

REPORT TO: Environment and Urban Renewal Policy
and Performance Board

DATE: 12 June 2013

REPORTING OFFICER: Strategic Director, Policy and Resources

PORTFOLIO: Transportation

SUBJECT: Highway Maintenance in Halton

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To inform the Board on how the Council's Highway Maintenance service is developing in order to satisfy the demands of its statutory functions and public expectations in the face of increasing pressures to maximise efficiency and improve value for money. It in part responds to the findings of the National Highway and Transportation Survey as reported elsewhere on this agenda and also responds to various enquiries made by Board Members regarding the Council's highways maintenance function.

2.0 RECOMMENDATION: That the contents of the report are noted.

3.0 SUPPORTING INFORMATION

3.1 Introduction

3.1.1 Halton Borough Council is a Highway Authority as defined by the Highways Act 1980, with a duty to maintain all highways classed as being "maintainable at public expense" which fall within its area of control.

3.1.2 Within the Highways Act, the level of service and method of delivery are not specified. However, safety and the level of use of a road are two of the industry accepted parameters used in deciding the level of maintenance to be applied to a given section of the network.

3.1.3 The UK Road Board's "Well Maintained Highways", the national Code of Practice for highway maintenance management was published in July 2005. It provides local authorities with guidance on highways management in an ever changing environment, creating a strong foundation for a positive and lasting maintenance policy. The Code of Practice gives guidance on strategic policies and recommends standards of maintenance

3.1.4 Adoption of the recommendations of 'Well Maintained Highways', though not mandatory, is viewed to demonstrate alignment with best practice and delivery of best value. It is accepted, however, that local

variations to the practices and levels of service recommended by the Code may be required according to the particular circumstances of Local Authorities.

3.1.5 HBC's level of service is defined within its Highway Maintenance Strategy document. This provides definitions of intervention levels for carriageway and footway defects and the frequency of walked and driven safety inspections of the highway network. More information in this regard is provided in Section 3.6 of this report.

3.2 HBC's Highways Network

3.2.1 HBC's Highways Inventory Data is as follows:-

| | | |
|----------------------|---|----------------|
| A Class Road* | - | 50 km |
| B Class Road* | - | 19 km |
| C Class Road* | - | 62 km |
| Unclassified Road* | - | 411 km |
| Footways/Footpaths | - | 734 km |
| Gulliksen Footpath** | - | 27 km approx. |
| Gullies | - | 30,000 approx. |

* Road length is based upon start and finish points of road network and no adjustment is made in these particular figures for lengths of dual carriageway.

** Network of housing estate footpaths and alleyways which became responsibility of Highway Authority following housing stock transfer

3.2.2 Within Halton there are also 383 bridges, culverts, subways and retaining walls crossing or supporting the highway. HBC owns and is responsible for 274 of these structures (including the Silver Jubilee Bridge (SJB) complex and associated structures). The remaining 109 are owned and maintained by other organisations such as the Highways Agency (trunk roads and motorways), Network Rail (railways), Manchester Ship Canal Company (Bridgewater Canal and Manchester Ship Canal) and other private companies.

3.2.3 Highway authorities are responsible for operating, maintaining and improving their highway assets under ever increasing demands that include: -

- Under funding both by central government and within some Local Authorities;
- Manpower shortages – both in terms of staff and skill shortages;
- Ageing highway network – compounded by underfunding generating a backlog of maintenance works – please refer to the findings of the National Annual ALARM Survey in Section 3.9 below;

- Increased accountability – to the members of the public and funders;
- Increased public expectations – greater public awareness and consultation have led to greater demands and expectations

3.2.4 The highway network is the Council's biggest and most extensive physical asset. Local Authorities are moving towards a more structured approach to the management of their highway assets and applying asset management principles as a means of prioritising and targeting resources. The Local Transport Plan (LTP) is a document that describes the direction and strategy for the delivery of transport related services. The current LTP guidelines produced by central government require every local authority to demonstrate that they are managing their transport asset effectively. This is to be achieved through the production of a Transport Asset Management Plan (TAMP).

