Gearing up for efficient highway delivery and funding

January 2014
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## Scope of the Document

<table>
<thead>
<tr>
<th>Topic of this document:</th>
<th>This document seeks views and evidence on the suggested mechanisms for the distribution of £5.8 billion funding for local highways maintenance from 2015/16 to 2020/21.</th>
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<tr>
<td>Scope of this document:</td>
<td>The document is supporting material for a series of regional roadshows which are being held by the Department for Transport and the Highways Maintenance Efficiency Programme on the topic of highways maintenance efficiencies and funding. The document sets out ideas on how funding could be distributed from 2015 onwards in order to maximise benefits. This includes looking at the existing formula for block grant to each local highway authority and considers whether a top slice of the funding should be used for a competition bid fund for major maintenance schemes.</td>
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<tr>
<td>Geographical scope:</td>
<td>The contents of this document are applicable to England (outside London) only.</td>
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<tr>
<td>Impact Assessment:</td>
<td>Impact Assessments (IA) are required where policies have a potential regulatory impact. This document has been produced to guide discussions at the regional events being undertaken between January and March 2014. Therefore, no IA has been produced.</td>
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## Basic Information

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| How to get involved: | Attendance at the regional roadshow events will give those invited to attend the opportunity to provide comments on the ideas in this document and to provide ideas and evidence of your own.  
However, if you wish to provide additional comments or evidence, please respond using following online survey (preferred):  
https://www.surveymonkey.com/s/LHWQ95F  
Or Email: HMRoadshows2014@dft.gsi.gov.uk |
| After responses received: | Comments received during the roadshow events will be used to inform a draft policy for local authority highways maintenance funding from 2015. This policy will be published as a formal consultation in summer 2014. |
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Foreword

1. When transport slows, everything slows. When it stops, everything stops. In recent decades we have been falling behind other countries. The World Economic Forum\(^1\) ranks the UK 28th in the world for the quality of its road infrastructure.

2. Historic underinvestment, a rising population and an increasingly globalised society mean we face a big demand for not only better links, but more effective links. There are economic benefits to well maintained highways - they ensure that vehicle running costs are kept low and that people and goods can move around efficiently.

3. To remain competitive internationally we need to invest not only in new infrastructure, but in our existing infrastructure. That is why the maintenance of the country's existing assets is a central part of the Government's infrastructure strategy\(^2\).

4. The Spending Round announcement in June last year committed an unprecedented £12 billion to maintain the local and national highway networks over the course of the next parliament. Half of this has been allocated to the Highways Agency for the renewal of our strategic road network - the country's motorways and trunk roads - and half to local highway authorities to invest in local highway maintenance and renewal.

5. However, we must not forget that we are all road users. We all have views on our highway network and how public money should be spent. Indeed, this feeling is frequently reflected in local and national opinion surveys.

6. It is therefore vitally important that we achieve maximum returns from the money which has been allocated for highways maintenance. Significant progress has already been made across the highways sector through the Highways Maintenance Efficiency Programme to ensure we - as a sector - get the most from every pound that is spent. However,


more can be done not only to drive efficiencies, but to target those parts of the local highway network which are most in need.

7. That is why we are running a series of events this winter. I encourage all those who have been invited to attend to let us know your ideas and experiences. Your views will be vital to developing policies for future funding. We are also keen to hear from any other interested parties who wish to get involved.

Robert Goodwill MP

Parliamentary Under-Secretary of State for Transport
1. Introduction

1.1 The highway network is the largest and most visible publicly owned asset. It is used daily by the majority of the travelling public for commuting, business, social and leisure activities. It is fundamental to the economic, social and environmental wellbeing of local communities and to the prosperity of the nation as a whole.

1.2 At a national level our economic prosperity relies on reliable movement of goods and people around the highway network. At a local level the highway network helps to shape the character and quality of the local areas and makes an important contribution to wider local authority priorities, including regeneration, social inclusion, community safety, education and health.

