

National Local Roads and Transport Congress



Adelaide - 19th November 2019

Road Funding - What are we asking for and why ?

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Agenda

- **CIHT Review**
- **Feedback from industry survey**
- **The need for investment**
- **CIHT Strategy**
- **What are we asking for ?**
- **Where could it come from?**
- **Parliamentary Select Committee Response**
- **Government's Response**
- **What next ?**

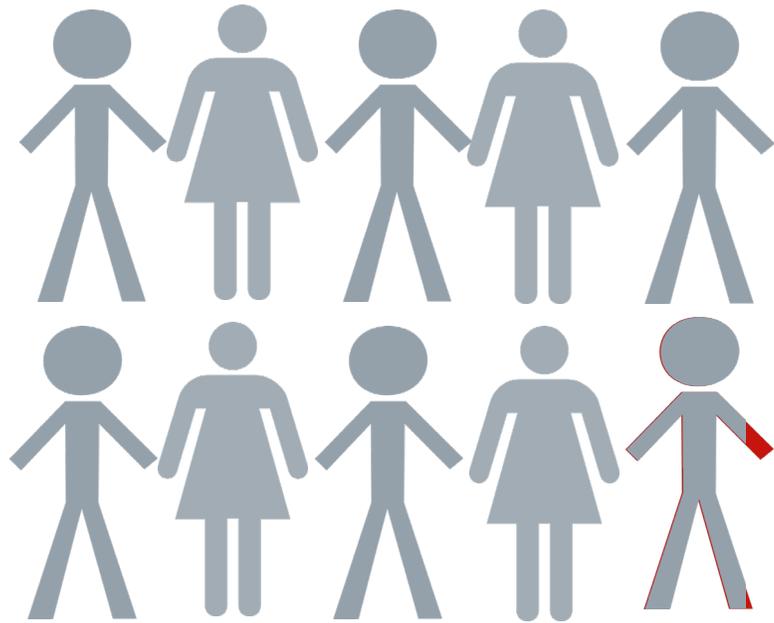


Review - terms of reference

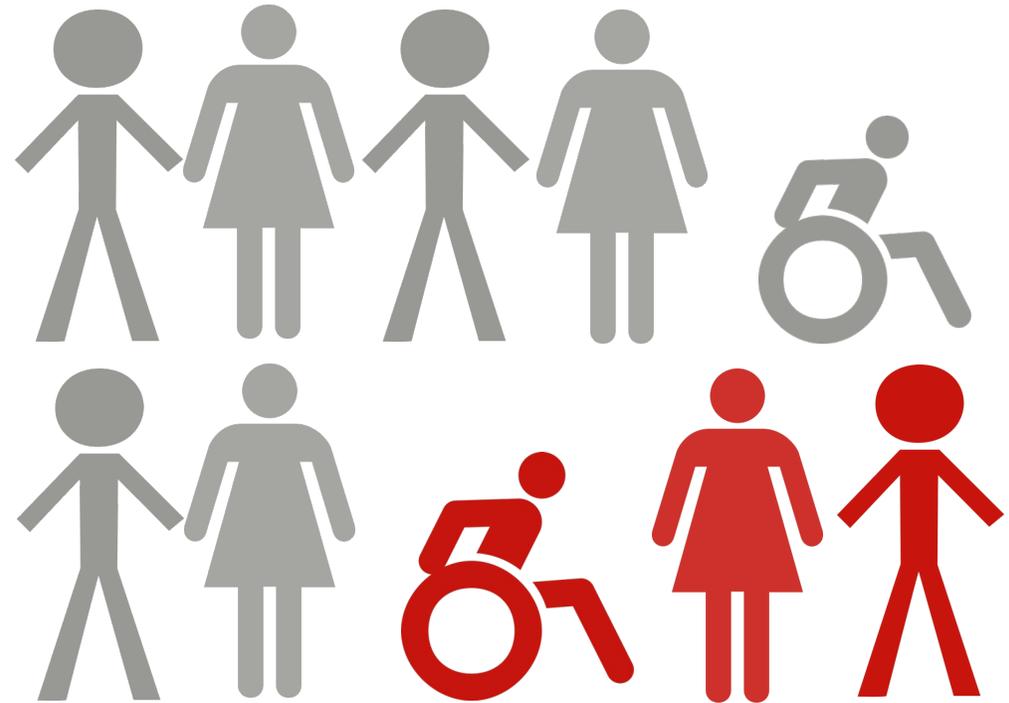
- **Condition**
- **Economic & social costs**
- **Governance & management**
- **Funding requirements**
- **Suitability of current funding**
- **Alternative models**



