

## HAMPSHIRE COUNTY COUNCIL

### APPENDIX 1 to Draft Cabinet Report

#### Purpose of this appendix

1. The purpose of this appendix is to provide Cabinet with further detail of the Savings Programme 2025 (SP25) proposal for **Planned highway maintenance** and the specific recommendations relating to this proposal for Cabinet approval as part of the overarching decision report '**Savings Programme to 2025 Revenue Savings Proposals**'.

#### Recommendation(s)

That Cabinet approves the following recommendations:

2. To note the outcome of the 2024 Future Services Consultation in relation to the proposal to reduce the annual highway maintenance for planned maintenance activities by £7.5 million from April 2025.
3. That Cabinet approves the reduction in the annual highway maintenance budget for planned maintenance activity by £7.5 million from April 2025.

#### Executive Summary

4. This appendix seeks to provide a summary of the proposal to reduce the annual 'planned' maintenance element of the highways budget by £7.5 million from April 2025 and the impact this would have on the wider delivery of the highways service.
5. The County Council's annual planned maintenance programme, typically around £30 million per year, is focussed on delivering larger scale structural highway repairs including carriageway and footway resurfacing, drainage improvements and surface treatments such as surface dressing. Under this proposal, the County Council would continue to deliver planned maintenance programmes of work, such as carriageway resurfacing, but the size of the programmes could be reduced. It is anticipated that, should this £7.5 million savings proposal be approved, the annual spend on planned maintenance activity would still be significant and, subject to confirmation of future DfT grant allocations for highway maintenance for 2025/26 onwards, could potentially increase.
6. The proposal would only affect the planned maintenance programmes of work and would not impact other highway maintenance allocations that fund

activities such as routine/reactive pothole/defect repairs, the renewal of road markings, sign cleaning and drainage cleaning. The County Council provides additional funding for these wider activities, including an extra £7 million from 2022/23 (included in base budget for highway maintenance) and also extra limited-term funding under the 'Stronger Roads Today' campaign totalling £22.5 million from July 2023. The Stronger Roads Today funding was originally agreed as £7.5 million for 3 years but the final year of funding was brought forward to 2024/25 to increase in-year capacity, i.e. £15 million for 2024/25. This funding is outside of the scope of this proposal. Therefore, the County Council would continue to fulfil its core statutory duties as a highway authority.

7. Planned maintenance activities have traditionally been entirely funded by the Department for Transport (DfT), however since 2010 the County Council has supplemented this with an additional £10 million of funding each year. Under this proposal the additional funding would be reduced from £10 million to £2.5 million. Planned maintenance activities would continue to be delivered, albeit at a reduced level, funded largely from DfT grants.
8. The full extent of the impact on future planned maintenance programmes of work would be dependent upon confirmation of future funding settlements from the DfT for 2025/26 onwards.
9. In November 2023 the Government announced that additional funding would be allocated to local highway authorities for highway maintenance and Hampshire's 'minimum uplift' would be £132.3 million of funding through to 2033/34. Whilst full details of how the uplift funding will be applied remain unknown, the County Council's assumption is that the DfT base funding for 2025/26 will remain at a similar level to 2024/25, and that the additional uplift will be spread equally over the remaining 9-year funding period. This would mean the impact of the proposed reduction of £7.5m would be offset by increased Government funding. It is worth noting that since July 2023 the County Council has funded an additional £22.5 million specifically for reactive structural maintenance purposes as part of its Stronger Roads Today campaign. This funding runs to April 2025.
10. The table below illustrates the current and (anticipated) future planned maintenance capital budgets along with, for context, the current and (anticipated) future reactive maintenance capital budgets.

