The impact of budget cuts on local road maintenance and road safety

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Summary

• This briefing covers two recent reports which both highlight growing concerns about the lack of funding available for important aspects of local transport – one covers road maintenance and the other road safety.

• ‘A bumpy ride: The funding and economics of Highways Maintenance in the English City Regions’ by pteg and ‘Road Safety since 2010’ by the Parliamentary Advisory Council for Transport Safety (PACTS) set out the impact of the significant budget cuts in recent years.

• Both reports identify the discrepancy between the limited funding available for the local road network – which carries the majority of traffic – and the budgets now available to Highways England for the Strategic Road Network. They also highlight the longer term implications of the current lack of investment in the local road network and call for urgent action.

• The briefing will be of interest to elected members and officers with highways and road safety responsibilities.

Briefing in full

The funding of local road maintenance

Introduction
Growing concerns about the lack of funding available for local road maintenance are highlighted in a recent report from pteg, the body which represents the strategic transport authorities for the six largest city regions outside London. ‘A bumpy ride: The funding and economics of Highways Maintenance in the English City Regions’ highlights the poor condition of local roads, describes the declining trend in
maintenance funding and makes the case for a significant increase in investment on the local network. Although the report focuses on the city regions, much of what it says is equally applicable to other local highway authorities outside London.

The vast majority of the road network – 98% - is managed by local highway authorities and these local roads carry two-thirds of motorised traffic as well as being heavily used by pedestrians and cyclists. Many journeys rely entirely on the local road network. There is increasing discrepancy between the funding available for the 2% of the road network managed by Highways England (HE) and that available to local government despite Department for Transport (DfT) statistics showing that the local road network is in a far worse state of repair.

**Why is road condition a problem?**
The Pteg report identifies that in the six English metropolitan areas alone, there were 5,500 kilometres of local roads in urgent need of repair in 2014, compared to just 220 kilometres across the entire HE network. Unclassified roads are in the worst condition of all local roads, with 15% of the network requiring urgent structural maintenance. From its annual survey of local highway authorities in 2015, the Asphalt Industries Association (AIA) estimated that it would cost £10.7 billion and take 12 years (based on current spending levels) to bring all local roads in England outside London to a serviceable condition.

There is evidence that the issue is also of concern to the public. Results from the 2014 annual National Highways and Transport Public Satisfaction survey show that fewer than one third of respondents were satisfied with the condition of local roads in their area. An RAC report on motoring found that 66% of those surveyed believe that their local roads have worsened in condition and eight in ten motorists felt that taxes are not sufficiently invested into the maintenance of local roads.

Poor road conditions also cause problems for pedestrians and cyclists. According to the 2015 Annual Local Authority Road Maintenance (ALARM) survey, local authorities spend tens of millions of pounds each year in compensation claims for injuries incurred as a result of trips or falls on badly maintained streets. The national cycling charity CTC has called on government to increase the amount of highways maintenance funding targeted specifically at local cycling routes.

**What is currently been spent on local road maintenance?**
HE roads received 2.7 times as much maintenance spend per km as local authority-managed A roads and motorways; and 15.9 times as much as local authority unclassified roads. HE roads receive an average annual maintenance spend of £111k per kilometre, local authority principal roads receive £41k and the local authority secondary road network (B,C, and unclassified roads) receives only £7k.. HE's funding is set to more than double over the next five years (from £1.5 billion in 2015/16 to over £3 billion in 2019/20).

In contrast, local authorities continue to face unprecedented cuts in their funding from Department of Communities and Local Government (DCLG) and there is a lack of certainty about future funding for local road maintenance from the DfT. The previous Government provided over £1 billion of top-up local highways maintenance
funding between 2010 and 2014, in addition to a £3.8 billion maintenance capital grant set out in the 2010 Comprehensive Spending Review. In 2013, DfT set out plans to increase its annual capital maintenance grant to £1 billion from 2015/16 onwards (compared to an average annual figure of £780 million over the previous four years). However, this only funds a relatively small proportion of total maintenance funding on local roads and other funding available to local authorities has been significantly reduced over the same period. Between 2009/10 and 2013/14, maintenance spending on local roads in England went down by over a quarter, in real terms. Pteg highlight the importance of ensuring that the long term funding plans set out in 2013 are confirmed as part of the 2015 Spending Review.

