

# Place and Resources Scrutiny Committee

## 5 July 2022

### Maintenance of principal and non-principal roads, and the approach to funding

#### For Review and Consultation

**Portfolio Holder:** Cllr R Bryan, Highways, Travel and Environment

**Local Councillor(s):**

**Executive Director:** J Sellgren, Executive Director of Place

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**Report Status:** Public

**Brief Summary:** This report, and linked documents, set out how Dorset Council manages the condition of principal and non-principal roads, how we monitor and report condition through corporate and national performance frameworks, and how we compare to other authorities.

The report also makes reference to highway maintenance funding from the Department for Transport, and Dorset Council's recent commitment to increased corporate capital funding in highway maintenance.

**Recommendation:** That the Place and Resources Scrutiny Committee consider the points raised in this report and associated documents, in relation to principal and non-principal road condition and maintenance funding.

**Reason for Recommendation:** To provide assurances to the Place and Resources Scrutiny Committee that road condition is being managed in accordance with nationally recognised asset management best practice, and that our performance compares favourably when compared nationally.

Also, that highway maintenance investment strategies have been determined through member consultation, and recommendations considered by the Place and Resources Overview Committee, and approved by the Cabinet.

## **1 Maintenance of principal and non-principal roads and the approach to funding**

- 1.1 The term 'managed decline' used in our Highways Asset Management strategy document is what prompted the Place and Resources Scrutiny Committee to request this report, with a focus on maintenance of principal and non-principal roads and maintenance funding.
- 1.2 Managed decline means that we are not investing enough into, in this case, carriageway maintenance of principal and non principal roads, to hold existing condition. We are able to demonstrate this using lifecycle projection tools, which is also reinforced by historic road condition trend data.
- 1.3 This a national issue experienced by many other highway authorities, other than those that have borrowed significant sums of money to invest in highway asset maintenance. The consensus nationally is that highway authorities should be open in communicating this message to stakeholders, to manage expectations.
- 1.4 Details of funding for maintenance of roads is documented in the Highways Asset Management Strategy document (see link) in Section 5, Appendix 1.

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- 1.5 Dorset Council roads are maintained through a combination of capital and revenue budgets. Capital funds are predominantly in the form of funds awarded through the Department for Transport (DfT) and include:
  - Maintenance block funding
  - Incentivised funding
  - The Pothole Fund
- 1.6 The single year DfT funding settlement for 2021/22 saw almost a 20% reduction in capital funding for highway maintenance, compared to that of 2020/21. This equated to a £4million reduction in highway maintenance funding for Dorset.
- 1.7 Longer term assurance on highway maintenance funding for the next three years, has been received from the DfT, which is aligned to levels of capital funding in 2021/22. Therefore from 2022/23 this is expected to be £16.391million each year, for all highway assets.

- 1.8 Minimum recommended investment required to hold existing road condition in 2021 was £16.2million. Across all highway asset groups it was suggested to be £23.5million per year (as documented in the highways asset management strategy - Section 4). With current inflation, the cost of construction materials is 9% higher, with some materials even as high as 20% more expensive.
- 1.9 The DfT have no plans to provide additional funding to cover this inflation increase. Therefore, the gap in funding required is increasing.
- 1.10 The Task and Finish Group for Highways and Transport recommended a £6.7million investment of additional corporate capital funding for highway maintenance each year, for five years from 2022/23, to support highway asset maintenance strategies.
- 1.11 This additional funding was further recommended by the Capital Strategy Asset Management Group (CSAM), and the Place and Resources Overview Committee as part of this process before being submitted to Cabinet, and approved by Full Council.