3.2.5 HBC prepared its first TAMP in 2007 to provide a tool with the potential to:

- Support the Corporate need for detailed information on its assets held authority wide
- Establish and communicate a clear relationship between the programme set out in the TAMP and the authority's LTP targets and objectives
- Ensure existing highway assets are in a condition compatible with the delivery of the LTP
- Enable the value for money of local road maintenance to be considered more effectively against other local transport spending, eventually assisting in local transport strategy and plan production
- Obtain and organise information to support Whole Government Accounting (WGA) requirements;

3.2.6 HBC included within its Whole of Government Accounts return for 2012 that the Gross Replacement Cost of all highway infrastructure (i.e. including bridges, lighting etc) was £1.379 billion with a Depreciated Replacement Cost allowing for asset condition of £1.064 billion.

3.3 Highway Maintenance Funding

3.3.1 Highway maintenance funding is allocated from capital or revenue sources.

3.3.2 Capital funding is primarily used for major programmed structural renewal of carriageways and footways on the Primary Route Network and other more important A Roads within the Borough.

3.3.3 Maintenance expenditure funded by the Council's revenue budgets covers both programmed and preventative maintenance of the remainder of the Borough's network and small scale reactive

maintenance of the whole of the network. Winter maintenance services are also funded from revenue budgets.

3.3.4 When considering the funding information provided in 3.3.5 and 3.3.6 below it should be recognised that over the last 8 years the cost index HBC have used to adjust contract base prices for highway maintenance has increased by over 40% largely due to big increases in fuel and bituminous materials costs over that period of time. The consequences of static or reducing funding availability continue to be compounded by these increases in costs.

3.3.5 Capital Funding

3.3.5.1 The Department for Transport (DfT) provides a Highways Maintenance Block grant stream to local government (outside of London) via formula. This formula involves a number of parameters (including road lengths, traffic volume, winter conditions factors etc) which go through a complicated weighting process to define each local authority's entitlement to a share of the national highway maintenance pot.

3.3.5.2 HBC's Highway Maintenance Block is used to fund major maintenance of all highway infrastructure including bridges and street lighting.

3.3.5.3 The table below indicates the element of the Highway Maintenance Block which has been allocated solely for major programmed structural renewal of carriageways and footways.

| Year | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|------------------|------------------|------------------|------------------|------------------|
| Block (£) | 1,430,000 | 1,287,677 | 1,365,273 | 1,140,000 |
| Additional * (£) | 169,200 | 348,440 | - | 355,000 |
| Total (£) | 1,599,200 | 1,636,117 | 1,365,273 | 1,495,000 |

* This table also indicates additional ad hoc DfT Grant allocated to local authorities (using the Block Grant formula) to recognise the accelerated deterioration of highway condition resulting from successive periods of exceptionally severe winter weather and flooding. It also shows that if these additional allocations are excluded, general funding for highway maintenance has decreased by £290,000 since 2010/11 (a 20% decrease).

3.3.5.4 It should be noted that separate DfT Major Maintenance scheme funding for bridge maintenance within the SJB Complex has allowed the Block funding allocation to be significantly biased towards highway maintenance, enabling more carriageway and footway schemes to be carried out in recent years than had been the case before the SJB bid was approved.

3.3.5.5 However, it should also be noted that when the current SJB major scheme funding expires in 2015/16, an appropriate proportion of the Block allocation will again be required for bridge maintenance expenditure, thus reducing the total available for highway maintenance.

3.3.6 Revenue Funding

3.3.6.1 The Council's revenue funding for highway maintenance is split across two areas. The first of these addresses programmed and preventative maintenance of carriageways and footways which are not covered by capital funding. The second covers reactive (including individual pothole, footway, safety barrier, highway drainage repairs), routine (including gully cleansing and road marking renewals) and winter maintenance services for the entire network.

| Year | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|------------------|------------------|------------------|------------------|------------------|
| Programmed (£) | 912,640 | 940,020 | 807,620 | 819,330 |
| Reactive (£) | 1,507,790 | 1,546,400 | 1,463,770 | 1,521,810 |
| Total (£) | 2,420,430 | 2,486,420 | 2,271,390 | 2,341,140 |

3.3.6.2 The reduction in total revenue funding for highway maintenance in 2012/13 indicates the contribution made to achieving Council wide budget savings targets.