98% said useful
government consider
changes now

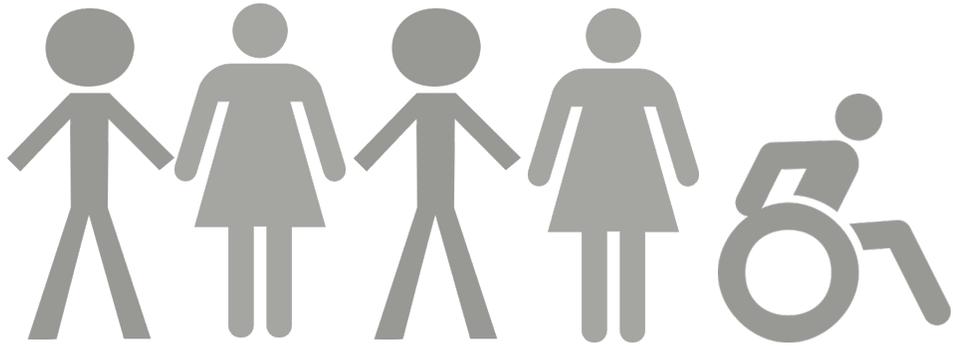


7 out of **10** said reduce
number of highway
authorities



8 out of 10

A Local Roads Fund



wsp

95% - provide
certainty of funding for 5
years or a longer period



9 out of 10
ring fenced funding



7 out of 10 support
TOTEX funding



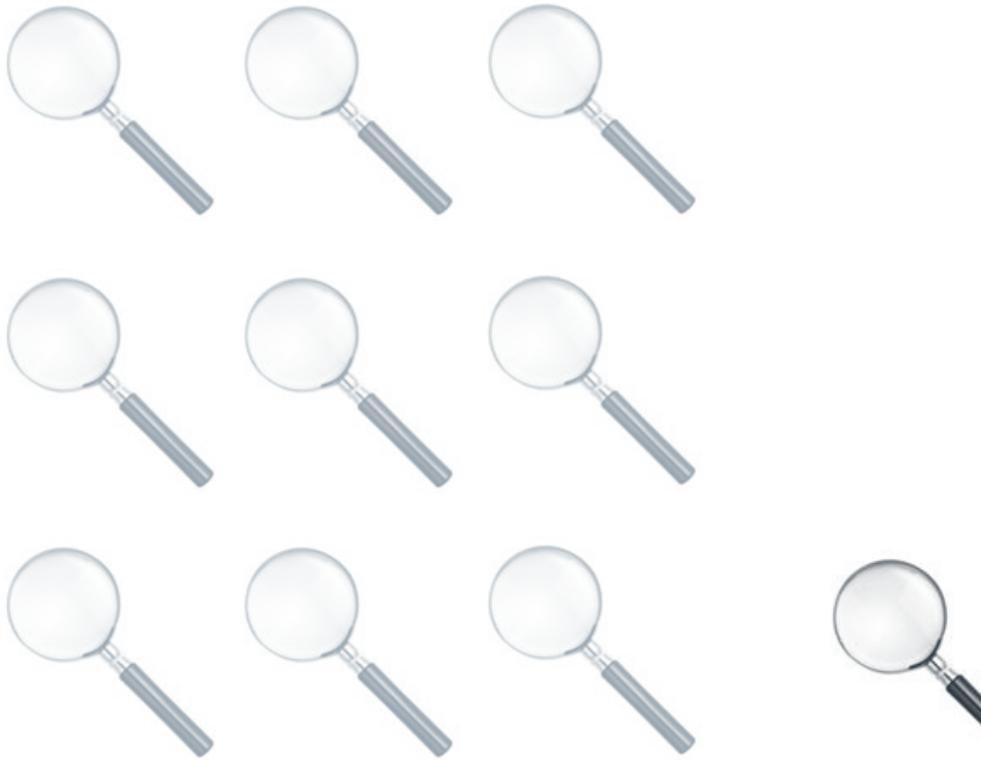
5 out of 10
some form of pay as
you go funding



