

Report subject	<b>Highway Maintenance Funding 2020/21 report</b>
Meeting date	30 September 2020
Status	Public Report
Executive summary	<p>This Cabinet report has been developed to:</p> <ol style="list-style-type: none"> <li>1. Note the allocation of £2.864M of Dept for Transport (DfT) Pothole Funding and seek approval to add it into the 2020/21 LTP Capital Programme.</li> <li>2. Seek recommended approval to deliver the proposed programme outlined in Appendix A to utilise the £2.864M Pothole Fund award.</li> <li>3. Note the allocation of £4.184M of Dept for Transport (DfT) Challenge Funding and seek approval to add it into the 2020/21 LTP Capital Programme.</li> <li>4. Seek recommended approval to deliver the proposed programme outlined in Appendix B to utilise the £4.184M Challenge Fund award</li> <li>5. Outline funding shortfalls within Highway Delivery to fulfil Council statutory obligations as set out in Section 41 &amp; 58 Highways Act 1980 and the Well Managed Highways Infrastructure code of practice 2016.</li> <li>6. Seek to address the in-year (2020/21) funding gap for Highway Delivery Services approved spend - to support repairs, maintenance and asset replacement in order to enable the fulfilment of the Council's statutory duties.</li> </ol>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <ol style="list-style-type: none"> <li><b>1. Cabinet note the allocation of £2.864M of Dept for Transport (DfT) Pothole Funding and approve its addition into the 2020/21 LTP Capital Programme.</b></li> <li><b>2. Cabinet recommend approval to full Council of the proposed programme outlined in Appendix A to utilise the £2.864M Pothole Fund award.</b></li> <li><b>3. Cabinet note the allocation of £4.184M of Dept for Transport (DfT) Challenge Funding and approve its addition into the 2020/21 LTP Capital Programme.</b></li> <li><b>4. Cabinet recommend approval to full Council for the proposed programme outlined in Appendix B to utilise the £4.184M Challenge Fund award</b></li> <li><b>5. Cabinet recommend approval to full Council for the</b></li> </ol>

	<p><b>capital allocation of £700k to Environmental Services.</b></p> <p><b>6. Cabinet receives a further report at the earliest opportunity to consider future years capital funding allocation options and impacts for Environment &amp; Growth &amp; Infrastructure Services.</b></p>
Reason for recommendations	<p><b>Recommendations 1-5</b> These approvals/recommendations for full Council approvals would enable the delivery of the proposed programme and ensure that BCP Council are able to fully utilise the funding awarded.</p> <p><b>Recommendation 6</b> Proposal to submit a further report at a later date, to consider future years capital funding allocation options and impacts for Environment and Growth &amp; Infrastructure Services will align with funding announcements for future years (post 2020/21) allocations, together with ongoing appraisal work to allow BCP Council to more clearly define the level of maintenance programme funding deficits.</p>
Portfolio Holder(s):	Cllr Andy Hadley, Cllr Dr Felicity Rice
Corporate Director	Bill Cotton, Kate Ryan
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Wards	Council-wide
Classification	For Decision/Recommendation

## Background

### Pothole & Challenge Fund:

1. The national funding is intended to fix up to 50 million potholes but is also available for local authorities to undertake longer-term road resurfacing works to prevent potholes from appearing in the first place.
2. The funding allocated to each local highway authority in England in 2020/21 is based on a formula using 2019 road length data provided by each local authority, and also takes into account the number of highways assets such as bridges and lighting columns for which they are each responsible for. The funding is allocated on annual basis, it is however important to note that there is no guarantee of future years funding streams.
3. The allocation made in June 2020 also included an element of Challenge Fund that was not subject to a competitive bid.

### Challenge Funding:

4. The local highways maintenance Challenge Fund was established to help deliver the government's commitment to ensure that we have well maintained local highway

infrastructure fit for the 21st century. It was first announced in the 2014 Autumn Statement.