3.3.6.3 Whilst this funding appears significant, the amount of work that it allows to be carried in relation to the whole highways network is relatively small. For example:

- of the 411 km of unclassified road (mainly roads in residential estates) we were only able to treat or resurface approx. 10km or 2.5% last year
- of the 760km of footways/footpaths we were only able to treat or reconstruct approx. 28km or 3.7% last year.

3.3.6.4 This limited ability to address highway maintenance issues, especially in residential areas, has in recent times been reflected in our performance indicators that have shown deterioration in some areas.

3.4 HBC Bridge & Highway Maintenance Division

The Bridge & Highway Maintenance Division is broken down into two Sections the responsibilities of which are as follows:

3.4.1 Bridge & Major Highway Maintenance Section

- Maintenance, management, strengthening, inspection, assessment, repair and monitoring of all highways structures owned by HBC.
- Prioritising, programming and delivering major schemes to address reconstruction and resurfacing of carriageways, footways & footpaths and the annual surface treatments programme which includes surface dressing and micro asphalt works. These processes are explained in more detail in Appendix A to this report.
- Formal asset management planning including development of the Highways Asset Management Plan.

3.4.2 Reactive & Routine Highway Maintenance Section

- Undertaking cyclic Section 58 safety inspections (walked or driven) of HBC's carriageway, footway, busway, cycleway and footpath network including town centres and council owned car parks. More information regarding Section 58 inspection process is outlined in Section 3.6 of this report.
- Making safe and repairing all highways defects requiring intervention identified either through Section 58 inspection or public complaint.
- Assisting in HBC's defence of claims for compensation related to highways defects.
- Providing an out of office hours highways response service.
- Preparing and implementing programmes for routine maintenance of highways assets including highway drainage, road markings, safety fencing and pedestrian guard railing.
- Managing HBC's winter highway maintenance service.

3.5 **Programmed & Preventative Highway Maintenance**

3.5.1 Planned, preventative maintenance, which includes resurfacing at regular intervals, is the most cost effective method of keeping the road surface in good repair. The experience of the highway maintenance industry is that it is at least 20 times more expensive to continuously patch and mend than it is to undertake long lasting repairs. Ensuring that the highway network is durable, safe and fit for purpose is vital to avoid unnecessary traffic congestion and delays, and to make best use of existing assets.

3.5.2 Carriageway

- 3.5.2.1 The selection of works is based upon independent condition surveys of the network. These are currently carried out by Yotta DCL and comprise two elements, a machine survey (SCANNER) of the classified A, B and C network and a Detailed Visual Inspection (DVI) survey of a rolling third of the unclassified network. The results from the SCANNER survey are banded into red, amber and green with the red areas being reported within local performance indicator PPT LI 17. The DVI survey is banded into red, green and grey areas, but these bandings have a different meaning to those created by SCANNER so are not comparable. In this case Red means above threshold defects, Green means some defects but not above threshold value and grey indicates no defects. These results are also reported within PPT LI 17.
- 3.5.2.2 Historically, many Highway authorities have targeted worst first and only treated those roads which are in the Red band. HBC don't follow this methodology as it is considered that this is an inefficient use of financial resource. This is because the worst roads require the most expensive remediation. Consequently, due to budget constraints, we can't afford to treat as many defective areas. Instead we spread our available finance resource with the aim to prevent roads deteriorating from "Amber" into "Red" as well as completing some of the Red roads and the high rated Ambers to prevent them becoming Red and further lowering our performance indicator score. This is also in the interests of value for money as it has been demonstrated that a "stitch in time" approach, addressing an area prior it being triggered as Red can reduce the scope of structural maintenance and provide a more cost effective method of directing resources.
- 3.5.2.3 From the DVI results we select approximately 10% of the unclassified network to complete our own site visits from which we then determine the roads which will receive treatment. This is based upon those which have a greater percentage of their length highlighted as deteriorated as well as those which are on more locally important routes or spine roads. We aim to complete larger sections where possible to achieve economies of scale and maximise the usage of the Traffic Management (cones, temporary lights etc).
- 3.5.2.4 Further information regarding the types of treatment and materials used for programmed and preventative maintenance of carriageways is provided in Appendix A of this report.