1.3 Like any physical asset, the highway network requires maintenance to counter deterioration. New infrastructure, once built, also needs to be maintained over its useful life in order to deliver expected benefits. Poor quality roads can create congestion through road works and delays, which cost businesses and individuals through reduced productivity, increased fuel consumption, delayed deliveries and damage to vehicles.

1.4 The Government announced in June 2013 that it would be making available £5.8 billion capital - £976 million each year - over the course of the next parliament to tackle highway maintenance on the local highway network. This is a significant increase on past levels and presents an opportunity to make a real difference to the condition of our highway infrastructure.

1.5 That said, the current economic backdrop continues to put pressure on all areas of public spending. It is therefore vitally important that any funding delivers the maximum value for money.

Purpose of this document

1.6 This document has been produced to stimulate debate during the Department for Transport / Highways Maintenance Efficiency Programme Roadshows being undertaken in January and February 2014. At these events attendees will have the opportunity to comment on the ideas in this document and to suggest ideas of their own.

1.7 The purpose of this document is on how to make best use of the capital funding to be made available by the Department for local highways maintenance from 2015/16 to 2020/21.
1.8 This includes looking at the future distribution of Highways Maintenance Block funding, as well as other funding options including encouraging the take up of asset management principles and the adoption of highways maintenance efficiencies. It is not about amending the national total for highways maintenance block grant – that is for Spending Reviews to determine.

1.9 Highway maintenance funding can be allocated from capital or revenue sources. Capital is primarily for structural renewal of highway assets (including roads, footways, bridges, drainage and lighting). Maintenance expenditure, principally funded by revenue, is mainly for reactive purposes and covers repair of worn or damaged roads and facilities, either short term patching or a permanent replacement. In addition to maintenance of the road surface itself, it also includes the cost of lighting, footway repair and cyclical maintenance such as cleaning activities (of assets such as the drainage system), grass cutting and vital services such as snow and ice clearance, and salt spreading.

1.10 Planned, preventative maintenance, which involves resurfacing at regular intervals, is the most cost effective method of keeping the road surface in good repair. Indeed the Asphalt Industry Alliance suggest that it is at least twenty times more expensive to patch and mend than it is to undertake long lasting repairs, with preventative treatments postponing such costly interventions and providing the option for more financially sustainable options to be planned.

1.11 The Department for Transport provides capital funding to local authorities for highways maintenance. Revenue is provided by the Department for Communities and Local Government (DCLG) through Revenue Support Grant.

Structure of this document

1.12 Chapter 2 of this document sets out a number of themes for highways maintenance funding. These are set out below. Before looking at these themes you may find it helpful to look at Annex A which describes how highways maintenance capital funding is currently distributed to local highway authorities.

- Incentivising highways maintenance efficiencies in funding allocations
- A Highways Maintenance Challenge Fund
- Highways Maintenance Block Formula changes
2. Themes for the 2014 Road show Events

Incentivising highways maintenance efficiencies in funding allocations

2.1 Good asset management is not just about making best use of existing funds. It also provides a clear evidence base to justify the need for investment in highway maintenance. Applying the principles of asset management will help local highway authorities achieve a more structured long term approach to maintaining their networks and assist them to resist expensive, short-term actions.

2.2 Many local authorities understand the potential benefits of good asset management, but often cite a lack of resource as the main reason for not adopting good practice, resulting in a short term, reactive approach being used. This is inefficient, allows more defects to develop and is more costly in the longer term. Reports have shown that reactive repairs are many times more costly than preventative treatments.

2.3 Highway infrastructure asset management is an established and widely recommended approach both in the UK and internationally. Where it has been adopted for highways, savings of at least 5% on budget have been reported. It also supports decision-makers in reconciling short-term problems with long-term priorities. In other public services sectors such as the water industry, asset management has been well established for some years, and has produced savings of up to 15%.

2.4 Over the last number of years, the Department for Transport has encouraged local authorities to adopt asset management principles providing £32 million to encourage local authorities to build up their asset inventory and analysis capabilities. Whilst the funding was not intended to cover the full costs of developing asset management strategies it was intended to encourage authorities to make progress in this field. The Department also continues to work closely with the Chartered Institute of Public Finance and Accounting (CIPFA) and HM Treasury to support local highway authorities in reporting highways assets for the Whole of Government Accounts (WGA).

