional revenue funding for verge cutting to aid the identification and assessment of drainage features.
- Increasing the revenue budget to focus on removing water off the network through increased cleaning to highway ditches.
- Increasing the revenue budget to improve efficiency in the identification and the repair of safety defects.
- Increasing the money in hedge and tree maintenance allocated for Ash die-back (on the basis that the disease has over the past 12 months now spread as 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).
- Charging for more works which are eligible to the On-street Parking Account.
- Doubling the allocation for the highway Maintenance community enhancement fund to £100,000.

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 2018/19 budget includes £2.3m for highways cyclic maintenance and lining works. Full details of the proposed On-street Parking Account expenditure for 2018/19 are shown in Appendix II.

6. Review of residents Parking in Exeter

The Exeter HATOC resolved to review residents parking in key locations in Exeter, and requested that sufficient funds are provided from the On-street Parking account to ensure the delivery of the Residents' Parking proposals for the City.

It is proposed that informal consultation is carried out in agreed locations during 2018/19 to establish the need for residents parking. It is proposed that this consultation exercise will be funded from the existing "Traffic Management Plans" line.

If any scheme is identified for progression additional budget will be sought for 2019/20.

7. Options/Alternatives

The revenue funded programme for 2018/19 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 2017 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 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 2017 survey summary shows that the level satisfaction with the condition of the highway and the delivery of the highway maintenance service in Devon is at 37% and 52% respectively and in line with the national average giving an overall average satisfaction of 51%. Although this is an improvement on the 2016 results the trend has been one of reduced level of public satisfaction although there has been a general upward trend of improved public satisfaction appearing over the last 3 years. We have seen a similar trend 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 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. 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 2018-19 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-impact-assessment-201819/>

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 potential for 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. However, the additional £6.5m funding will help to mitigate this risk.

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.

Meg Booth
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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	January 2018	https://new.devon.gov.uk/impact/published/budget-impact-assessment-201

County Roads Highway Maintenance Budget Allocation 2018-19

Function Narrative	2018/19 Budget Allocation £
Routine Maintenance*	6,102,471
Cyclic Maintenance**	6,281,580
Retaining Walls & Bridges	483,719
Safety Reaction	7,058,970
Winter and Emergencies	3,727,221
Public Rights of Way	608,350
Street Lighting	3,972,000
TMC Fixed Contract Charge	1,326,689
Total	29,561,000

* 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/18/21**

On-street Parking Account 2018/19

<u>Other Expenditure</u>	2018/19 Budget Allocation £ 000's
TCS: Bus, Rail, and Community Transport Support	2,411
CPE road signs & road markings	225
Traffic Management Plans	100
Disabled Parking Bays	100
Cyclical Maintenance for the purposes of Environmental Improvement	2,200
Route Reviews & improvements to road signs / lines	100
HATOC Waiting Restriction Project	100
Road Safety and Speed Management	100
Traffic and Parking IT Systems	10
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 / minor site maintenance	110
Country Parks	219
Total Other Expenditure	5,863

TCS - Transport Co-Ordination Service

CPE - Civil Parking Enforcement

P&D - Pay and Display

**Appendix III
To HIW/18/21**

**NATIONAL HIGHWAYS & TRANSPORT NETWORK
HIGHWAY MAINTENANCE BENCHMARKING INDICATOR RESULTS**