3.5.3 Footway

- 3.5.3.1 The footway network was the subject of an entire network condition survey in 2008. From this, the network was split into thirds based upon overall assessed condition. In order to reduce

the likelihood of successful trip and slip type claims against the Council, works are addressed on a worst first basis.

- 3.5.3.2 Reconstruction of the worst third of the original prioritised list has been completed and attention is currently focussed on addressing the middle third. The 2008 survey is being sequentially updated each year with further independent surveys which over a period of a few years will complete the entire network again.
- 3.5.3.3 There are a number of defects identified in the footway assessment:-
- Bituminous Footways - Depressions, bumps, rutting, structural rutting, plastic deformation, cracking, mosaic and linear.
 - Modular/Concrete Footways – Broken flags, cracked, loss of jointing material, rocking, spalling, widening of joints, cracking.
- 3.5.3.4 This survey information is processed to score footways in respect of condition. These are ranked in score order, and the location is then assessed by the Footway Engineer for possible major reconstruction work. After detailed inspection the areas in poorest condition are prioritised for major reconstruction work or surface treatment works. During this assessment a check is made of any drainage issues in that location which may require design of remedial measures. This will involve a level survey being undertaken to ensure that drainage falls away from properties or to allow identification of improved drainage measures such as new gullies or drainage channels.
- 3.5.3.5 A footway reconstruction is undertaken where the structure of the footway is failing, or the surface has deteriorated to a level whereby small repairs are not financially viable. This work generally involves removing the damaged surface materials, replacing the kerbs, excavation of the existing construction and replacing with new sub base material to strengthen the footway. However, where possible the kerbs are retained, particularly if they are in good condition.
- 3.5.3.6 Failure of flagged footways is invariably due to persistent overrun of vehicular traffic exposing the footway construction to concentrated loading it is not capable of sustaining. It is council policy to replace failed flagged footways with flexible bituminous materials as this is a more durable and robust solution which is less likely to be the source of future compensation claims. .
- 3.5.3.7 If the surface material in the footpath is of a bituminous material and the surfacing is aged but not yet falling apart then the use of a surface treatment in the form of slurry can be considered. This method involves applying a slurry seal which is a mixture of cold bitumen emulsion and fine aggregate. This is brushed onto the

footway and will seal the surface against ingress of water, prevent further disintegration of the existing surface, and add a texture to the existing footway which provides a uniform slip free walking surface. Prior to this work the footway is inspected and any defects repaired. A regulating course of Slurry surfacing can also be used to fill in any depressions in the footway. If this method is used it will also generally involve some pre-patching works where damaged kerbs are replaced and any defects are repaired prior to the slurry treatment.

- 3.5.3.8 The programme of programmed and preventative works is split into phases for the Contractors. The reconstruction works are carried out by our Term Maintenance Contractor whilst RMS Ltd carries out surface treatment works.

3.6 Reactive Highway Maintenance

- 3.6.1 Reactive maintenance issues involve the making safe and repairing of highways defects which have been noted either as a result of Section 58 Inspection, from public complaint or as notified by emergency services or other agencies.
- 3.6.2 These defects tend to be related to carriageway potholes, irregularities in footway surfacing, missing gully frames and other iron work and damage to barriers and guard railings resulting from road traffic collision.
- 3.6.3 Further information regarding the types of treatment and materials used for reactive maintenance of carriageways, is provided in Appendix B of this report.
- 3.6.4 Section 41 of the Highways Act 1980 places a duty on the Highway Authority to maintain the highway in a condition that is safe for users.
- 3.6.5 In order to succeed with a claim against the Highway Authority, a person injured or suffering a loss due to a defect on the highway needs to show that the Highway Authority has not complied with its duty to maintain the highway in a safe condition
- 3.6.6 Section 58 of the Highways Act provides the Highway Authority with a defence against such a claim if it can demonstrate that it has taken all reasonable care to maintain the highway in a condition that is safe for users.
- 3.6.7 Provided therefore, that the Highway Authority records any such system of inspection and repair, and that the period between inspections is reasonable, as is the time allowed for repairs to be undertaken once defects have been found, the Highway Authority may be able to rely upon the Section 58 defence to defeat any claim by an injured person who suffered an injury or loss even if at the time of the accident the defect was dangerous. If the Highway Authority can show