	2024/25 £m	2025/26 £m	2026/27 £m
<b>Planned Highway Maintenance (Schemes)</b>			
DfT Base Grant Funding *	18.61	18.61	18.61
Additional Discretionary Hampshire County Council Local Investment **	10.0	10.0	10.0
Less proposed reduction in Hampshire County Council Discretionary local funding	0	(7.5)	(7.5)

Additional DfT 'Network North' Funding ***	4.23	13.76	13.76
<b>Total Planned Maintenance Spend</b>	<b>32.84</b>	<b>34.87</b>	<b>34.87</b>
<b>Reactive Highway Maintenance (Potholes, Structural Repairs etc)</b>			
DfT Base Grant Funding *	14.89	14.89	14.89
Additional Discretionary Hampshire County Council Local Investment****	7.0	7.0	7.0
<b>Total Reactive Maintenance Spend</b>	<b>21.89</b>	<b>21.89</b>	<b>21.89</b>
<b>Total</b>	<b>54.73</b>	<b>56.76</b>	<b>56.76</b>

\* DfT Base grant funding – this is not ring-fenced to specific activities but is typically split between planned and reactive maintenance. There is no confirmation yet of base grant funding levels for 2025/26 onwards, so no-change assumed.

\*\* The County Council has invested additional discretionary funding of £10m from its own resources locally since 2010/11.

\*\*\* Hampshire County Council's allocation from the DfT Network North 'Uplift' funding was £132.3m for the 11-year period 2023 – 2034. Hampshire's initial allocations from the £132.3m have been confirmed as £4.23m for 2023/24, and £4.23m for 2024/25, leaving an unallocated balance of £123.84m. Allocations for the remaining 9 years of the Uplift programme have yet to be confirmed. If the allocation of the remaining £123.84m was on a straight-line distribution basis over the 9-year funding period, it would equate to an extra £13.76m per annum.

\*\*\*\* The County Council has invested additional discretionary funding of £7m from its own local revenue resources since 2022/23 targeted to reactive repairs. The table above assumes that the full £7m will be capitalised each year.

**NB the figures exclude the one-off £22.5m Stronger Roads Today local funding.**

11. Feedback from the consultation has identified that 88% of respondents disagree with this proposal, with 8% in agreement and 4% neutral. Comments regarding the impacts of the proposal include negative financial implications for the public in terms of increased vehicle repairs, and increased costs for the County Council in legal and administrative costs due to vehicle damage and potential safety issues. Three quarters (75%) of the comments relate to the general condition of the road network and the need to continue with pothole repairs. Alternatives to the proposals suggested by respondents include improving how repairs are undertaken and increasing the budgets for highway maintenance. The general themes in the feedback from the consultation reflect the on-going challenges that have faced the maintenance of local roads across the UK.
12. Following many years of underfunding from central Government there has been an accelerated decline in the condition of the local highway network. In Hampshire there is an estimated highway maintenance backlog of £500 million and it is anticipated that the additional funding from the DfT will provide the long-term financial support to help mitigate this shortfall.
13. In addition, the County Council is looking at other ways of generating income. Examples include introducing a 'lane rental' scheme in 2025 - lane rental schemes allow local highway authorities to charge companies for the time that street and road works occupy the busier parts of the road network, and exploring new innovative processes and technical solutions that could yield

cost savings. Further, the County Council is exploring how highway assets could be used to generate income from advertising and/or sponsorship.

### **Contextual information**

14. The County Council's Highways Service function is responsible for fulfilling the statutory legal duties outlined in the Highways Act 1980. This includes taking reasonable steps to maintain 5,500 miles of publicly maintainable roads, footways and cycleways that are widely used by Hampshire residents and visitors.
15. The County Council is not responsible for maintaining motorways and some major A-roads (historically known as trunk roads), which are maintained by National Highways. Similarly, the County Council is not responsible for maintaining 'unadopted' private roads, as this responsibility is held by the owners of properties which front onto such roads. As such, these parts of the road network are not included in this proposal.
16. A core element of how the County Council maintains the Hampshire network is through its 'planned' maintenance programme. This programme delivers large-scale structural repairs, surface treatments on roads, and larger drainage improvements. Most of the planned maintenance undertaken on Hampshire's local road network is funded directly by the Department for Transport (DfT) through ring-fenced grants. Since 2010 the County Council has supplemented this by providing £10 million of additional discretionary funding each year for planned maintenance. Given the current financial pressures facing the County Council it is now proposed to reduce this additional funding by £7.5 million, as it is considered no longer sustainable to provide this level of discretionary financial support. The maintenance backlog in Hampshire is currently estimated to be around £500 million. As the budget for reactive works is not impacted by this proposal, the County Council would not expect the proposed reduction in planned maintenance to significantly increase this backlog.
17. In addition to planned maintenance, routine/reactive and environmental maintenance activities are undertaken. Routine/reactive maintenance includes day-to-day repairs, e.g. repairing potholes and other defects, replacing road markings, repairs to signs, cleaning drainage systems and responding to highway emergencies. Environmental maintenance includes services such as grass cutting, weed control, and managing trees, hedgerows and shrubs. The budgets for these types of maintenance are not in scope of this proposal.
18. In November 2021 the County Council approved an additional £7million revenue funding per annum for highway maintenance. This funding is

