

# National Local Roads and Transport Congress



**Adelaide - 19<sup>th</sup> November 2019**

# Road Funding - What are we asking for and why ?

**Matthew Lugg OBE**

**Head of Profession Local  
Government WSP**

**Immediate Past President of CIHT**



# Agenda

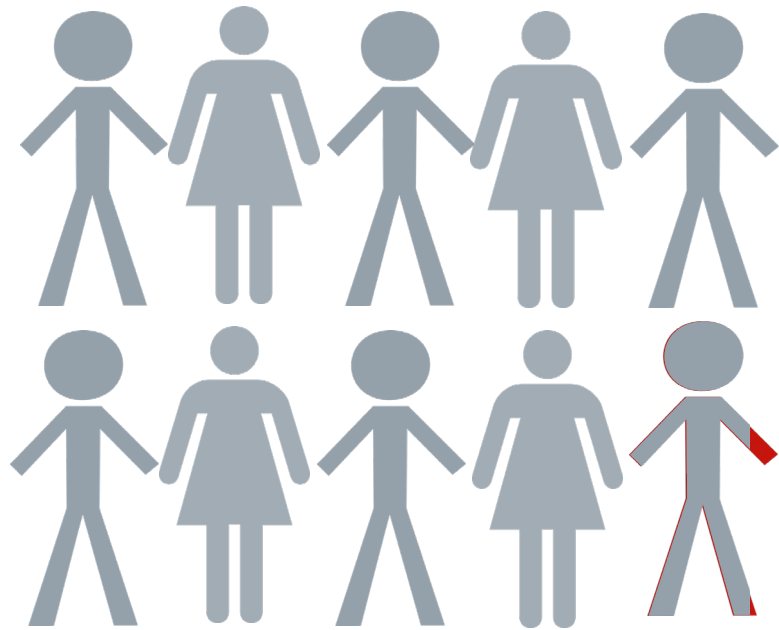
- **CIHT Review**
- **Feedback from industry survey**
- **The need for investment**
- **CIHT Strategy**
- **What are we asking for ?**
- **Where could it come from?**
- **Parliamentary Select Committee Response**
- **Government's Response**
- **What next ?**



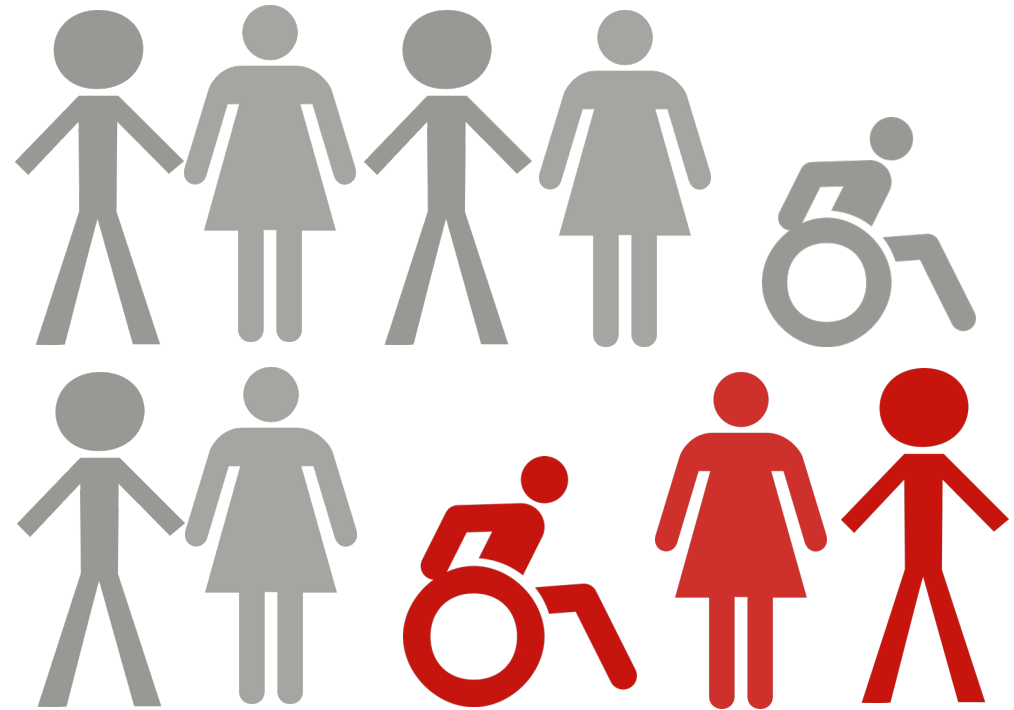
- **Condition**
- **Economic & social costs**
- **Governance & management**
- **Funding requirements**
- **Suitability of current funding**
- **Alternative models**