2.5 Since then a number of reports and guidance has been produced to help local highway authorities move to an asset management approach and make the most of their resources, with much of the recent work being produced by Highways Maintenance Efficiency Programme (HMEP).4

2.6 The Highway Infrastructure Asset Management Guidance, published in 2013 by the UK Roads Liaison Group (UKRLG), with the support of the HMEP, provides comprehensive advice to enable the successful implementation of good asset management practices.

2.7 The Guidance includes fourteen recommendations that should be adopted if local authorities wish to achieve the full benefits of asset management and make better use of their resources. It also introduces a flexible framework that is designed to support local authorities in developing an approach to highway maintenance that matches their strategic priorities and meets efficiency requirements and stakeholder expectations.

**Encouraging the uptake of highways asset management**

2.8 Despite ongoing impetus from the sector for over a decade not all local authorities have robust asset management strategies in place. We think it is now an appropriate time to incentivise all local authorities to take up asset management to ensure that the sector achieves the most it can from the allocated resources. One way we think the full scale take up of asset management could be encouraged is by rewarding those authorities have an asset management strategy.

2.9 We think that this could be implemented by making a proportion of the overall funding available to each local highway authority contingent on demonstrating that an up-to-date asset management strategy is in place (and is in use).

2.10 This approach would mean that every local highway authority eligible to receive funding would receive a baseline settlement, regardless of whether an up-to-date asset management strategy is in place. Additional funding would then be provided to those local highway authorities that demonstrate that they have an asset management strategy in place and can demonstrate use of that strategy.

2.11 We would like views on what proportion of the funding should be provided on this basis. For example, would 10% of the overall funding pot be appropriate?

2.12 Eligibility for this additional funding could be determined by the authority’s Section 151 Officer (Finance Officer) declaring that their authority has an asset management strategy in place and that they will publish this on their website.

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4 Highway Infrastructure Asset Management Guidance: [http://www.highwaysefficiency.org.uk/efficiency-resources/asset-management.html](http://www.highwaysefficiency.org.uk/efficiency-resources/asset-management.html)
Box 1

- Do you think local highway authorities who can clearly demonstrate that they have a robust asset management strategy in place (and is in use) should be rewarded through funding allocations?
- What proportion of funding do you think should be linked to asset management?
- How else can the take up of industry good practice such as highway asset management and highway asset valuation be encouraged?

Encouraging the uptake of efficiency principles

2.13 The Department has been promoting efficiencies through the HMEP. We believe this is a good time to give this work a renewed impetus. Whilst it is recognised that significant progress has been made by a number of local authorities in adopting the efficiency principles from the Programme, there are still many local authorities who have not engaged in the efficiencies agenda.

2.14 On 12 December 2013\(^5\), the Programme launched its 2020 vision and set out how the condition of our roads can be transformed by the sector working to deliver 30% greater efficiencies and improved services to make our roads fit for the future.

2.15 The Programme currently engages with over 75% of local highway authorities but it is clear that there are still greater opportunities and significant savings to be realised. If these efficiencies are delivered then this will allow local highway authorities to plan and deliver improved roads more affordably.

2.16 The Programme has evidence that a number of leading local authorities are already reaping the benefits of increased efficiencies. For example, Walsall Council has improved pothole prevention while saving over £400k per annum and Surrey County Council combined a Supply Chain Review with a Strategic Peer Review helping them to realise £16 million savings, as well as improved service quality, ten-year warranties and an increased investment in local skills.

2.17 We think there is scope to do much more across the sector and that taking a holistic approach to planning and delivery can be ‘game changing’.

2.18 One way to encourage local highway authorities to adopt efficiency principles would be to reward them financially. We know that each local authority is at a different stage of a journey to transform services and deliver efficiencies. Therefore, we do not think it would be appropriate to reward those authorities which are more advanced in their journey.