5. The purpose of the fund is to enable local highway authorities in England to bid for major maintenance projects that are otherwise difficult to fund through the usual formula needs element allocations they receive from government.
6. Tranche 1 was launched in 2015 and Tranche 2A in 2017.
7. The current Tranche 2b of the challenge fund is available for 2019 to 2020 and 2020 to 2021, with a total of £198 million on offer. Local authorities were able to bid for projects that would improve the quality of roads and surrounding infrastructure, including bridges and viaducts, to benefit the local economy and make driving safer.
8. BCP Council submitted a bid in October 2019 for funding to undertake a programme of highway maintenance works.
9. In June 2020 BCP Council were informed that the bid had been successful and an award of £4.184M was subsequently made.

Structural Maintenance programme derivation:

10. The Structural Maintenance Programme is driven by a number of factors, both external and internal. These are:
  - Maintaining the asset of the highway network in a cost-effective way in accordance with the Asset Management Policy and Strategy.
  - Maintaining the highway network to an acceptable standard for all road users (motor vehicles, cyclists and pedestrians)
  - Providing an enhanced environment for residents
  - Performance indicators used to measure public satisfaction e.g. NHT Survey
  - National Performance Indicators
11. Condition information collected in an annual programme of surveys is used as a basis for assessing the condition of individual roads in order to determine a priority listing in for the Council's Structural Maintenance Programme.
12. The conditions surveys comprise:
  - SCANNER – this is a survey carried out using a special vehicle that measures the condition of the highway surface recording the texture, profile and cracking. This survey is undertaken on the classified network (A, B and C roads).
  - SCRIM – this is a machine based survey which measures the skid resistance of the road surface. All A and B roads are surveyed.
  - MRM – this survey records the same details as a Scanner survey with the exception of cracking defects. It is mounted on a smaller vehicle so is more suitable for unclassified roads. 25% of all unclassified roads are surveyed each year.
13. The surveys give a road condition index (RCI) for all roads surveyed which provides an initial list of roads for treatment.
14. A prioritised programme can be produced using software available through our Pavement Management System based on input of specific scheme criteria for levels

of cracking, loss of profile and surface texture and minimum lengths of roads to be treated.

15. The RCI is supplemented by data from safety inspections on where reactive repairs are being carried out and from officers local knowledge of particular sites as there can be occasions where the machine survey records are not totally reliable for example some trench reinstatements can be picked up as cracking by the survey
16. The programme is drawn up in consideration of trying to satisfy all of the criteria listed above.

#### Asset Management Policy and Strategy:

17. It is a requirement of the Highway Infrastructure Asset Management Guidance and Well-Maintained Highway Infrastructure that highway authorities have an Asset Management Policy and Strategy. These documents were in place for the legacy authorities and work is currently underway to produce documents for BCP Council. These will be presented to Cabinet in March 2021 and will set out the basis for allocating capital funding and detail the levels of service that can be expected.
18. The objectives of the Asset Management Policy and Strategy documents are:
  - Demonstrate the commitment to adopting the principles of highway infrastructure asset management by senior decision makers.
  - Document the principles, concepts and approach adopted in delivering highway infrastructure asset management at a high level.
  - Link with the local authority's policies and strategic objectives and demonstrate the contribution of the highway service in meeting these.
  - Set out the desired levels of service from implementing asset management.
  - Facilitate communication with stakeholders of the approach adopted to managing highway infrastructure assets.
19. The asset management policy describes the principles adopted in applying asset management to achieve the authority's strategic objectives.
20. The asset management strategy sets out how the asset management policy is to be achieved, how long-term objectives for managing the highway are to be met and how the strategy is to be implemented, including setting targets and measuring performance. It sets clear direction, provides links with other relevant documents, such as corporate plans, and sets out the benefits of investing in the highway infrastructure.

#### Capital Funding Allocation:

21. Funding for maintenance is allocated by the DfT on a formulaic needs basis based on network length, number of bridges and lamp columns. This funding is supplemented by the Incentive fund which is allocated depending on the level of progress with Highway Asset Management processes – BCP is currently assessed as band three and receives the maximum amount of funding available.
22. The current five-year funding period ends in 20/21 and there is currently no confirmation of what funding level there will be in future years following the spending review due in the autumn. There has been an indication that the current amount allocated under the Maintenance Block in future years may increase current allocations by up to 50% but this is subject to confirmation. A prioritised programme

is drawn up annually to allocate the budget in line with need as determined by the latest surveys.

