Appendix 1

Highways Status Update

1. Introduction

1.1 It is recognised that a good transport network is essential for a successful economy and society for Hampshire. Our roads provide access to; jobs, services, schools, get goods to the shops and allow us to make the most of our free time. Our local roads are at the heart of the transport network and have a key role to play in ensuring that transport in Hampshire delivers the services our residents both want and need.

1.2 Hampshire is responsible for maintaining 5,300 miles of roads and highway queries have doubled in the last 10 years to over 100,000 per annum. Satisfaction with the road network in Hampshire has in the past consistently been one of the best of any County Council and we continue to have significant success in attracting new investment from developers, Local Enterprise Partnerships and the Government through our forward thinking approach.

1.3 Like most highway authorities though, the relentless increase in traffic levels coupled with extremes of weather both in the summer and the winter are having a severe impact on the highway network leading to a position of 'managed decline' that is being reflected in residents' views of the network as outlined below.

2. Funding Streams

2.1 There are a range of revenue and capital funding streams that are available to maintain and improve the highway network on a prioritised basis. The table below outlines the key funding and its purpose:

Activity		**Funding**	
Revenue Routine / Reactive Maintenance, Environmental Maintenance, Winter Service, Emergency Response		**Revenue**	**£'000**
		Core revenue budget	18,006
Staffing to deliver both revenue & capital work		Uplift – Winter Maintenance saving plus corporate contingencies	2,000
			20,006
	£'000		
Capital		**Capital**	
Operation Resilience (Planned Maintenance)	33,447	Local resources	11,823
Other structural maintenance	7,869	DfT - Local Transport Plan grant (maintenance)	14,886
Bridges	4,000	DfT - Incentive Fund	3,721
		DfT - Pothole Fund	14,886

	45,316		**45,316**

2.2 Operation Resilience was established in 2010/11 and was originally due to run for seven years. However, the pace of decline on the network and the mounting pressures on the reactive maintenance budget prompted the County Council to continue the funding. 2021/22 is the twelfth year of Operation Resilience and an additional allocation of £3m was approved in the current year as part of the budget and a further £3m was allocated in the outturn report presented to Cabinet over the Summer, recognising the severe pressures on the network. Both of these allocations were one off and it was recognised that a longer term sustainable funding solution is required.

3. Highways Status

3.1 The highway network was in a state of gradual decline before the financial impacts of the 'decade of austerity' saw significant reductions in staffing levels and operational revenue maintenance budgets. Whilst the establishment of Operation Resilience has provided significant local investment by the County Council to support the improvement of the worst affected parts of the network, the restrictions on revenue maintenance activities over an extended period have had an impact on overall road condition.

3.2 The policy of managed decline of the highway network has resulted in a visible and accelerating deterioration of the road network, which is particularly apparent on the classified and unclassified roads (making up 83% of the network). The annual revenue funding gap is now estimated at £3 to 5m per annum.

3.3 In 2018/19 we attended 45,000 potholes which increased to 50,000 last year despite reduced traffic volumes due to Covid. In March this year we saw the highest number of defects in a single month at over 6,700. Calls to highways customer enquiries have increased 15% in the last five years which would have been significantly higher but for a period of 3 months when calls were not taken due to Covid.

3.4 All of this is having an impact on the quality of the network which is reflected in the responses to the National Highways and Transport Network (NHT) 2020 survey, which showed that against a backdrop of falling overall scores nationally, Hampshire's score for highways condition has slipped from the top quartile last year to the second quartile.

3.5 The ongoing investment from the County Council in structural improvements through 'Operation Resilience' has helped reduce the rate of decline, albeit that the annual value has remained at £10m since it was introduced which is why the one-off increase to £13m in 2020/21 and 2021/22 was agreed alongside additional one-off government grant funding such as the Pothole Fund.

3.6 However, the revenue budget provision available for reactive maintenance and safety defects continues to be under significant pressure. It is worth noting that the issue also extends to structures with major bridges such as Redbridge and Langstone, built during a programme of road expansion in the 1960s, all currently requiring major structural works at a similar time.