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2.19 What we think we should be rewarding is a commitment by every local highway authority to transforming their highways maintenance service to achieve efficiencies.

2.20 Therefore we think a proportion of the Block funding could also be contingent on local highway authorities adopting highways maintenance efficiency principles, such as those developed through HMEP. Again, this approach would mean that every local highway authority eligible to receive funding would receive a baseline settlement. Additional funding would then also be provided if a local highway authority is able to demonstrate that they are adopting efficiency principles.

2.21 We would like views on what proportion of the funding should be provided on this basis. For example, would 10% of the overall funding pot be appropriate?

2.22 Again, eligibility for this additional funding could be determined by the authority’s Section 151 Officer (Finance Officer) declaring that their authority will (a) agree to explicitly assess the need for them to adopt efficiency principles and (b) confirm that they will publish a short statement on their website at the end of each financial year on how they have spent or plan to spend the funding they have been allocated.

Box 2

- Do you think that those local authorities that can clearly demonstrate that they are adopting and delivering efficiency principles should be rewarded in their funding allocation?
- What proportion of funding do you think should be linked to the adoption and delivery of efficiency principles?
- Are there other steps you suggest could be taken to encourage the take up of efficiency principles?
Highways Maintenance Challenge Fund

2.23 One of the limitations of distributing all highways maintenance funding on the basis of a formula is that it may not take into account circumstances where major maintenance works may be required.

2.24 In the past few years opportunities for capital funding for major maintenance projects have come from Local Authority Majors Funding or via the Private Finance Initiative and, more recently, for medium sized schemes, the Local Pinch Point Fund. From 2015/16, the Local Growth Fund will be the main source of funding for both new infrastructure projects and maintenance schemes. However, we think there may be other projects that may not easily be funded through this funding route.

Funding major maintenance projects

2.25 As set out earlier in the document, we know that most of England’s highway infrastructure is not new. Each highway asset has a definitive lifespan after which it decays and loses functionality. Many of the existing highway assets may now be moving to more costly stages of their natural life-cycle with some components already reaching the end of their serviceable life. In addition to the natural ageing process of highway infrastructure, the life-cycle of the asset has in many places deteriorated at a faster rate than perhaps originally envisaged due to under-investment previously, as well as severe weather which has compounded the issue.

2.26 An ageing asset implies the need for more funding as older infrastructure is more costly to maintain than new. In short, many areas of England may now be entering an era where a growing proportion of its public highway is completing its first full life-cycle and needs to be dealt with.

2.27 One of the mechanisms that could have a real impact on improving the local road network would be to assign a proportion of the highways maintenance budget to a new Challenge Fund. Such a Fund would be available to local highway authorities in England to bid for major maintenance projects that are difficult to fund through the normal block allocations they receive.

2.28 As a further incentive to drive the efficiencies agenda, there is an option for eligibility to bid being dependent on the adoption of efficiency principles like those described earlier in this document.

2.29 Depending on views, our suggestion would be to set aside up to £1.2 billion for the whole Fund – up to £200 million for each year from 2015/16 to 2020/21. This option is scalable depending on the views received and further consideration by the Department for Transport. This would mean that around £770 million would be allocated to local highway authorities on the basis of a formula and around £200 million would be awarded on a competitive basis.
2.30 Funding would be awarded on a competitive basis. It is also likely that there would be a number of opportunities to submit bids to ensure that there is a pipeline of projects throughout the six year funding period. Funding could be provided for one-off projects or for a programme of maintenance improvements. We would also expect the usual principles of additionality to apply to any fund; e.g. there would be an expectation that the funding would not replace the Highways Maintenance Block allocation if a bid were to be successful.

Box 3

- Do you think funding should be top sliced from the total local highways maintenance funding from 2015/16 to 2020/21 to be used for a competition based Highways Maintenance Fund?
- If you agree with the above proposition, do you think that £1.2 billion (£200m per year) should be the amount to be top sliced over the six year period?
- Do you think that eligibility to bid for projects in the Fund should be conditional on local authorities signing up to efficiency principles?