from its documented records, that at the time of its last inspection before the accident the defect was not present or not considered to be dangerous, the Section 58 defence is likely to succeed. By contrast, if a Highway Authority was aware of the defect but had taken an unreasonable period of time to repair it, the Section 58 defence is unlikely to succeed.

- 3.6.8 HBC's maintenance strategy defines inspection frequency and defect intervention levels. This requires inspection of the entire network to be undertaken every 3 months, with the exception of Town Centres which are inspected monthly. Generally, HBC define that any defect of height or depth exceeding 40mm in carriageways, 20mm in footways or 10mm in town centres requires intervention.
- 3.6.9 All inspections are carried out on foot except for high speed routes such as the expressway network which are driven.
- 3.6.10 The process for identifying, making safe and repairing defects is delivered through three Section 58 Inspectors and two Senior Engineering Technicians.
- 3.6.11 The engagement of Tarmac as HBC's new Highways Term Contractor (see Section 3.9 of this report) has provided opportunities to improve the efficiency of how this element of the service is delivered.
- 3.6.12 Prior to the new contract there had been a reliance on paper based records being manually transferred into the council's Mayrise highways asset management system.
- 3.6.13 Although any emergency defects requiring action within a 2 hour limit will continue to be rung through to the contractor, Section 58 Inspectors will log defects directly into hand held electronic devices which will automatically locate the defect by way of GPS and can record a photograph which is stored with the relevant information. This information will then be downloaded at the end of the day and automatically sent to the Senior Engineering Technicians via the Highway Defect database. They in turn, have their own handhelds which will allow them to confirm the defects and log the remediation required.
- 3.6.14 This information is then sent directly to the Contractor through the same Highway Defect database and once they have completed works they will respond back through the system, including photographic confirmation which will allow the cycle to be closed. This will give HBC greater visibility of the status of the defects and the repairs and will reduce the admin requirements on staff as they will not be manually entering previously collected information.
- 3.6.15 The total numbers of highways related compensation claims received by the council over the past 4 years is shown below:

| Year | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|--------------|----------------|----------------|----------------|----------------|
| No of claims | 131 | 149 | 127 | 150 |

3.6.16 A **typical** claim, unsuccessfully defended by the Council in Court could cost the Council anywhere in the order of £5k to £25k. In reality the Council could be liable up to the £120k corporate insurance excess limit.

3.6.17 A significant proportion of these claims do not proceed any further once HBC have provided an initial response to the particulars of the incident and it is estimated that the Council is successful in defending 85% of claims which do proceed.

3.6.18 It should be noted that bulk of any costs incurred by the Council relate to legal costs generated under the “no win no fee” advocacy regime. As from 1st August 2013 however, new legislation is being introduced which changes the protocols for submission of claims and introduces a fixed cost system for legal costs. This will provide more certainty to Highway Authorities in determining potential financial exposure and is expected to drive down the total costs of successful claims.

3.7 Winter Highway Maintenance

3.7.1 HBC provide a highways winter maintenance service in accordance with a Winter Maintenance Plan which is geared essentially at keeping traffic moving safely both through and within the Borough during frost, snow and icy conditions. It prioritises the treatment of the classified road network, major distributor routes and bus routes. This comprises around 45% of Halton’s road network. Five carriageway gritting routes are scheduled to ensure treatment within the target time of four hours.

3.7.2 In terms of pedestrian routes, routine precautionary gritting of most footbridges and many strategic footpaths comprise around 12,000 sq.m of pathways at 23 separate locations. Treatment (either by grit or liquid de-icer on footbridges) is carried out by hand or using propelled salt spreaders and takes four hours to complete. It is a very labour-intensive operation and places a high demand on both labour and financial resources.