primarily used for additional day-to-day routine/reactive maintenance operations and is out of scope for this proposal.

19. In November 2023 the Government announced that more funding would be allocated to local highway authorities for highway maintenance. For Hampshire a 'minimum uplift' of £132.3million of funding has been confirmed up to 2033/34, i.e. over an 11-year period from 2023 to 2034. Included within this funding is an extra £4.2 million for both 2023/24 and 2024/25, which has already been confirmed and committed. The remaining uplift is expected to be distributed over the residual nine years of the funding period but the exact methodology for how this would be done is yet to be confirmed by Government. Having such long-term uplift funding confirmed would enable the County Council to plan ahead with much greater certainty and continue to target key areas of the road network requiring larger scale interventions.
20. If the base grant funding from the DfT remains as it currently is for 2025 and beyond, this uplift could significantly lessen the impact of the proposals outlined in this paper and could result in an overall net increase in funding for structural highway maintenance.
21. An announcement from DfT/Government on future grant allocations is expected before April 2025. It is recognised that any reduction in funding for planned maintenance activities, such as carriageway resurfacing, may impact the overall condition of the highway network over time and could lead to an increase in potholes and other road defects. This, in turn, could increase the longer-term demand for routine and reactive repairs.
22. During 2025 the County Council is proposing to introduce a 'lane rental' scheme. Lane rental schemes allow local highway authorities to charge organisations, e.g. utility companies, for the time that road works occupy the busier parts of the road network (note that this is different to charging motorists to drive on a road, which we are not proposing). Whilst this would also apply to the Council's own highway maintenance works it is expected that this will generate income to not only offset the costs of running a lane rental scheme but also facilitate a potential funding stream to address road congestion. As part of the Government's Plan for Drivers, and subject to the outcome of a recent Government consultation, it is possible that, in time, at least 50% of the income from lane rental scheme could be used to improve the condition of roads and repair potholes.
23. The County Council's highway service routinely seeks and explores innovative ideas that could lead to cost savings and/or process efficiencies. Examples include trialling new road repair methods and using intelligent analysis tools to optimise how highway maintenance is programmed and delivered.

24. The public highway network is the County Council's largest asset and opportunities are being explored to exploit and utilise highway space in new appropriate ways in order to generate income, for example through controlled advertising and sponsorship. Other highway authorities are already using highway land in this way. There are, however, complex legal and planning barriers to overcome before this initiative can be implemented.

### **Summary of service area proposal**

25. The proposal is to reduce Hampshire County Council funding for planned highways maintenance activities, saving the County Council £7.5 million each year.

26. Until a sustainable long-term national funding solution can be found to address the intense financial pressures facing not only Hampshire County Council, but also wider local government, there is no choice but to consider changing or reducing services in some areas and propose options for savings.

27. Reducing the amount of money currently spent on planned highways maintenance would contribute towards addressing the County Council's overall anticipated £175 million budget deficit from April 2025.

28. The consultation stated that if the proposal was taken forward, it would be implemented by removing £7.5 million from the planned maintenance budget from April 2025. The planned maintenance programme for the remainder of 2024/25 would not be impacted. The programme for 2025/26 would, however need to be scaled back to reflect the reduction in available funding, but this will depend on confirmation from the DfT on future grant funding for highway maintenance for 2025/26 onwards which could result in a net increase in planned maintenance spend. There would be no impact on current contractual arrangements with external service providers.