23. This current year is also the final year of the Incentive Fund allocated via the Self-Assessment process in its current format. There is no indication yet of how this may be amended for future years or what the change in funding of this element may be.
24. Additional funding is also provided through the pothole fund which for this year has been allocated using the formula approach as described above.
25. Other funding is made available on an ad hoc basis via the Challenge fund or Pinch Point funds which is subject to a competitive bidding process.
26. Announcement on the currently submitted BCP Council Pinch Point funding bid is awaited.
27. A summary of capital funding allocated to BCP for 2020/21 is shown below:

<b>Funding Stream</b>	<b>Amount</b>
Highways Maintenance Block needs element	£3,084,000
Highways Maintenance Block incentive element	£641,000
Pothole and Challenge Fund (allocated May 2020)	£2,864,000
Challenge Fund Bid (awarded June 2020) This funding is awarded to undertake the projects included in the bid	£4,184,000

28. Breakdown of proposed funding allocation to Environment Services in 2020/21

<b>Funding Source</b>	<b>Purpose</b>	<b>Amount</b>
LTP Maintenance Block Allocation ( <i>already approved</i> )	Planned Patching	£200,000
Pothole and Challenge fund	Planned Patching	£212,000
Pothole and Challenge Fund	Capital Maintenance	£488,000
<b>Total Capital funding allocation to Environment Services</b>		<b>£900,000</b>

### **Summary of financial implications**

29. Addition of £2.864M Pothole & Challenge Fund award into the 2020/21 LTP Capital Programme to be spent in line with the criteria defined by DfT.
30. Addition of £4.184M Challenge Fund award into the 2020/21 LTP Capital Programme to be spent in line with the bid submission approved by DfT.
31. Allocation of an additional £700k to Environment Services (£200k allocation already confirmed as part of the approved 2020/21 LTP Capital Programme – Maintenance Block).

### **Summary of legal implications**

32. In accepting the funding awards from DfT, BCP Council have made a commitment to deliver defined programmes of activity within the agreed timescales.
33. Section 41 of the Highways Act 1980 imposes a duty on the Highway Authority (BCP Council) to maintain those roads, footways and cycle tracks that are 'Highway maintainable at public expense'.

34. Section 58 of the Highways Act 1980 states that a statutory defence against third party claims is provided where the Highway Authority can establish that reasonable care has been taken to 'secure that the part of the highway to which the action relates' to a level commensurate with the volume of ordinary traffic such that it 'was not dangerous to traffic'.
35. The pressure on revenue allocation and proposed utilisation of capital where appropriate will put more pressure on the amount and type of work that will be completed in the capital budget. This may lead to an overall reduction in maintenance standard and potential increase in user dissatisfaction and complaints which could lead to challenges to the Authority under Section 56 of the Highways Act.
36. Extreme events e.g. weather, may challenge the service in terms of reaction and keeping pace with safety defect repair policy timescales.

#### **Summary of human resources implications**

37. The programme of work proposed will be managed collaboratively by internal BCP Council resource with support from framework/ tendered contractors as appropriate.

#### **Summary of sustainability impact**

38. Refer to Appendix D – Decision Impact Assessment (DIA) Report 148

#### **Summary of public health implications**

39. Budget shortfalls could impact negatively on public health with reduced maintenance having an effect on more injuries resulting from crashes, trips and falls and could impact use of sustainable travel alternatives, particularly walking and cycling.

#### **Summary of risk assessment**

40. Inability to undertake sufficient 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.

#### **Background papers**

Well Managed Highways 2016; [Published Work]

<http://www.ukroadsliaisongroup.org/en/codes/>

Roads funding information pack

<https://www.gov.uk/government/publications/roads-funding-information-pack/roads-funding-information-pack>

#### **Appendices**

1. Appendix A – Pothole & Challenge Fund Proposed Programme
2. Appendix B – Challenge Fund – Tranche 2B Programme
3. Appendix C – Overview of Highway Delivery – Functions & Funding Shortfalls
4. Appendix D – DIA Report 148 (separate attachment)