**98%** said useful  
government consider  
changes now

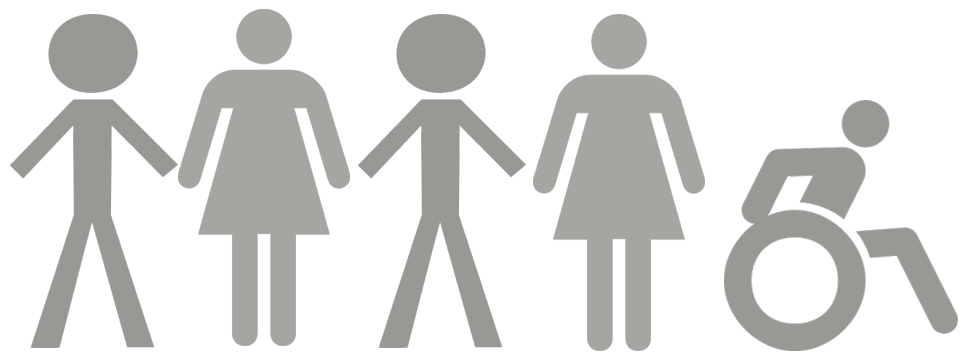


**7** out of **10** said reduce  
number of highway  
authorities



**8 out 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

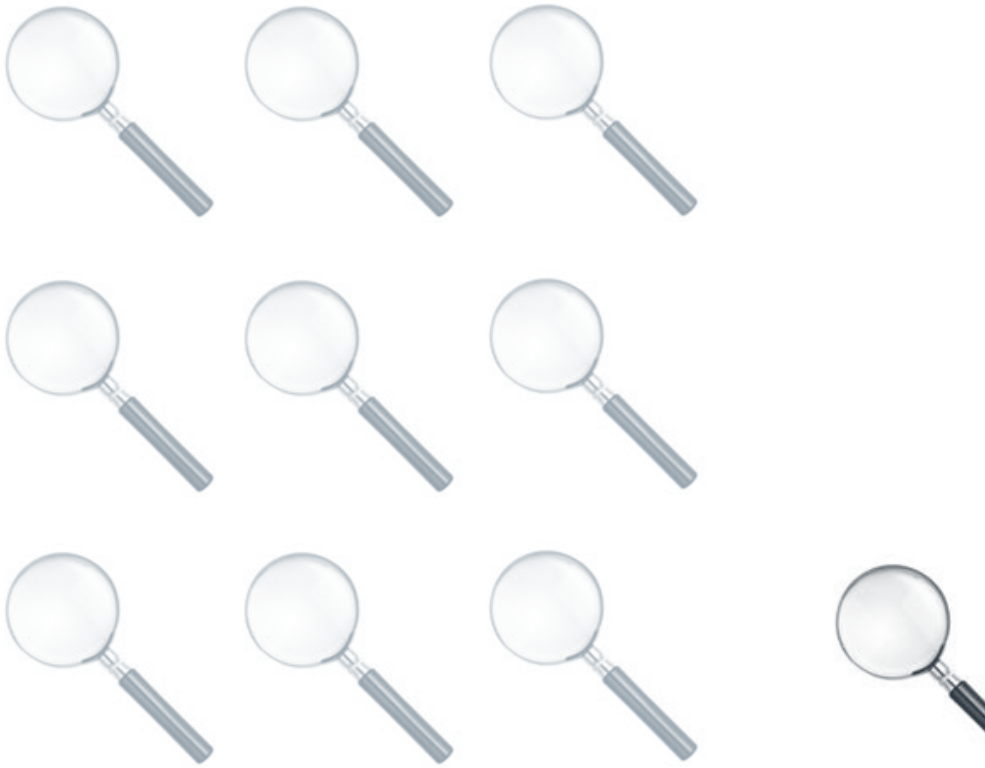