### **Legal, financial and performance implications**

29. The base grant funding allocation from the DfT is currently allocated as part of a three-year settlement and the 2024/25 financial year is the final year of this current three-year arrangement. Future annual allocations from 2025/26 have yet to be confirmed albeit that 'uplift' funding, through to 2033/34, has been announced by Government. Once the 2025/26 onwards annual grant allocations are known it is possible there could be a net increase in funding available for planned highway maintenance.

30. The table below illustrates the current and anticipated future planned maintenance capital budgets along with, for context, the current and anticipated future reactive maintenance capital budgets.

	2024/25 £m	2025/26 £m	2026/27 £m
<b>Planned Highway Maintenance (Schemes)</b>			
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\*\* The County Council has invested additional discretionary funding of £10m from its own resources locally since 2010/11.

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\*\*\*\* The County Council has invested additional discretionary funding of £7m from its own local revenue resources since 2022/23 targeted to reactive repairs. The table above assumes that the full £7m will be capitalised each year.

**NB the figures exclude the one-off £22.5m Stronger Roads Today local funding.**

31. The majority of funding for planned maintenance activities comes from DfT grants. Annual budget allocations for planned maintenance since 2020/21 have been in excess of £30 million. Therefore, the proposed reduction of £7.5m would still leave a significant funding allocation to continue to deliver a broad range of planned maintenance activities.

32. Until the confirmation of future funding allocations is provided by the DfT the financial impact of the reduction in funding for planned maintenance is difficult to fully assess. Planned maintenance programmes would continue to be delivered but the likely size of future annual programmes is still unknown.

33. The County Council has a duty under the National Parks and Countryside Act 1949 (as amended by the Levelling Up and Regeneration Act 2023) to seek to further the purposes of the National Parks when considering proposals that relate to, or affect, land within them. In this instance, the relevant purposes relate to conserving and enhancing the natural beauty, wildlife and cultural heritage of the areas and also promoting opportunities for the understanding and enjoyment of the special qualities of those areas by the public.
34. The County Council fully recognises its duty in respect of the National Parks and continues to seek to further their relevant purposes through the delivery of its core services. This proposal will have a neutral impact on the Council's duty as the public highway will continue to be maintained within the National Parks. Across the Highways service there are other work programmes, not impacted by this proposal, that also contribute to this duty, for example considering low-carbon solutions can support a future net zero position with nature.

#### **Future Services Consultation - Approach**

35. This was one of 13 proposals included within the 'Future Services Consultation', which sought to understand the potential impacts of each proposal in more detail, to consult on the potential options being considered, and to clarify whether there could be other ways to deliver the savings.
36. An overview of the approach to the Future Services Consultation is set out within paragraphs 17 to 24 of the draft Cabinet report, including the approach taken to communicating and promoting the consultation (informed by a stakeholder analysis) to invite respondents to share their views on some or all of the proposals.
37. Stakeholder mapping was conducted prior to the commencement of the consultation, engaging pertinent individuals within the Universal Services Directorate to ascertain and identify, as fully as possible, all relevant parties that may be impacted by the proposals.
38. Our engagement approach identified a diverse array of stakeholders across multiple sectors, including those residing within Hampshire, and those from outside, that may utilise Hampshire's highway network and therefore be impacted by the proposals. As an example, engagement efforts were made with organisations that could be directly impacted by the proposals or represent people that could have an interest in the proposals such as Hampshire road users, local cycle forums the Automobile Association (AA), Royal Automobile Club (RAC) and Road Safety GB.