Cycleway and footway maintenance

2.31 Well-maintained walking and cycle networks are essential to the delivery of better transport outcomes for a town or city. Carefully designed safe, attractive and convenient networks can contribute to a significant increase in walking and cycling, contributing to reduced congestion, improved road safety.

2.32 The Prime Minister announced his ambition for cycling in August 2013, setting out his intention to cycle proof new trunk road schemes and calling on local highway authorities to up their game to deliver infrastructure that takes cycling into account from the design stage.

2.33 This document seeks your views on how funding for structural maintenance and renewal of highways can help local authorities to meet the Prime Minister’s call and cycle proof the local road network with local cycle networks that deliver safe and convenient conditions for cycling and to ensure highways maintenance schemes deliver conditions that are suitable for safe and convenient cycling. This is particularly important in developing facilities to take cyclists past, or through, complex intersections which can often be dangerous and be seen as a significant barrier to cycle movement.

2.34 Footways form a very important element of the highway network and the economics of having a good public realm is good for local economic growth. Evidence recognises that investment in walking and the public realm can

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increase economic value and economic activity in local areas with well
planned improvements in the public realm able to boost footfall and trading by
up to 40%\(^7\). In addition, people on foot or cycles also tend to linger longer and
spend more.

2.35 Keeping footways in good condition also saves money. Between 2006 and
2010 local councils spent over £106 million in compensation claims due to
people tripping and falling.

2.36 The Highways Act 1980 states that the footway is an integral part of the
highway. The Traffic Management Act 2004, which places a duty on local
authorities England and Wales to manage their road networks to include the
efficient movement of traffic, states that “traffic” includes pedestrians.

2.37 Street management and maintenance are the most visible public services
delivered at local level and it has been shown that adults would walk more if
the streets were kept in better condition. Interventions in the walking
environment can take many forms including: speed limits; public realm
improvements; mixed priority routes; reallocation of space; and mixed
measures.

2.38 We are seeking views on whether to top slice around £50 million a year from
the £976 million being made available for local highway authorities to
encourage cycleway and footpath maintenance, and improvements to the
existing road network or where these are segregated.

2.39 We have identified two potential options for how any funding would be made
available. One is for the funding to be made available as part of the challenge
fund (as set out previously in this document). The other is to have a specific
Fund for local authorities to submit bids to the Department specifically for the
maintenance and improvement of footpaths and local cycle networks.

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Box 4

- Do you think that the maintenance and improvement of cycleways and footways
  should be eligible for funding from the proposed Challenge Fund?
- Would you prefer a specific discrete Fund for cycleways and footways
  maintenance, to be top sliced from the £976 million funding provided for local
  highways maintenance funding per annum?

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'Transportation cost and benefit analysis', Techniques, estimates and implications, Victoria Transport Policy
Institute; Whitehead, T., Simmonds, D. & Preston, J. (2006) 'The effect of urban quality improvements on
Alternative funding mechanisms

2.40 Since 1999 the Department has provided funding to a number of local highway authorities to upgrade and maintain street lighting and highways infrastructure through the Private Finance Initiative (PFI). While the Department has no plans to introduce a similar programme through its successor, PF2, we are keen to seek views on how alternative funding mechanisms could be used to fund major highways maintenance projects, in particular street lighting renewal and upgrade. This is because there is growing evidence to suggest there is significant opportunity to make long term savings on energy usage by upgrading street lighting columns and investing in new technologies such as LEDs and Central Management Systems (CMS).

2.41 Some work has already been undertaken by the Scottish Futures Trust\(^8\) on invest to save models for LED street lighting replacement. They estimate that a programme to introduce LED street lighting across Scottish local authority areas would require an investment of £298 million, but this could generate potential savings in the region of £1.3bn\(^9\) over a 20 year operational period (before allowing for financing costs).

2.42 One mechanism may be to fund one or more ‘pathfinder’ invest to save projects through the Challenge Fund mentioned above and/or to produce guidance documentation to enable local authorities to achieve the savings which may be possible through the updating of street lighting infrastructure.

