

## Highway Maintenance Investment Options and Challenges

1. There has been a sustained reduction in highway maintenance investment going back many years with an ever-increasing gap between asset needs and available budgets. This is a national challenge which has resulted a deterioration of the condition of roads and footpaths.
2. Revenue funding is spent on reactive and cyclical maintenance such as grass cutting, gully emptying, and pothole repairs. It is also spent on seasonal and routine costs required to operate the network such as the cost of electricity for street lighting, and for gritting the roads in the winter.
3. Capital funding is spent on activity which prolongs or improves the condition of the network such as patching, resurfacing or carriageway reconstruction.
4. In general, the more money spent from capital carrying out preventative maintenance, the less reactive maintenance is required. We currently have a revenue budget in the order of £20m.
5. Oxfordshire is like most other Highway Authorities and has been in a manage decline position for a number of years. This reached a critical position for members of the public and members a few years ago, and following a business case for additional capital investment, resulted in the county council directly investing in the programme above grants received, resulting in a programme that was double that funded by Department for Transport.
6. The increase in capital investment commenced in April 2019 and the benefits of this can be seen on the network and is starting to be reflected within customer satisfaction surveys.
7. The additional investment significantly slowed the rapid deterioration we were experiencing and has made a visual improvement to many parts of our road network.
8. Assessment work undertaken has shown that despite this significant increase in capital investment within highway maintenance, it is still not enough to maintain the assets in their current condition and falls significantly short of being able to improve their condition.
9. In summary, we receive in the region of £16m (capital) per year, which is currently being topped up by the county council to approximately £30m. To prevent any deterioration and maintain a steady state however, about £45m is

required. Ideally some improvement would be seen which would require a budget of between £60 and £80m per annum.

10. This additional investment is currently due to come to an end March 2025, with the capital budget reducing from around £30m to around £15m from April 2025.

11. Financial options will need to be discussed through the budget setting process which include considering:

- How to manage the currently planned sudden reduction in funding from April 2025. (the first year of the next administration and the first year after the existing highways contract ends in 2024)
- Recognising that even with the current enhanced budget this falls short of what is required to maintain the network

**Table 1: Existing capital programme as set out in the MTFS**

	Current Capital Allocation						5yr total (£'000s)
	Firm		Provisional				
	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2025 / 26	2026 / 27	
Annual Programmes	(£'000s)	(£'000s)	(£'000s)	(£'000s)	(£'000s)	(£'000s)	
Carriageways	7,025	8,500	9,200	6,000	4,000	4,000	31,700
Surface Treatments	7,150	5,300	6,700	7,550	2,500	2,500	24,550
Structural H'way Improvements	8,320	6,400	6,200	7,000	3,000	3,000	25,600
Footways & Cycleways	1,000	2,500	3,200	4100	400	400	10,600
Drainage	1,800	2,400	2,200	2250	750	750	8,350
Bridges	2,300	4,000	4,200	4,500	1,600	1,600	15,900
Public Rights of Way	285	600	600	525	125	125	1,975
Electrical & Traffic Signals	1,500	1,794	1,425	1325	500	500	5,544
Section 42 contributions	1,700	1,700	1,700	1750	750	750	6,650
Safety Fences	75	75	750	100	100	100	1,125
Traffic & Network Mgmt	430	430	430	400	200	200	1,660
<b>Total</b>	<b>31,585</b>	<b>33,699</b>	<b>36,605</b>	<b>35,500</b>	<b>13,925</b>	<b>13,925</b>	<b>133,654</b>

**Table 2: Gap between current allocation and requirement to maintain a steady state across the next 5 years as a whole**

	Current MTFP	Basic Need Requirement	Variance: MTFP Allocation vs Need
	Allocation	(£'000s)	(£'000s)
Asset Group Area	(£'000s)		
Carriageways & Safety Fences	89,625	91,100	-1,475
Footways & Cycleways	10,600	13,368	-2,768
Drainage	8,350	11,800	-3,450
Bridges	15,900	95,550	-79,650
Public Rights of Way	1,975	3,400	-1,425
Traffic Mgmt, Signals & Street Lighting	7,204	13,159	-5,955
<b>Total</b>	<b>133,654</b>	<b>228,377</b>	<b>-94,723</b>

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June 2022

## Highway Asset Management

### Proposed 2022 – 2027 Strategy

#### Redistribution of Investment - High Level Risk Assessment

	Occurrence	Risk	Initial Assessment			Risk Response	Action	Post Action Assessment			Risk Response	
			Likelihood	Impact	Risk Score			Likelihood	Impact	Risk Score		
1	Reduced investment in carriageway surfacing from current MTFP owing to re-distribution of resources to benefit other programme areas	1.1	Increased instances of failed carriageway resulting in:									
		a.	Rise in personal injury / loss claims	4	4	16 (High)	CONTROL	Additional inspections and monitoring of high-risk locations. Defects managed through existing process, ensuring safe condition & ability to repudiate claim	2	2	4 (Low)	ACCEPT
		b.	Reduction in public satisfaction	4	2	8 (Medium)	ACCEPT	Some explanatory PR, but unlikely to have significant positive influence. Instances likely to be discreet and localised. Coverage likely short term.	4	2	8 (Medium)	ACCEPT
		c.	Increased cost of revenue maintenance	4	4	16 (Medium)	ACCEPT	Negligible opportunity to mitigate inevitable revenue pressure	4	4	16 (High)	ACCEPT
		1.2	Reduced commercial influence / purchasing power resulting in increased prices.	4	3	12 (Medium)	CONTROL	Increased supplier involvement in programme formation; for greater efficiency to part offset increased cost due to lower volumes	3	3	9 (Medium)	ACCEPT
		1.3	Increase future need for more costly repairs to reconstruct roads beyond more basic repair	4	5	20 (High)	ACCEPT	Negligible opportunity to mitigate inevitable increased future capital burden for the carriageway asset	4	5	20 (High)	ACCEPT
		1.4	Political support	2	3	6 (Low)	CONTROL	Ensure through effective engagement with Members that the strategy change is	1	3	3 (Low)	ACCEPT

							understood, and that Members of all parties are able to identify with the benefits to their divisions and constituents, and to influence schemes of local importance				
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