96% change the way
utilities pay for impact of
their works



9 out of 10 standard approach to collect condition data

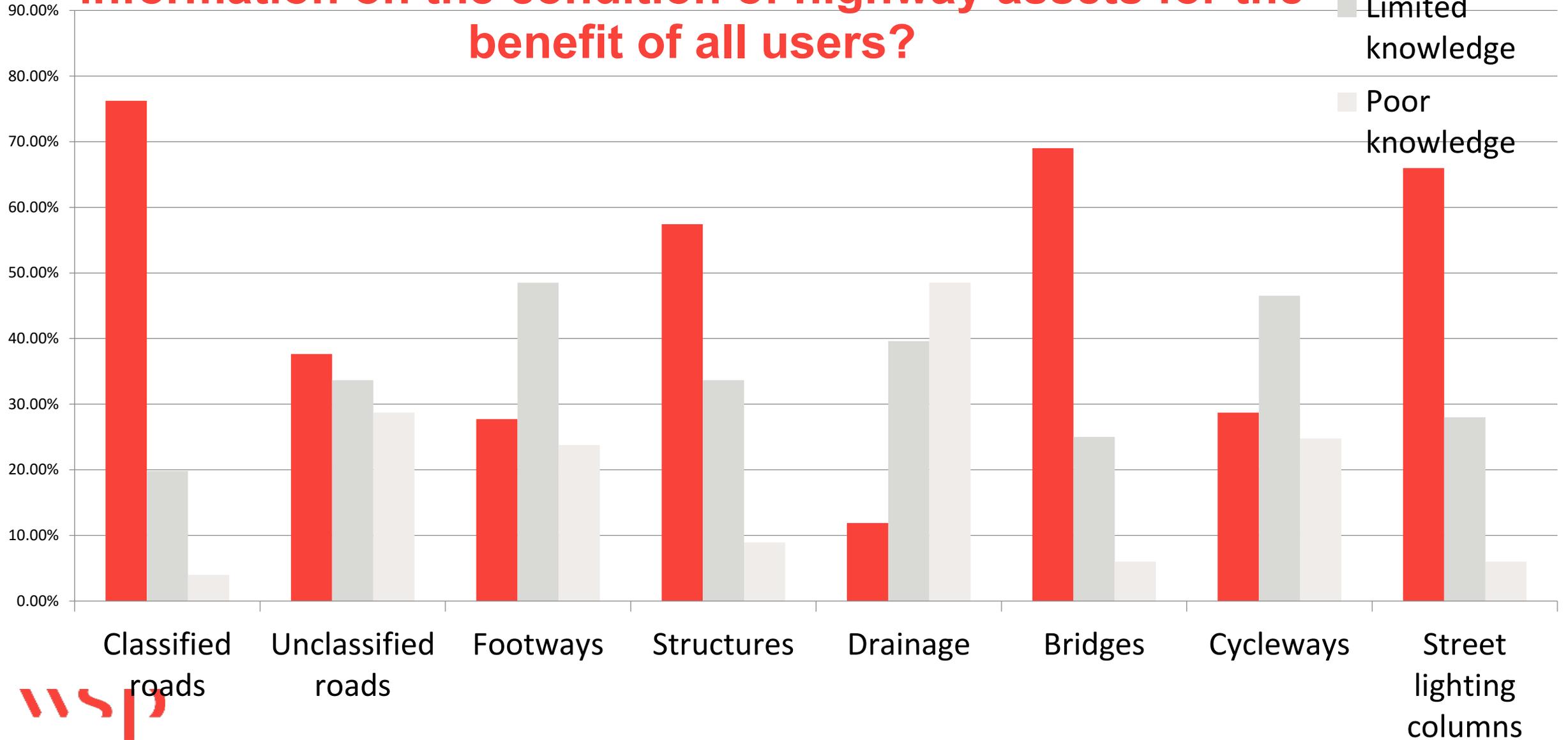


96% - we should have a standard approach to calculate backlog



Do local highway authorities have sufficient information on the condition of highway assets for the benefit of all users?

- Good knowledge
- Limited knowledge
- Poor knowledge



Consultation with the sector groups

UK ROADS LIAISON GROUP



Key themes arising from the review

- **The local road network requires improvement**
- **The Local road network is a vital, under researched resource**
- **We must change our approach to the Local road Network**
- **Governance requires reform**



The economic case of investing in highway maintenance

Investment in highways maintenance brings a high return. According to Department for Transport report for every \$1 in increased maintenance spend there is a \$2.7 return.