2.43 There may also be an opportunity to use alternative funding sources, such as Prudential Borrowing, to make any investment which central government provides, go further. There are examples of local authorities which are using prudential borrowing as means of investing in the maintenance of their highways. Blackpool, for example, has implemented a project known as Project 30 to revitalise its road network and bring about savings of over £100m over 25 years.

2.44 We would like views on how this funding should also be used in conjunction with other alternative funding to support major maintenance projects.

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\(^9\) The savings comprise energy savings (62%), maintenance savings (36%) and CRC savings (2%). The investment results in a 67% reduction in energy consumption and 1.35m tonnes of carbon saved over the 20 year analysis period.
Box 5

- Do you think the Department should use the Challenge Fund to support local authority street lighting invest to save projects?
- Do you have any other suggestions about how alternative funding mechanisms could be used to support major maintenance projects?
Highways Maintenance Block Formula changes

2.45 This document has already highlighted some potential changes which could be made to the funding formula to incentivise the take up of efficiencies by local highway authorities. In addition to those changes suggested we think there are a number of additional options which could be considered. These are set out below.

Detrunked roads

2.46 The policy of transferring non-core trunk roads (detrunking) to local highway authorities was first set out in the White Paper, ‘A New Deal for Transport’ published in July 1998.

2.47 Detrunking allows the Highways Agency to concentrate on the operation of the strategic trunk road network, whilst enabling local authorities to consider their own priorities for the improvement of non-core routes. The de-trunking process was largely completed in 2010 with the transfer of some 1,850 miles of roads to local authorities which are now established as assets under the ownership of local authorities.

2.48 We think that Element A (see Annex A) from the existing Block formula should no longer be considered as a discrete element, but should instead be part of Element B - lane length of the authority’s A roads. This would capture the lane length of all local authority ‘A’ roads, including detrunked roads.

Box 6

- Do you think the detrunking element of the formula should be removed and funding distributed on the basis of Elements B to D in Table 0.1, Annex A?

Local highway authorities with Private Finance Initiatives

2.49 There are over 30 local highway authorities that have have street lighting improvement and maintenance projects funded through the Private Finance Initiative (PFI). These authorities receive PFI grant from the DfT for the upgrade and maintenance of their street lighting asset but still receive the full amount of Highways Maintenance Block Grant.

Box 7

- Do you think local highway authorities that receive funding for street lighting through the PFI should also receive the street lighting element (Element D) of funding from the Highways Maintenance Block?
Weightings of the carriageways, bridges and street lighting elements

2.50 The formula has been established to try to distribute available funding in a way that is fair and best reflects maintenance needs of local authorities. The weighting given to each element is therefore an important part of the overall formula. We know from Whole of Government Accounts data that by far the most valuable asset type for local highway authorities are carriageways but structures can in some circumstances have significant one-off maintenance needs.

2.51 The existing weighting of each element is set as is out in Table 0.1 (Annex A). Other than including the detrunking element into the roads element (see earlier issue) we do not intend to alter the weightings. Therefore the available funding to be distributed by formula would be divided as below:
- Roads (66%)
- Structures (29%)
- Lighting (5%)

2.52 We are keen to receive views and evidence on whether these weightings remain appropriate and also whether the specific elements in Table 0.2 (Annex A) remain appropriate.

Box 8
- Do you think that weightings for each element in the funding formula should be roads 66%, structures 29% and lighting 5%?
- Do the specific elements used to distribute funding (Table 0.2, Annex A) remain appropriate?

Road usage and traffic

2.53 The current funding formula does not take into account traffic volumes. We know that traffic volume is a key variable in terms of affecting the rate of carriageway deterioration. There is an option to base part of the funding allocated through the Block Grant on traffic volumes. This would mean that those areas which are more heavily trafficked could receive more funding. We would like views on this suggestion.

Box 9
- Do you think traffic volumes data should be an additional element of the funding formula?
3. How to get involved / Next steps

3.1 This document has been produced to stimulate debate during the DfT / HMEP Roadshows being undertaken in January and February 2014.