3.7.3 The Plan also provides for an escalating response to deal with severe and / or prolonged winter weather events:

- Secondary Routes – gritting to estate collector roads, access to commercial areas, schools, local centres etc. - 27 area locations;
- Major pedestrian routes in Widnes and Runcorn town centres
- Town centre car parks – 8 locations;
- Footway / Footpath gritting at 44 school locations comprising 24,000 sq.m;

- Snow & Ice clearance to pedestrian routes in and around local centres;
- Lists of schools, colleges, health centres, doctors' surgeries, nursing and elderly persons' homes for targeted treatment at these establishments as resources permit.

3.7.4 These latter two activities usually involve deployment of the Streetscene workforce, diverted from other routine duties during severe weather.

3.7.5 The highways term contractor only provides the personnel to load and drive the gritting fleet and to restock highways grit bins. All procurement and ongoing maintenance of the gritting fleet and operational equipment, procurement and storage of salt supplies, development of the Winter Plan and instruction to mobilise, based upon weather forecasting data, is undertaken directly by HBC staff.

3.8 Current Issues

3.8.1 Pothole review

3.8.1.1 In April 2011, the Transport Minister announced an initiative to develop best practice in dealing with potholes. This followed increasing public concern about the widespread damage to the country's road network caused by severe winter weather. The final report of the review was published in April 2012.

3.8.1.2 The review focussed on three main themes:

- Prevention is better than cure – intervening at the right time will reduce the amount of potholes forming and prevent bigger problems later.
- Right First Time – do it once and get it right, rather than face continuous bills. Guidance, knowledge and workmanship are the enablers to this.
- Clarity for the public – local highway authorities need to communicate to the public what is being done and how it is being done.

3.8.1.3 From these themes, the report made seventeen recommendations for Government, local highway authorities (LHA) and others to take forward. Twelve of these recommendations require LHA action within suggested timescales and HBC are committed to addressing these.

3.8.1.4 Addressing the themes in the report:

- *Prevention is better than cure* - HBC has consistently attempted to maximise the effectiveness of its surface dressing and slurry sealing preventative maintenance

programmes. In particular by targeting these resources to those elements of the carriageway and footway network where it has been recognised that incorporating measures to prevent further ingress of moisture will delay deterioration of existing defects and defer the development of potholes and onset of major structural maintenance.

- *Right First Time* – HBC attempts to adopt permanent repairs as the first choice solution. Temporary repairs are only used in emergency circumstances and where safety cannot be managed using alternative approaches.
- *Clarity for the public* – Section 3.9 of this report describes how a new highways term contract has been awarded to Lafarge Tarmac Ltd. This is a partnering form of contract structured to allow the Contractor to offer its expertise in processes, treatments and materials to the Client to arrive at more effective and value for money solutions. These options are being jointly discussed and will develop over the early months of the Contract with a view to being incorporated into a published policy. This policy will include clear details of HBC's implementation plans for the prevention, identification, reporting, tracking and repair of potholes.

3.8.2 HMEP

- 3.8.2.1 The Highway Maintenance Efficiency Programme (HMEP) is a sector-led transformation programme designed to maximise returns from highways investment and deliver efficient and effective services. Aimed at the local highways sector, the programme runs to 2018 and is sponsored by the Department for Transport.
- 3.8.2.2 HMEP is a partnership between public and private sectors, and the programme team consists of representatives from local and highway authorities, companies and central government.
- 3.8.2.3 The HMEP vision is that over time, those involved in highways maintenance delivery (local authorities and industry), will have adopted an ambitious and longer-term approach which will:
- Continuously seek new and improved ways of delivering services to highway users and managing highways assets;
 - Make use of collaborative partnerships to improve processes and outcomes;
 - Deliver a sustainable balance between meeting the needs of highways users, improving quality and minimising costs.
- 3.8.2.4 One of the key elements of the services offered by HMEP relates to developing options for improving efficiency in

procuring and delivering highway maintenance services by working collaboratively with other authorities and by standardising contracts and specifications.