#### **Future Services Consultation - Feedback**



39. A total of 6,497 people shared their views about the proposal and extracts from the overall feedback and data from the two protected characteristic groups assessed as having a low negative impact (Age and Disability) in the Equalities Impact Assessment have been included within Sub-appendix A of this report.
40. A total of 55 organisations responded to the proposal as detailed below.
- 22 from other local authorities (County, City, Borough, District, Parish or Town Councils)
  - 19 from charity, voluntary or local community groups, seven from local businesses or business representatives, two from a nursery, school, college or place of education, one from a public sector organisation and four from other types of organisations
  - Among the 25 unstructured responses from organisations, 22 were from other local authorities (County, City, Borough, District, Parish or Town Councils), one was from a political party of a local constituency, one was from a voluntary organisation and one from a local NHS trust.
41. The consultation asked the question “*To what extent do you agree, or disagree, with the proposal to reduce planned highway maintenance activities?*” The overall data shows that 88% of respondents disagree with the proposal with 8% in agreement and 4% neutral.
42. The consultation asked for respondents to identify potential impacts from the proposal. A summary of the most cited impacts raised are listed below.
- 45% Negative financial implications, such as more repairs to vehicles, as well as costs to the County Council due to legal and administrative costs associated with vehicle damage.
  - 37% Safety issues, with a belief that accidents will increase due to the worsening road surface quality.
  - 32% Will worsen the quality of roads
  - 26% Damage to vehicles
43. The consultation asked respondents to suggest alternatives to the proposals. A summary of the most frequently mentioned alternatives is listed below.
- 37% Improve how repairs are done
  - 21% Increase budget/maintenance instead
  - 16% Promote organisational efficiencies
  - 14% Prioritise planned maintenance spend over other spending

- 12% Only complete necessary work
- 12% Alternative sources of funding road maintenance

44. The consultation asked respondents to provide further comments to the proposal. A summary of the most frequently mentioned are listed below.

- 75% Current issues with the state of roads
- 22% Current safety issues
- 17% Current roads cause damage to vehicles

45. The table below provides a summary of the key themes from the respondents with a response from the County Council. The full insights analysis can be found in sub-appendix B.

<b>Key themes/concerns from the consultation</b>	<b>Response from Hampshire County Council</b>
Concerns about condition of roads, most notably potholes	The proposed changes would not affect budgets that fund routine and reactive repairs such as potholes. If DfT base funding allocations are confirmed at similar levels for 2025 and beyond, it is anticipated there would be an overall increase in funding for highway maintenance.
Safety risks – damage to vehicles, increase in accidents due to worsening road surface quality	The proposals would not affect the way road defects are assessed and prioritised for repair. Budgets for safety related defects have been increased in recent years by the County Council and would not be affected by this proposal.
Other road related issues regarding drainage, road signs and vegetation	Budget allocations and service provision for drainage cleansing, road signs and vegetation would not be affected by this proposal.
Need to improve the quality of road repairs	This is not linked to funding provision. Road defects are repaired in accordance with contractual requirements and there is an established mechanism for dealing with quality issues. Some repairs are deliberately temporary while permanent repairs are organised.
Current maintenance being poor	Maintenance is undertaken in accordance with recommended national standards. The highways service team are continuously seeking

	ways to improve service delivery methods through the implementation of innovative solutions – processes, technology, materials, equipment etc
Negative financial implications – more repairs to vehicles	The proposals would not affect the way road defects are assessed and prioritised for repair. Budgets for safety related defects have been increased in recent years by the County Council and would not be affected by this proposal.
Negative financial implications – legal and admin costs associated from claims due to damaged vehicles	The proposals would not affect the way road defects are assessed and prioritised for repair. Budgets for safety related defects have been increased in recent years by the County Council and would not be affected by this proposal.
Create more work in the long-term (cost and workload)	It is acknowledged that any reduction in funding for planned maintenance activities, such as carriageway resurfacing, may impact the overall condition of the highway network over time and lead to an increase in potholes and other road defects. This, in turn, could increase the longer-term demand for routine and reactive repairs
Cyclists/motorcyclists more adversely affected by increase in potholes	Budgets for safety repairs such as potholes have been increased in recent years and would not be affected by this proposal.
Environmental impact – discourage people from using active forms of travel	The County Council will continue to encourage active travel and invest in projects to promote this. Budgets for safety repairs such as potholes have been increased in recent years and would not be affected by this proposal.
Environmental impact – increase in potholes leading to people driving less economically	The identification and repair timescales for the repair of safety defects would not be affected by this proposal.
Rural roads more susceptible to degradation	Rural roads would continue to be routinely inspected for highway safety defects and overall condition, and repairs undertaken as required in accordance with current policy.
Vulnerable people who do not drive, have limited mobility or use mobility	The County Council would continue to undertake highway safety inspections