Why does the current situation need to change?
A key factor limiting local authorities’ spending on road maintenance is the distinction between spending that can be funded from capital and revenue budgets. Capital budgets can only be used for activities which are considered to be investments and recurring expenses are meant to be covered by revenue budgets which can also be used for capital spending. According to NAO analysis carried out in 2014, around £1.1bn of local authority spending was classified as capital and £2.3bn revenue. Most DfT funding can only be used for capital spending but there is usually more flexibility in the use of funding from DCLG and local sources such as council tax and car parking charges. It is these more flexible sources of funding that are critical for activities classed as revenue funding such as fixing potholes and other minor repairs.

There are two key consequences of the current situation. Firstly, local authorities are forced to spend large proportions of their available budgets on reactive repairs, such as filling pot-holes or repairing roads after structural failures. This is much less cost effective than a planned, preventative maintenance programme. The pteg report argues that an accelerated maintenance programme would pay for itself in the long-run, citing empirical evidence from local authorities in the United States which suggests that every $1 spent on preventive maintenance at the right point in time can avoid a $4 structural maintenance bill at later stages.

Secondly, there are direct costs for road users and society resulting from the poor condition of local roads, such as higher vehicle operating and replacement costs, longer journey times, air and noise pollution. Various analyses of the economic value of highway maintenance spending suggest that it is currently below its optimum level and a higher level of spending would more than pay for itself in the long run. For example, the West Midlands Road Condition Study suggested that an increase in funding, largely in the form of an accelerated maintenance programme, would generate returns of £6.50 for every £1 of public investment.

In order for a preventative maintenance programme to be effective, local roads need to be in a serviceable condition to begin with, so it is likely that a move towards a preventative approach would require a degree of accelerated spending in the early years of any asset management plan. Pteg argue that striking the right balance between funding for initial construction costs and maintenance spending is therefore key to ensuring the local road network continues to perform at a satisfactory level. If road maintenance is viewed as a way of avoiding or delaying future investment then
What needs to be done?
The report calls on government to:

- create longer term certainty over highways maintenance funding, enabling local highway authorities to develop and implement long term asset management plans which would deliver a better outcome with the money available;
- frontload funding over the next Comprehensive Spending Review period in order to enable an accelerated programme of maintenance spending;
- give local authorities greater certainty over how overall maintenance funding is spent, including relaxing some of the artificial distinctions between capital and revenue maintenance and allowing local authorities to vary the amount of maintenance spending year-on-year, within a long-term funding envelope;
- review the formulae used to allocate available funding between different local authority areas so that it takes account of the volume of cars, buses, lorries, pedestrians and cyclists travelling on local roads as well as road length.

The report also recommends that more work is undertaken to fully understand the economic value of highways maintenance spending on local roads, including its impact on pedestrians, cyclists and public transport users.

Pteg argue that the benefits of improved road condition are likely to be highest in the areas that they represent and that this should be reflected in any future review of funding allocations. This is because the traffic density on local roads in the six English city regions is on average 70% greater than anywhere else in England, outside London. They also highlight the opportunities to make more effective use of local highways maintenance funding arising from the devolution agenda and the creation of Combined Authorities. This could enable a more integrated and cost-effective approach to the management and development of the entire network.

Changes in road safety since 2010

Introduction
Another recent report also highlights the impact that cuts in local authority budgets have had on the delivery of key transport outcomes. ‘Road Safety since 2010’ published by the Parliamentary Advisory Council for Transport Safety (PACTS) and the RAC Foundation sets out the major changes in strategy, actions and resources for road safety since 2010. Spending cuts, increased devolution and a move away from national targets have all had a profound impact on road safety in England during this period.