### **Review of the Highways Asset Management Strategy**

- 1.12 The review of the Highways Asset Management Strategy was done so in 2021, through the Task and Finish Group for Highways and Transport (Chaired by Cllr Ray Bryan, Portfolio Holder for Highways, Travel and Environment), and reviewed by the Place and Resources Overview Committee on the 10th February 2022, before being signed off by The Cabinet on 1st March 2022.
- 1.13 The review highlighted shortfalls in annual funding required to hold road (and other highway asset) condition at existing levels, demonstrating that we are managing the decline of our highway assets. These projections were calculated using lifecycle planning projections from industry recognised methodology.
- 1.14 Investment strategies across all highway asset groups were discussed by the Task and Finish Group which included for example in carriageways asset:
- The impact of current funding with no capital top up
  - Investment required to hold a steady state of condition
  - Clear the backlog ie return all of our roads back to good condition

These options are documented in the Highways Asset Management Strategy document (section 6.7 and 6.8).

- 1.15 Recommendations arising from these discussions were documented for approval by The Cabinet in the Highways Asset Management Strategy document, which included the option to invest to hold carriageway condition.

### **Road condition**

- 1.16 The trend in road condition is illustrated in section 6 of the Highways Asset Management Strategy which shows the percentage of network in the worst condition band increasing year on year across all road classes. This reflects our projections that historic capital funding in roads, is below that required to hold condition.

### **Maintenance strategies**

- 1.10 Road Maintenance Strategies implemented to maintain and manage our principal and non-principal highway network are documented in the Highways Asset Management Strategy document (section 6).
- 1.11 This includes a balance of early, and mid life treatments, intended to extend asset life, combined with end of life replacement of life expired assets.

### **Comparison with other highway authorities**

- 1.13 The condition of Dorset's principal and non principal roads compare favourably when directly compared to the national average in the National Performance Framework (PMF).
- 1.14 The National Highways and Transportation (NHT) Public Satisfaction Survey suggested that Dorset is also just above the national average for satisfaction in highway condition.
- 1.15 More details relating to Dorset Highways' performance are documented in the Highways Annual Performance Report 2021 (Appendix 2).

## **2 Financial Implications**

- 2.1 The review of our investment strategy for road maintenance identified a £4.6million gap in funding required to hold road condition, which was supported by the fact that we were seeing a small, but year on year deterioration in principal and non-principal road condition.

2.2 Dorset Council therefore committed £6.7million of corporate capital funding from 2022/23, for five years, to support maintenance strategies of highway assets, of which £4.6million each year was to be invested in roads. This carriageway investment includes Proactive Maintenance Units carrying out planned patching, equating to £1,000,000 (Countywide).

The remainder of the additional funding is supporting maintenance strategies linked to:

Footways	£130,000
Cycleways	£400,000
Bridges	£640,000
Drainage	£400,000
Roadmarkings	£130,000
Traffic control assets.	£400,000

2.3 This investment was based on a recommendation from the Task and Finish Group for Highways and Transport, which was presented to and approved by the Capital Strategy Asset Management Group (CSAM), before being approved by the Cabinet, and signed off by Full Council.

### **3 Climate Implications**

3.1 Dorset Highways is rising to the challenge of climate change both in terms of carbon reduction and managing the effects of climate change.

3.2 A number of initiatives have already been implemented with lower temperature asphalts, in situ and ex situ recycling of materials, and maintenance strategy of extending asset life to reduce carbon hungry asphalt replacement. We are also working with strategic partners on new, low carbon bio mix materials.

### **4 Well-being and Health Implications**

4.1 Dorset Highways' asset strategy links directly to keeping people safe and promotes active travel through maintenance of cycleways and footways to promote physical and mental well-being.

### **5 Other Implications**

5.1 Dorset Highways' investment and maintenance strategy supports all Dorset Council priorities, as demonstrated in the Highways Asset Management Strategy document.

## **6 Risk Assessment**

6.1 Having considered the risks associated with this decision; the level of risk has been identified as:

Current Risk: Medium

Residual Risk: Medium

## **7 Equalities Impact Assessment**

7.1 EQIA assessments were completed as part of the Highways Asset Management Strategy review. There was a neutral impact, ie no change or no assessed significant impact of protected characteristic groups.

## **8 Appendices**

Appendix 1 Link to Highways Asset Management Strategy (in the report)

Appendix 2 Highways Annual Performance Report 2021

## **9 Background Papers**

None.