aids rely on well-maintained pavements and roads to enable access and therefore would be disproportionately impacted	on all footways and roads. The timescales for the repair of safety defects and associated budgets would not be affected by this proposal.
Increase the budget for highway maintenance	If DfT base grant funding allocations for 2025/6 and beyond are confirmed at similar levels to current budgets, it is likely, taking into account already confirmed DfT 'uplift' funding through to 2033/34, there would be an overall increase in funding available for highway maintenance
Promoting organisational efficiencies	The highways service team is constantly looking at ways to improve service delivery, whether through technical innovation or the implementation of new business processes.
Prioritising planned maintenance over other spending (such as reducing spend on road improvement projects)	Funding for highway maintenance and highway improvement projects generally comes from separate budgets/allocations that are not normally interchangeable, i.e. the allocations are usually ring-fenced and cannot be used to fund other types of work.

46. The feedback from the respondents has been carefully considered. It is worth highlighting that the proposal to reduce planned maintenance funding would not reduce the County Council's response for reacting to emergency or safety-related defects such as pothole repairs. The County Council would continue to deliver planned maintenance programmes of work such as carriageway resurfacing but the size of the programmes could be reduced.

### Equality Impact Assessment

47. As previously noted in paragraphs 32 to 38 of the draft report to Cabinet, a key part of the SP25 Programme is ensuring that the County Council understands the impact of the SP25 proposals on people with protected characteristics and has due regard to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Equality Act 2010; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

48. Whilst councils are not mandated to conduct Equality Impact Assessments (EIAs), in keeping with good practice to record the steps taken in seeking to meet the County Council's Public Sector Equality Duty, Equality Impact Assessments (EIAs) previously completed in relation to the proposals set out within this Appendix have been reviewed and updated. These reflect the feedback received through the Future Services consultation and incorporate any additional impacts identified, so that these can be considered as part of the final decision taken by the Cabinet. The EIA is provided as an Annex.
49. By the very nature of the services that the County Council provides, there are inevitably changes that impact those people with protected characteristics. Whilst this does not mean that a proposal cannot be implemented, it does mean that the County Council needs to have an understanding, both individually and collectively, of the impact on those groups of people and look at ways of mitigating that impact.
50. The following paragraphs draw out any key points to note in terms of impacts identified in relation to this proposal for residents, service users, or staff, and any mitigations identified.
51. The EIA has identified two protected characteristic groups, Age and Disability and both have been assessed as having a low negative impact. Deteriorating highways, footways, signage, and other infrastructure could disadvantage road users, including non-motorised users seeking to access the highways infrastructure on foot, cycle, or other means. Older and younger people, and people with disabilities falling into this category could experience a disproportionate increase in difficulty/inconvenience when travelling by these means. To mitigate these impacts structural repairs, road surface treatment programmes and drainage improvements would be focused on safety interventions or situations when major, or widespread defects are identified, and a more comprehensive solution is justified.
52. It is not anticipated that the impacts of these proposals would disproportionately affect any other protected characteristics and so the impact on all other protected characteristics is considered to be neutral.

The public consultation asked respondents to identify the perceived protected characteristic groups that would be impacted by this proposal. The main groups identified by respondents are listed below and have been assessed as having a low negative impact as part of the EIA.

- 20% Age
- 20% Disability

Whilst not protected characteristics for the purposes of the Equalities Act 2010, given the profile of the county, the County Council has chosen to understand the impact on poverty and rurality when making decisions. The impact on these groups were reviewed as part of the EIA and assessed as

neutral. It is not anticipated that the proposal would disproportionately affect these group.

### **Climate Change Impact Assessment**

53. As noted in paragraph 39 of the draft Cabinet report, consideration is given to potential climate change impacts of decisions through the two decision-making tools which assess the carbon emissions and resilience impacts of a decision.
54. At this stage the proposal is not expected to have any climate change mitigation or adaptation impacts; the proposal seeks to reduce the overall budget for highways maintenance. However, as the implementation of these proposals progresses, we would continue to assess the potential impacts to ensure that consideration is given to how these would contribute towards the County Council's climate change targets.

### **Scrutiny Committee feedback**

55. The recommendations set out in this appendix would be scrutinised by the Universal Services Select Committee, in advance of a decision by Cabinet.
56. To support the decision, written feedback would be separately provided by the Chairman of the Select Committee to the Cabinet, outlining any feedback and potential recommendations from the Select Committee, for consideration by Cabinet.