The UK Coalition Government chose not to set national casualty reduction targets but did set a casualty reduction target for Highways England to achieve for the strategic road network. In 2011, the Government published a Strategic Framework for Road Safety, which focuses on education and enforcement approaches to road safety. However, this has not necessarily been supported by other policy decisions,
for example, road safety is not included under the list of national threats that police chiefs must address. Although the Framework does not include targets it does include forecasts for the number of people killed or seriously injured (KSI) in road accidents in Great Britain for the period 2010 to 2030. The central projection forecast is 1,770 deaths and 18,070 KSIs in 2020 (reductions of 37% and 40% respectively on the 2005-9 average).

Views of local authorities
The report is based partly on an online questionnaire survey of local transport authorities in England, outside London, which sought their assessment of road safety in their authority area and nationally since 2010. Responses were received from 34 councils, covering more than a quarter of local authorities and the majority viewed the less prescriptive approach from national government coupled with reductions in budgets as having a negative impact on road safety. 76% thought the changes in general leadership and strategy were negative or strongly negative. There were concerns that the emphasis on economic growth and spending constraints at the expense of other policy concerns was not in the best interests of a coherent road safety strategy.

The Government’s emphasis on localism since 2010 was initially considered to offer some opportunities for road safety. However, the outcomes have been variable with only 65% of those responding to the survey having set their own targets for road safety. There are also concerns that local authorities lack the resources needed to establish the local evidence base for what works and have not been able to work collaboratively to fund such activity. The lack of a national road safety target means that road safety has lost its profile nationally and locally.

In terms of actions to deliver improved road safety, there was support for the new enforcement legislation, particularly in drink- and drug-driving, but concern that the lack of priority and resources for roads policing would reduce the effectiveness of the measures. There was also disappointment regarding what some saw as opportunities missed, particularly the absence of the promised Green Paper on young driver safety.

Reductions in local funding have encouraged road safety practitioners to try and work more closely with those responsible for sustainable transport, road maintenance and public health outcomes. Around half of local authorities (44%) thought these stronger links had been positive for road safety but effective joined-up working is dependent upon cooperation between departments on matters of funding, and on local circumstances.

Resources and capacity
As with road maintenance, there is a stark contrast between the funding for road safety measures on local authority roads and that available to Highways England whose budget for 2015-2020 includes £105 million of capital funding for additional road safety measures on the strategic road network.

Funding of road safety by DfT has fallen sharply since the start of 2010 although there has been increased funding for cycle training (Bikeability) and a new (non-recurring) Cycle Safety Fund was introduced. The report cites figures from an official
website established by DfT, the English Road Safety Comparison website, which show that total capital spending on road safety across England fell from £177 million in 2010 to £2 million in 2012. However, it highlights that there are questions about the reliability of the data on this website, particularly with regard to revenue spending so they have not reported that.

The report also highlights concerns about the impact of budget cuts on staffing resources and expertise within both DfT and local authorities. In addition, there has been a 23% reduction in the number of full-time equivalent traffic police officers between 2010 and 2014, with some forces experiencing even higher reductions, for example 76% in Devon and Cornwall. However, the local road safety partnerships, which support police safety camera programmes and other enforcement activity, are reported to have recovered considerably from the difficulties they experienced in 2010.

The reductions in funding and staff available to local authorities mean that they have had to prioritise which services they deliver. There is some concern that as road safety has lost its profile at the national level, this has had an impact on how it is regarded at the local level. DfT’s Road Safety Capital Grant for local authorities was abolished in the 2010 Emergency Budget. This has had a significant impact and means that many local authorities are now dependent on accessing alternative funding streams through partnership such as the Local Sustainable Transport Fund or via LEPs. However, these do not always have matching policy aims.

The report also examines what has happened to road safety research since 2010 and concludes that there have been both advances and setbacks and notes that both the private and third sectors are playing increasingly significant roles.

**Casualty trends**

Overall the downward trend in KSI (killed and seriously injured) casualty numbers has continued across the UK since 2010, but at a slower rate than previously and with variations from year to year and across the UK. In 2014 KSIs actually increased by 5% compared to 2013. 2014 also saw the first increase in slight casualties – 6% - since 1997. The highest percentage reduction in KSI was in London (-40%), while England excluding London (-17%) and Wales (-6%) saw reductions below the UK average (-19%).