3.8.2.5 HBC have embraced this philosophy by working in collaboration with Warrington BC to procure a new highways term contractor for both authorities. Although the standardised HMEP contract documentation and specification had not been published at the time of this procurement, by engaging the services of consultants CWC Ltd, who were working with HMEP to develop the standard form of contract, HBC and Warrington have a contractual engagement which virtually replicates the HMEP standard and is therefore at the forefront of its application.

3.8.3 Annual Alarm Survey

3.8.3.1 Each year the Asphalt Industry Alliance (AIA) commissions a survey of highways departments in all local authorities in England and Wales. The aim of the survey is to build a picture of the general condition of local roads and the levels of maintenance activity as well as the levels of funding required to ensure that they are in reasonable condition.

3.8.3.2 By collating and publishing this information for local authorities, the AIA seeks to give a voice to the views of those responsible for maintaining the vast majority of the road network.

3.8.3.3 The 18th Annual Local Authority Road Maintenance (ALARM) survey was completed by 75% of authorities in England and Wales and was published on 14th March 2013.

3.8.3.4 Some of the issues identified included:

- The number of potholes repaired over the last year rose to over two million, an increase of 29% on the previous year
- There is an £829m annual funding shortfall in England and London
- 1 in 5 roads have a residual life of less than 5 years
- Even with adequate funding and resources in place it will take 12 years to clear the backlog of maintenance in England.
- The cost of damage to roads caused by the extreme rainfall in 2012 has been estimated at £338m
- It is estimated that there will be a “one-off” cost of £10.5 billion to get the nation’s roads back into a reasonable condition

3.8.3.5 The report also publicised findings of a YouGov Survey conducted in December 2012 which concluded that the poor

condition of the local road network, which accounts for 95% of the nation's roads, is costing SME businesses a cumulative £5billion/year through reduced productivity, increased fuel consumption, damage to vehicles and delayed deliveries.

3.9 New Highways Term Contract

- 3.9.1 Until 31/05/13, works associated with both improvement and maintenance of the highway network were delivered through two separate term contracts with Lambros (Paving Contractors) Ltd and Amey LG Ltd respectively.
- 3.9.2 Following a procurement exercise undertaken collaboratively with Warrington BC, as from 01/06/13 all works are being delivered through a new single term highways contract awarded to Lafarge Tarmac. The award was approved by Executive Board on 28/02/13.
- 3.9.3 This is based upon the latest NEC3 Term Services Contract (TSC), which embraces modern principles of contract engagement and is more suited to the type and range of highway services and works we provide than the contractual forms previously engaged.
- 3.9.4 The Highways Maintenance and Efficiency Programme (HMEP), the DfT sponsored highway sector led organisation, set up to drive efficient and effective local highway services, endorse and advocate the use of this contract form by highway authorities. Together with Warrington BC, council officers have worked with Consultants engaged in the HMEP programme, to develop a 'tailored' NEC3 highway TSC for the two Councils.
- 3.9.5 Use of the TSC will promote a more collaborative, partnering approach to the delivery of highway services and works. It enables risk to be identified and allocated, so that costs can be controlled by whichever party is best placed to manage the risk.
- 3.9.6 The NEC3 TSC form of contract contains three options, each of which deals with the allocation of risk differently, depending upon the nature of the services to be performed. Halton's proposed Highway Improvement and Maintenance TSC utilises all three options:
- Option A: Schedule of Rates pricing is used generally for reactive highway repair works, where the risks of being able to perform the service (regardless of quantities, location and site constraints etc.) at the agreed prices, are largely borne by the Contractor;
 - Option C: Target Cost method of pricing is used for planned and programmed work, for example highway improvement and maintenance schemes and the winter service, where the risks can be better identified, costed and shared between the parties. This approach requires early contractor involvement in the

development of schemes and programmes and should result in better value for money in scheme delivery;

- Option E: A cost reimbursement method is used solely for emergency work where the type and scope of services required is unknown and the Council takes responsibility for the financial risk.

3.9.7 In this way, the costs of works and services to be carried out under the Contract can be better managed and controlled, which should result in greater efficiencies and enable more to be delivered from the available budgets.

3.9.8 The contract contains a Partnering Information schedule, which includes a set of partnering objectives and places obligations on the parties, together with the supply chain, to achieve more efficient ways of working together to deliver improvement in the provision of the Service.