So what if we don't invest in the local road network - We won't?

- **Deliver the connected, autonomous, shared, and electric revolution which is a key part of Industrial Strategy;**
- **The Local Road Network will not support the Government's target of net-zero carbon emissions by 2050 to address climate change.**



So what if we don't invest in the local road network - We won't?

- **Achieve an increase in cycling, walking and a healthier lifestyle;**
- **Create and support more resilient communities to manage and respond to climate change;**
- **Be able to maintain good connections between the local places that are so important in supporting local economic activity.**



What are the underlying problems

Many local roads were not initially built to modern standards



Over 200 bodies including numerous uncoordinated utility companies have rights to dig up the roads to access water, power and telecoms infrastructure.



What are the underlying problems

- **Despite the huge value of the local Road network (Estimated over \$1000bn) it does not generate meaningful income, making it difficult to quantitatively assess the benefits for local highways authorities.**
- **Network users (consumers) have no performance measures for their roads and lack redress via a regulator or other independent channel. (Councillors may represent their electorate, but they also represent the local highway authorities).**
- **Despite the general public concern about the state of local roads, there is as yet no standard approach to measuring condition**

CIHT Strategy for the future a 4 Point Plan

- 1. The Government should commit to a 10-year programme of additional funding**
- 2. Creating evidence in order to allocate a Local Roads Fund in the first 5 years**
- 3. Monitoring outcomes in the first 5 years to provide clarity that money has been spent wisely and performance of the network is improving**
- 4. Establishment of new sources of funding to support the Local Roads Fund**

1. The Government should commit to a 10-year programme of additional funding

- **A front-loaded 10-year additional funding settlement (i.e. over and above current funding levels) of \$28bn to address the maintenance backlog. This is based on modelling information from a number of highway authorities and represents a 40% increase in funding.**
- **A Local roads fund should be created from 2026 onwards with the total fund confirmed by the following steps**
- **This would be an additional funding level over and above the \$6.7bn that highway authorities in England receive annually of revenue and capital funding for highway maintenance.**

2. Creating evidence in order to allocate a Local Roads Fund in the first 5 years

- **An up to date database of national condition information needs to be created for all key highway assets;**
- **Techniques for collecting data need to be updated using the latest technology;**
- **A standard measure to calculate funding required needs to be developed based on common standards of serviceability from a customer perspective.**

3. Monitoring outcomes in the first 5 years to provide clarity that money has been spent wisely and performance of the network is improving

- **Establishment of a monitor to provide oversight that money has been spent well and on what it was provided for;**
- **Development of a resource to include monitoring of performance of local highway authorities to compare efficiency, cost effectiveness and innovation in delivery;**
- **Development of an outcome service specification for what people can expect, underpinned by more detailed specifications and guidance for local authorities and other practitioners;**
- **A review and update of regulations and legislation – including The Highways Act 1980.**

4. Establishment of new sources of funding to support the Local Roads Fund

- **Invest to save – including prudential borrowing – allowing councils to fund highways activities to save**
- **Business rate retention – currently being piloted**
- **New revenue generating activities**
- **Public private partnerships**
- **Charging utilities the real cost of reinstatement**
- **Move to pay as you go**

Transport Parliamentary Select Committee endorse all CIHT proposals in their report



House of Commons
Transport Committee

Local roads funding and maintenance: filling the gap

Tenth Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 25 June 2019*

HC 1486
Published on 1 July 2019
by authority of the House of Commons



Government's Response to the Transport Select Committee



- **Will ensure that the priorities for long-term funding for local highways maintenance are well understood**
- **Encourages using a full range of tools to invest further in their local highway assets**

In Summary –advice for making the case for investment in local roads

- **Work closely with the agency that is making the case to Government (UK Department of Transport)**
- **Work collectively and collaboratively with the sector but don't be pressured by any one stakeholder group**
- **Ensure you have a clear evidence base and not anecdotal**
- **Avoid surprises engage and communicate**
- **If possible keep an independent expert voice (CIHT is a registered charity for public benefit)**

What next – We await a new Government but are optimistic there will be an increase funding for local roads



Any Questions