3.2 Attendance at these events will give you the opportunity to provide comments on the ideas in this document and to provide ideas and evidence of your own. However, if you are unable to attend these events or would like to provide additional comments or evidence, please provide these via our survey site (preferred method): [https://www.surveymonkey.com/s/LHWQ95F](https://www.surveymonkey.com/s/LHWQ95F) or by email to HMRoadshows2014@dft.gsi.gov.uk

3.3 Following the roadshow events the Department will collate and analyse all of the comments and evidence received. The information will then be used to inform a draft policy for funding from 2015, which will be subject to a formal consultation exercise in summer 2014. This will give all interested parties the opportunity to make formal representations.
Annex A

Highways Maintenance Block Formula

Local highway authorities receive capital funding from central Government for highways maintenance through the Highways Maintenance Capital Block Grant. This funding is allocated to each authority based on a formula that was created in 2005 and, along with the Integrated Transport Block Formula, was used to determine the Local Capital Transport Settlement from 2006 onwards.

Highways Maintenance (or formulaic maintenance) is capital funding provided to help local highway authorities in England (outside London) plan and manage the road networks for which they have a statutory duty under the Highways Act 1980 (as amended) to maintain. This funding covers major resurfacing, maintenance or replacement of bridges (including tunnels) and other assets such as footways and drainage systems, as well as occasional reinstatement of roads following natural disasters. It also covers street lighting provision. This funding is not ring-fenced and local authorities can spend their allocations according to their needs and priorities.

Once a total sum of money has been set for the Maintenance Block, the formula is then used to allocate the funding between highway authorities. The current formula is based on need and has four elements which can be broken down as follows:

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<tr>
<td><strong>Element</strong></td>
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<td>A</td>
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<td>B</td>
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<td>C</td>
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<td>D</td>
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Each of these elements is made up of one or more data items (or factors), which are weighted to determine what share of the funding should go to each authority. The factors are set out in the list below.

### Table 0.2 Highways Maintenance Block Formula Factors

<table>
<thead>
<tr>
<th>Element</th>
<th>Factor</th>
<th>Maintenance Block Factors: Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
<td>Lane length of the authority’s detrunked roads</td>
</tr>
<tr>
<td>B</td>
<td>2</td>
<td>Lane length of the authority’s A roads (on LA managed roads, excluding detrunked roads)</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Road length of the authority’s B and C roads (on LA managed roads)</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Road length of the authority’s unclassified roads (on LA managed roads)</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Percentage of principal roads (A roads) where maintenance should be considered, as reported in the authority’s NI 168 [See Note]</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Percentage of non-principal roads (B and C roads) where maintenance should be considered, as reported in the authority’s NI 169 [See Note]</td>
</tr>
<tr>
<td>C</td>
<td>7</td>
<td>Number of bridges assessed as needing, and scheduled to undertake, strengthening works estimated to cost more than £50,000</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>Number of bridges assessed as needing, and scheduled to undertake, major maintenance works estimated to cost more than £50,000</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Number of bridges owned by the local authority with spans over 1.5m</td>
</tr>
<tr>
<td>D</td>
<td>10</td>
<td>Number of street lighting columns owned by an authority which are aged 40 years or more</td>
</tr>
</tbody>
</table>

*Note: Elements B5 and B6 have now been phased out*

Some work has already been undertaken by the Highways Maintenance Block Formula Working Group\(^{11}\). One of the ideas the Group considered was the potential to undertake a fundamental review of the formula and base funding allocations on the Whole of Government Accounts (WGA) data provided by local authorities.

This was explored in some detail but it was concluded that the data is currently not complete or reliable enough to be used as a basis for the funding allocations. That said the Department remains convinced that WGA data is an appropriate data source to use in allocating funding to local authorities for highways maintenance in future. This is because this should provide an accurate indication of need. However, we will not be in a position to take this forward until more local authorities make their WGA returns and we are assured that the data is both robust and reliable. The Department will continue to work with local authorities, CIPFA and HM Treasury to support the take up of this important work.

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