<b>APPENDIX A - POTHOLE AND CHALLENGE FUND PROGRAMME</b>				
<b>Approved by Director June 2020</b>	<b>Ward</b>	<b>From</b>	<b>To</b>	<b>Cost</b>
Sopers Lane	Broadstone/Creekmoor	Rugby Road	York Road	£150,000 Complete
Willow Drive	Christchurch Town	Sopers Lane	Stour Road	£145,000 Complete
North Road (inc part of Springfield Road)	Parkstone	Ashley Rd	Springfield Road	£60,000 Complete
B3068 Sea View Road	Newtown and Heatherlands	Ashley Rd	Grove Rd	£103,0000 Complete
			<b>TOTAL</b>	<b>£458,000</b>
<b>Proposed Programme for Approval</b>				
Planned Patching allocated to Environment		various		£212,000
Capital Maintenance allocated to Environment		various		£488,000
		TOTAL allocated to Environment		<b>£700,000</b>
<b>Resurfacing Programme</b>				
Commercial Road	Parkstone	Contribution to Challenge fund scheme		£75,000
A35 Wimborne Road 'Phase 3'	Oakdale	Contribution to TCF scheme		£0 (initially £300,000 prior to allocation of Capital Maintenance funding to Environment)
B3061 Ashley Road	Newtown and Heatherlands/Penn Hill/Alderney and Bourne Valley	Alder Road	Albert Road	£200,000
Charminster Road	Muscliff and Strouden Park/Moordown/Queens Park	East Way	Castle Lane West	£150,000

A3049 Ashley Road	Boscombe West/Boscombe East and Pokesdown	A35 R/A	Tower Road	£100,000
Poole Hill	Bournemouth Central/Westbourne & West Cliff	Orchard Walk	St Michaels Rbt	£250,000
B3065 Haven Road	Canford Cliffs	Ravine Road	Canford Cliffs Road	£125,000
Avenue Road	Christchurch Town	B3073 Fairmile Road	A35 Barrack Road	£150,000
Sherborne Crescent	Canford Heath	Seatown Close	Herstone Close	£95,000
A35 Bournemouth Road	Penn Hill	Alexandra Rd	Archway Rd Signals	£65,000
			<b>Total Resurfacing Programme</b>	<b>£1,210,000</b>
<b>Retread recycling programme:</b>				
Elphinstone Road	Highcliffe and Walkford	Entire road		
Chessel Avenue	Boscombe East and Pokesdown	Entire road		
Benmoor Road	Creekmoor	Entire road		
			<b>Total Retread Programme *</b>	<b>£112,000</b>
<b>Deferred Retread Recycling Programme</b>				
Mossley Ave	Alderney and Bourne Valley	Scott Road	Astbury Avenue	Deferred to future years to allocate funding to Environment**
Norwood Place	Boscombe East and Pokesdown	Entire road		Deferred to future years to allocate funding to Environment**
St Osmunds Road	Penn Hill	Glengariff Road	Alton Road East	Deferred to future years to allocate funding to Environment**
St Annes Avenue	East Southbourne and Tuckton	Entire road		Deferred to future years to allocate funding to Environment**

Hunt Road	Burton and Grange	Entire road		Deferred to future years to allocate funding to Environment**
Edward Road	Burton and Grange	Entire road		Deferred to future years to allocate funding to Environment**
<b>Grouted asphalt programme</b>				
Shapland Avenue	Bearwood and Merley	Entire road		
Weldon Avenue	Bearwood and Merley	Entire road		
Bournemouth Hospital bus hub	Littledown and Iford	Entire road		
Finchfield Avenue	Bearwood and Merley	Entire road		
Knighton Heath Road	Bearwood and Merley	Entire road		
Rycroft Avenue	Bearwood and Merley	Entire road		
Stony Lane roundabout	Christchurch Town	Entire road		
Venning Avenue	Bearwood and Merley	Entire road		
Mannings Heath roundabout	Canford Heath	Entire road		
Bourne Valley roundabout	Alderney and Bourne Valley	Entire road		
Yarrow Road roundabout	Canford Heath/Newtown & Heatherlands	Entire road		
		Sub Total for above Schemes		£240,000
Somerford roundabout	Mudford, Stanpit and West Highcliffe	Entire road	Contribution to challenge fund scheme.	£60,000
		Total for Grouted Asphalt Programme		<b>£300,000</b>
Programme Management Fees				<b>£84,000</b>

### Notes

\* This is an estimate of the schemes that could be included in a reduced Retread recycling programme. Due to the reduction of budget from an original allocation of £300,000 some economies of scale will be lost with the remaining works being delivered in a less costs effective manner.