### **Rationale for the recommendations being made**

57. As noted in the draft report to Cabinet, in response to a predicted two-year budget gap to 2025/26 of £132m, Directorates were asked last year to consider what savings could be made if they started to move towards a legal minimum service level. In October and November 2023, following a stage 1 consultation process on our options for balancing the budget, Cabinet and County Council respectively approved savings proposals totalling £90.4m. Since that time, following continued growth and high inflation across adults' and children's social care, special educational needs and school transport, the predicted budget gap for 2025/26 has increased to at least £175m, underlining the need for the County Council to secure recurring savings to help towards balancing the budget on a sustainable basis.
58. Through the Equality Impact Assessment process, it was identified that some of the proposals directly impacted on residents and users of the services and therefore a consolidated stage 2 consultation process for 13 of the proposals (totalling £17.5m) was launched at the beginning of 2024.

59. The final recommendations made to Cabinet have been informed by the feedback received as part of the consultation, alongside other relevant factors. These recommendations will achieve total savings of £16.3million, which is a reduction from the £17.5million originally identified, albeit there is some further work to be undertaken on some proposals. The proposals set out within this appendix account for £7.5m of this total.
60. The County Council is facing a severe financial challenge to identify savings to fill the anticipated budget shortfall from the 2025/26 financial year.
61. Feedback from the consultation has shown that the majority of respondents (88%) disagree with the proposal, with 8% in agreement. Other feedback relates to the condition of roads, negative financial implications and improving how repairs are done.
62. The general themes in the feedback reflect the ongoing challenges that have faced the maintenance of local roads across the UK. Highway maintenance services across the country are under extreme pressure with an acknowledged accelerated decline in the condition of the local road network.
63. The proposed funding reduction for planned maintenance programme would only affect structural maintenance programmes and would not impact or reduce the County Council's response for completing other highway maintenance activities, including pothole repairs and dealing with emergency and/or safety defect repairs. The County Council provides additional funding for these activities, which is not included within this proposal and ensures the County Council continues to fulfil its duties under the Highways Act 1980.
64. Whilst the proposed reduction in funding for planned maintenance evidently goes against public opinion. The County Council has little choice but to consider changing or reducing services. The County Council has provided discretionary funding to supplement the planned maintenance activities that are traditionally funded by DfT but can no longer afford to do so if it is to deliver balanced budgets going forward. It is anticipated that the proposed reduction in planned maintenance funding would be mitigated when the DfT funding allocations are confirmed and if the allocations are similar to current levels the impact would be neutral and there could be an overall net increase in budget allocations for structural highway maintenance.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Savings Programme to 2025 – Revenue Savings Proposals <a href="#">Executive Member for Universal Services</a>	<u>18 September 2023</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	



## **EQUALITIES IMPACT ASSESSMENT:**

### **Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

### **Equalities Impact Assessment:**

An Equalities Impact Assessment has been carried out to determine the impacts of these recommendations on both residents / users of the service, and staff that would be affected should they be approved.

The EIA has identified two protected characteristic groups, Age and Disability and both have been assessed as having a low negative impact. Deteriorating highways, footways, signage, and other infrastructure could disadvantage road users, including non-motorised users seeking to access the highways infrastructure on foot, cycle, or other means. Older and younger people, and people with disabilities falling into this category could experience a disproportionate increase in difficulty/inconvenience when travelling by these means. To mitigate these impacts structural repairs, road surface treatment

programmes and drainage improvements would be focused on safety interventions or situations when major, or widespread defects are identified, and a more comprehensive solution is justified.

It is not anticipated that the impacts of these proposals would disproportionately affect any other protected characteristics and so the impact on all other protected characteristics is considered to be neutral.

The public consultation asked respondents to identify the perceived protected characteristic groups that would be impacted by this proposal. The main groups identified by respondents are listed below and have been assessed as having a low negative impact as part of the EIA.

- 20% Age
- 20% Disability

Whilst not protected characteristics for the purposes of the Equalities Act 2010, given the profile of the county, the County Council has chosen to understand the impact on poverty and rurality when making decisions. The impact on these groups were reviewed as part of the EIA and assessed as neutral. It is not anticipated that the proposal would disproportionately affect these group.