Casualties declined over this period for all major road user groups except for cyclists, where the number seriously injured (but not killed) increased. Vulnerable road users now (in 2014) make up a larger share of total road deaths than in 2005-9 (50% compared with 46%). Despite this, the UK maintained its position of having one of the lowest fatality rates of all OECD countries (measured by road deaths per million population) over the period 2010-13. DfT Ministers use this fact to say that the UK has “amongst the safest roads in the world”. However, the report points out, that it is not clear from these overall fatality rates whether the UK has the safest roads, the safest vehicles or the safest road users, or if some other factor is relevant.
Despite the decline in overall casualties, over half of the English local authorities that responded stated that the trends in casualties and safety indicators in their area have been negative (i.e. the situation has worsened) since 2010.

Conclusions of the report
There is now far greater diversity in road safety strategy across the UK with devolved administrations in Scotland, Northern Ireland and London, being far more ambitious.

The absence of national road casualty reduction targets for England and Great Britain is seen as a key reason for a lack of focus on road safety at the local level within England. This has had negative consequences in terms of priority, resources and operational capacity. Stakeholders and the local authorities surveyed were concerned about the approach set out in the Government’s Strategic Framework for Road Safety and fear that the legacy of this approach is likely to be seen in years to come.

The trends show that Great Britain is, broadly, on track to reach the 2020 casualty projections in the Framework. However, these were made much more achievable by large falls in the period 2007–10, before the present strategies were adopted. The 5% increase in the number of people killed or seriously injured in Great Britain in 2014 makes this trend less certain.

PACTs and the RAC Foundation conclude the report by urging the Government to review the trends since 2010 in order to devise an ambitious and effective road safety for the next five years or more. Updated projections from PACTS show that one third of a million people will be killed in the period 2011-30 unless more effective action is taken.

Comment
With the outcome of the spending review now only weeks away, these two reports provide a timely reminder of the impact that successive budget cuts since 2010 have had on local authorities’ ability to deliver the kind of services that make a real difference to people’s everyday lives. We all benefit from safe and well-maintained local roads – as PTEG point out many journeys rely entirely on the local road network - and the two issues are clearly linked - roads in poor condition are more dangerous, especially for pedestrians and cyclists. There are wider costs to society too with badly maintained roads leading to higher vehicle operating costs, longer journey times and increased pollution. As both reports highlight, there will be long-term consequences if the current situation continues.

Yet, even as the Government is finding increased funding for Highways England, uncertainty remains about the funding available for local road. With the discrepancy between local and national road spending only set to get worse under current Government plans, a wide range of different organisations are now saying that the situation needs to change. As highlighted in this LGiU briefing, the summer 2015 budget saw the creation of a new Roads Fund which will use money raised from Vehicle Excise Duty (VED) to invest in the strategic road network. Some local...
authorities, notably Surrey County Council, have been pushing hard for the fund to be spent on local roads too. The campaign group, CPRE also recently called for some of the funding allocated to Highways England to be diverted to local roads.

The calls for change come from those concerned about road safety too. The Institute of Advanced Motorists has highlighted concerns about pedestrian safety and urged the Government to reverse the decline in police traffic numbers and make pedestrian protection a higher priority. Meanwhile, the Transport Select Committee has recently announced an inquiry into road traffic law enforcement. Among other issues this will examine the impact of devolution of road traffic enforcement activities to local authorities.

One solution which could potentially open up a new source of funding for some of the busiest local authority roads has just emerged from the ‘Major roads for the future’ project, launched last year by the Rees Jeffreys Road Fund. This is a proposal to designate a new Major Road Network (MRN) for England, combining Highways England's network and the most economically important local authority roads which would be treated as a single network for the purposes of planning and funding. As recently reported in Local Transport Today [£ firewall] the project has devised a method to identify the most economically valuable local authority A roads, using traffic volumes and the percentages of heavy goods vehicles and light vans as proxies for economic activity. The MRN would serve all larger towns and cities and include 3,800 miles of the current local road network and it is suggested that it should be eligible for the Roads Fund. A final report from the project will be published next autumn.

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