\*\* The effect of deferring part of the programme is that schemes planned for completion in 21/22 will be deferred to future years to accommodate the reduction in funding for 20/21

**APPENDIX B – CHALLENGE FUND TRANCHE 2B PROGRAMME**

	<b>From</b>	<b>To</b>	<b>DfT</b>	<b>Local</b>	<b>Third Party Funding</b>
A35 Commercial Road	Park Road	Church Road	£686,000	£75,000	
A3060 Castle Lane West	Muscliffe Way	Broadway Roundabout	£1,570,000		
A35 Poole Road	Pottery Roundabout	Bourne Valley Road	£211,000		£200,000
A35 Christchurch Road	Centenary Way	Seabourne Road	£1,198,000		
A341 Wimborne Road	Ferncroft Road	Northbourne Rbt	£345,000	£390,000	
A35 Somerford Roundabout			£174,000	£60,000	
			<b>£4,184,000</b>	<b>£525,000</b>	<b>£200,000</b>

## Appendix C - Overview of Highway Delivery - Functions & Funding Shortfalls

Highway Delivery Services involves several functions:

<b>Highway Delivery Environment Service</b>	
Highway inspection	Documented inspection of the Highway to identify issues, respond to reports and provide Section 58 defence against third part claims
Surfacing	Plugging and repair of potholes and surface defects along with associated pavements, kerbs and channels
Impact (safety) fencing & pedestrian barriers	Inspection, tensioning, maintenance and repair/replacement of fencing (c.35km) and barriers
Street furniture	Repair and replacement of highway maintainable bollards, benches and seating
Signs and lines	Maintenance of road signs (non-illuminated) and road markings
Winter service	Provision of road weather forecasting, salting and snow clearance
Drainage	Maintenance of highway drainage assets including c.70,000 gullies
Out of hours response	24/7/365 call out service to highway emergencies and related incidents
Traffic management	Traffic management (mobile works, lane closers, etc., to support vegetation management and cleansing)

### Highway Delivery Revenue Funding

<b>Legacy Council Funding positions</b>	Bournemouth	Christchurch	Poole
revenue budget 2019/20	£2,364,000	£271,000	£2,259,000
km road network	509.0	220.0	535.0
£ per km	£4,644.40	£1,231.82	£4,222.43

As part of 2020/21 budget setting process a funding shortfall of £650,000 was identified in relation to legacy Dorset Council disaggregated budget for Christchurch. 60% (£393,832) increase in revenue funding was approved for the 2020/21 budget with the ambition that the remaining £256,168 would be incorporated in the 2021/22 budget setting process as a member priority to address the funding disparity between legacy authorities.

This funding addressed the immediate inequality (Christchurch) between legacy authorities, but did not address the legacy funding pressures on the wider Highway Delivery Service emerging as a direct consequence of an aging highway network, increasing severe weather snow/ice, flooding events and its adverse impact on highway condition and the application of a single more rigorous Inspection Policy in line with the Well Managed Highways Infrastructure code of practice 2016 and Insurance provider requirements. However, due to Covid-19 impacts on Council finances £142,000 of the approved £393,832 was subsequently deferred to deliver required in year savings needs.

As a result of service demand and to fulfil its Statutory Duties the Highway Delivery team overspent by £468,000 in 2019/20. A subsequent review of expenditure identified £404,000 that could be classed as capital and was transferred to the capital programme. Despite this overspend the level of identified safety repairs, component replacement works, and emergency repairs further exceeds resource/budget and continues to grow. At the current time there are c.1000 outstanding defect repairs across BCP Council of which c. 750 are overdue their allocated rectification date which was determined by risk assessment and as a consequent presents a real legal, financial and reputational risk to the Council.

The proposed additional in year allocation of capital will help address a substantial number of the outstanding recorded defect cases and thereby significantly reduce the current legal, financial and reputational risks to the authority. However, it must be noted that without a longer-term strategic decision on how this ongoing funding shortfall is to be addressed to support an aging network and increasing identified defect cases this will have to be presented as a known MTFP pressure for 2021/22 and onwards.