**96%** change the way  
utilities pay for impact of  
their works





**9 out of 10 standard  
approach to collect  
condition data**

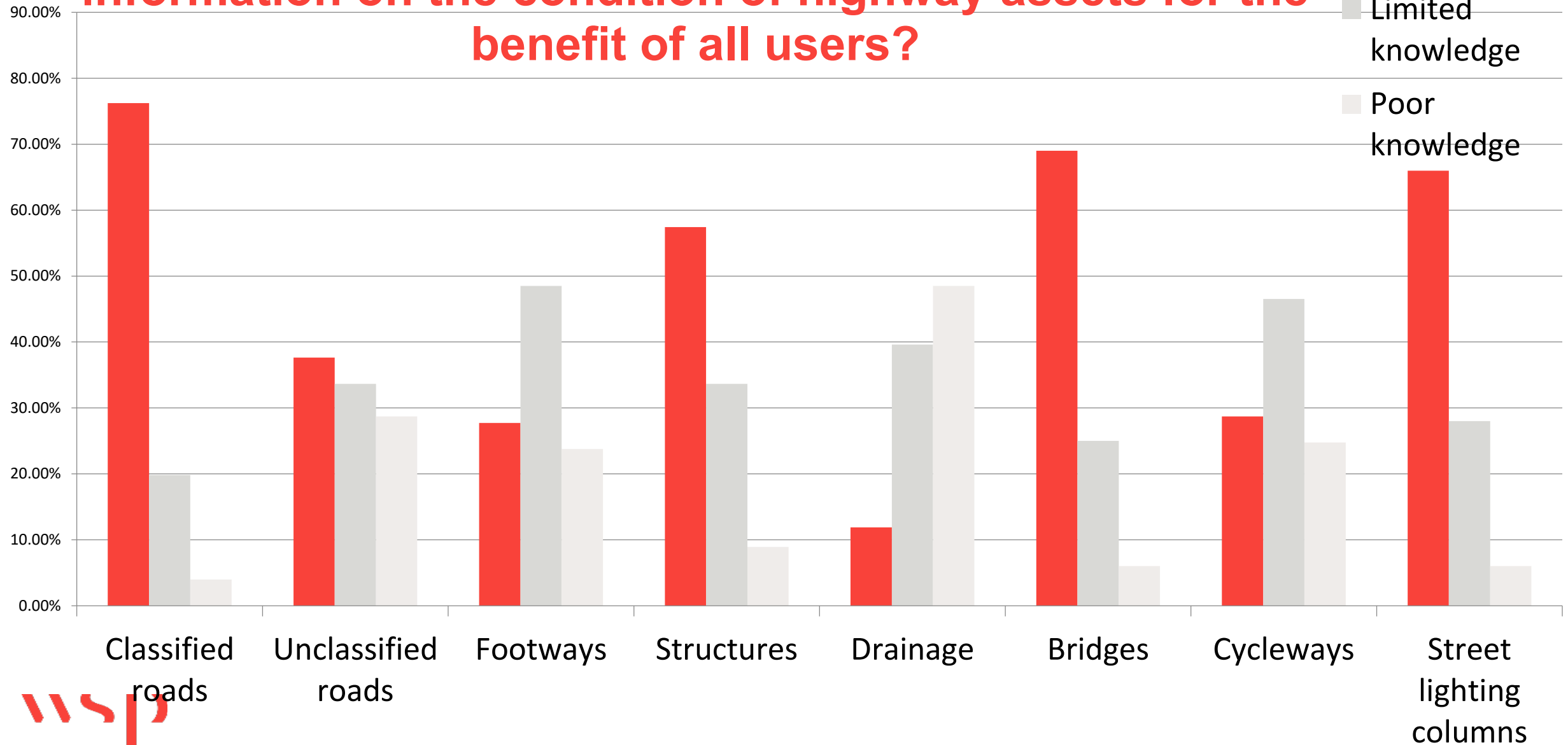


**96%** - we should  
have a standard approach  
to calculate backlog



# 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