3.7 The revenue pressures in highways maintenance have been eased in the previous and current financial year by an additional one-off sum of £3m for the Operation Resilience programme to increase planned works and provide extra flexibility to transfer funding to the reactive maintenance programme.

3.8 Whilst this increased flexibility is helping to manage pressures within reactive maintenance during the year, every pound transferred to this area of activity is one less that can be applied to longer term improvements to the network.

4. Looking to the Future

4.1 The primary objective will be to reverse, or at the very least arrest, the declining trend in network condition but this requires a targeted and sustained investment in the highway asset. This will not be a short term fix and it will require additional funding over a number of years, which we will look to the Government to provide, but we will also need to consider additional local resources.

4.2 The Highway Service has a robust asset management framework and dataset in place for managing the whole highway asset and this is already used to target those parts of the network where the best return on investment can be secured, both in economic terms and also in terms of maximising the lifecycle of the asset. This will continue but new and innovative digital techniques are currently being explored to capture asset data more effectively; and the multi-layering of this data can be used to precisely target spend, taking into account factors such as road condition, level of usage, damage / injury claims history, surface water flooding risk, and complaints. These datasets can provide a good evidence base to demonstrate the positive impact that continued and sustainable investment can have.

4.3 A particular focus needs to be rural roads (2,540 miles or just over 50% of the entire network) where there is tangible evidence of widespread accelerated deterioration. Many of these roads are not engineered roads in the true sense and are simply historic track routes that have evolved over hundreds of years, most only being thinly surfaced during the 20th century. These roads require further significant investment from Government to make them more resilient to the effects of extreme weather events, and whilst Operation Resilience has obviously helped to provide a degree of longevity on the minor roads treated over the past 11 years that the programme has been running, this is only a very small percentage of the network. A high proportion remain in a less than satisfactory condition having only had ad-hoc reactive repairs as resources allow.

4.4 Another area of focus will be the County Councils highway drainage assets. Effective and well maintained surface water drainage underpins the fabric of the highway network and ensures the road structure remains resilient and better able to withstand increasing traffic demands. Poorly maintained gullies, chambers and carrier drains can lead to an increased risk of surface water flooding and premature failure of the road structure. A decade of budget cuts has necessitated a managed reduction in routine cleansing and a broader implementation of the risk based approach endorsed by the current version of the national Highways code of practice. Whilst this reduction has not compromised the County Councils statutory duty as Highway Authority, there

is strong evidence that the incidence of damage, blockages and localised structural failure is increasing and it is highly probable that this can, at least in part, be attributed to the reduced maintenance regime.

4.5 In addition to reintroducing multiple routine cleanses each year, a smarter, more intelligent approach to highway drainage management is required, embracing new and emerging remote sensor technology where appropriate, to more effectively identify those areas with the highest risk factors and to proactively target interventions accordingly. With climate change already altering weather patterns and increasing the incidence of more severe weather events, drainage systems are under increasing pressure, and optimal operation is essential as universal increases in drainage system capacity are unlikely to be affordable or practical. This enhanced maintenance will require sustained investment in order to realise any significant benefit.

5. Proposed Funding

5.1 Alongside the importance of providing a safe and effective highway network to residents the significance of the network in economic development terms cannot be underestimated, particularly as we look to stimulate economic recovery in a post-Covid world.

5.2 It is therefore imperative that in addition to continue to lobby the Government for additional funding that the County Council commits long term resources towards planned and reactive maintenance of the highway network.

5.3 This report therefore recommends the permanent addition of £7m per annum to the overall Highways Maintenance budget and provides the flexibility for the Director of Economy, Transport and Environment to allocate this between Operation Resilience and the reactive maintenance budget as required.

5.4 It is anticipated that the majority of this funding in the early years will be required to help address the pressure in reactive maintenance activity, but over time it may be possible to move resources away from this area into planned maintenance.