3.9.9 An important theme of the contract is the delivery of continuous improvement. This is monitored through a suite of Key Performance Indicators (KPIs) and the schedule describes how performance measurement will be used throughout the course of the contract and details of the initial KPIs and targets. Performance against the KPIs will be taken into account in deciding whether to recommend an extension to the service period or to reduce the Contractor's 'gain share' of target cost under Option C.

3.9.10 Among the initiatives which the Tarmac contract presents will be the potential to introduce a comprehensive asset management package, which complements the current suite of highway condition assessment surveys detailed in Section 3.5 of this report. HARP (Highway Asset Renewal Partnership) utilises an innovative surveying technique to map and evaluate the true condition of the highway asset. Once the survey is complete, condition data is analysed and used to build the most cost effective programmes of work and help to secure the funding required to maintain the road network.

3.10 Conclusions

3.10.1 As reported separately to this Board, a National Highway and Transportation (NHT) public satisfaction survey was undertaken in the Borough in 2012.

3.10.2 The survey results showed that in common with other highway authorities nationally, Halton residents place high levels of importance on condition of the highway network. Both the condition of roads and of footways/footpaths scored particularly highly for importance, but these two aspects of the service were also perceived to be most in need of improvement by the public.

3.10.3 The continued provision of a local highway network, which is safe to use and fit for purpose is essential for the economic and social wellbeing of the Borough, is becoming increasingly difficult to sustain for a number of reasons including:

- Continued uncertainty regarding future DfT capital maintenance funding availability
- recent and future pressures on the Council to find savings in its revenue budgets
- Increased costs of materials and supplies
- The accelerated deterioration of the network created by a series of prolonged and exceptionally adverse weather conditions.

3.10.4 HBC will continue to investigate all options to address the satisfaction gap identified by the NHT survey and to mitigate any future erosion of the level of service posed by the above factors. These will include:

- Utilising the full range of quality and cost savings potentials made available through the collaboration and partnering ethos of the new Highways Term Contract.
- Continuing to consider the HMEP resources available to drive efficiency in service delivery
- Consideration of any elements of service delivery which could be delivered on a shared service basis with neighbouring authorities.

3.10.5 Ultimately, it may prove necessary to review the level of service provided by HBC in respect of its highway maintenance function and to potentially revise the Highway Maintenance Strategy document to consider:

- Reducing Section 58 inspection frequency
- Increasing defect intervention levels
- Increasing response times for defect remediation

3.10.6 The above actions are ones HBC are keen to avoid as they do not align with current public expectations and create a new untested context for the defence of highways claims. However, the continued erosion of funding at a time when all evidence points to a significant increase in funding being required to address a growing highway maintenance backlog dictates their consideration is becoming unavoidable.

4.0 POLICY IMPLICATIONS

4.1 Future budget uncertainties dictate that in order to at least maintain a level of highway maintenance service which satisfies current expectations, HBC will need to consider all options to drive improvements in quality and value for money.

4.2 Ultimately however, it may prove necessary to consider alternative levels of service within the Council's Highway Maintenance Strategy and Winter Maintenance Plan.

5.0 OTHER IMPLICATIONS

5.1 There are no other implications.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Maintenance of a local highway network which is safe, fit for purpose and available for public use is important for the social and economic wellbeing of the Borough and necessary to avoid compromising ability to deliver any of the Council's strategic priorities.

7.0 RISK ANALYSIS

7.1 This report has been prepared for the information of the Board and as such no risk analysis has been undertaken. However, the risk associated with future reductions in funding availability for the provision of highway maintenance is that lower standards of service delivery in this important area and significant deterioration of condition of the highway network will follow.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 There are no Equality and Diversity implications arising from this report.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

| Document | Place of Inspection | Contact Officer |
|----------------------------------|----------------------------|------------------------|
| HBC Highway Maintenance Strategy | Rutland House | Ian Munro/Ian Jones |
| HBC Winter Maintenance Plan | Rutland House | Ian Munro |
| HBC TAMP | Rutland House | Ian Jones |