**Sub-appendix A**  
**Future Services Consultation 2024**  
**Highways Maintenance Proposal Insight Summary**

**Question asked regarding this proposal as part of the consultation: To what extent do you agree, or disagree, with the proposal to reduce planned highways maintenance activities?**

All Responses	Base	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	Don' t Know	Disagree Overall	Agree Overall
All Responses	6265	4025 (64%)	1459 (23%)	257 (4%)	353 (6%)	152 (2%)	19 (0%)	5484 (88%)	505 (8%)

Protected Characteristic: Age	Base	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	Don' t Know	Disagree Overall	Agree Overall
Age: 16-24	48	23 (48%)	12 (25%)	3 (6%)	7 (15%)	3 (6%)	0 (0%)	35 (73%)	10 (21%)
Age:25-34	286	167 (58%)	70 (24%)	12 (10%)	27 (21%)	9 (12%)	1 (1%)	237 (57%)	36 (33%)
Age: 35-44	695	396 (57%)	169 (24%)	38 (5%)	60 (9%)	29 (4%)	3 (0%)	565 (82%)	89 (13%)
Age:45-54	1113	698 (63%)	251 (23%)	45 (4%)	82 (7%)	32 (3%)	5 (0%)	949 (86%)	114 (10%)
Age: 55-64	1493	988 (66%)	341 (23%)	61 (4%)	70 (5%)	29 (2%)	4 (0%)	1329 (89%)	99 (7%)
Age: 65-74	1362	889 (65%)	330 (24%)	51 (4%)	62 (5%)	30 (2%)	0 (0%)	1219 (90%)	92 (7%)
Age: 75-84	655	439 (67%)	167 (25%)	22 (3%)	21 (3%)	5 (1%)	1 (0%)	606 (93%)	26 (4%)
Age: 85 or over	76	47 (62%)	21 (28%)	4 (5%)	2 (3%)	1 (1%)	1 (1%)	68 (91%)	3 (4%)

<b>Protected Characteristic: Disability</b>	<b>Base</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither Agree or Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Don' t Know</b>	<b>Disagree Overall</b>	<b>Agree Overall</b>
No issues	3654	2313 (63%)	880 (24%)	156 (4%)	216 (6%)	80 (2%)	9 (0%)	3193 (88%)	296 (8%)
Issues that do not impact day-to-day activities	812	496 (61%)	206 (25%)	36 (4%)	53 (7%)	19 (2%)	2 (0%)	702 (87%)	72 (9%)
Issues that impact day-to-day activities a little	780	514 (66%)	182 (23%)	26 (3%)	36 (5%)	20 (3%)	2 (0%)	696 (89%)	56 (7%)
Issues that impact day-to-day activities a lot	321	214 (67%)	52 (16%)	15 (5%)	21 (7%)	16 (5%)	3 (1%)	266 (84%)	37 (12%)

## **Sub-appendix B Future Services Consultation 2024 Highways Maintenance Proposal Insight Summary**

### **Background**

From 8 January to 31 March 2024, Hampshire County Council asked for people's views on the future of some local services in a public consultation on options to help the Authority meet a £132 million budget shortfall by April 2025.

One of the options proposed was to reduce planned highways maintenance activities, saving the County Council £7.5 million each year.

### **Who responded to the proposal?**

Overall, 6,435 responses to this proposal were received via the consultation Response Form. Of those:

- 6,299 responded as an individual, 55 responded in an official capacity on behalf of an organisation, group or business, and 45 responded in their capacity as a democratically Elected Representative of a constituency in Hampshire. 36 responses did not specify the capacity in which they were responding

Respondents were invited to add further comments to support their views on this proposal via an open-ended question. This allowed people to expand on impacts they felt the proposed changes would cause and suggest alternative courses of action. 3,724 respondents left an open text comment in relation to the proposal. A further 325 respondents also commented on the Highways maintenance proposal in the any further comments open text box at the end of the consultation, designed to capture any further feedback to any of the proposals in the consultation.

In addition, 62 unstructured responses were received (via email and/or letter). 35 of these were from individuals, 24 were from organisations/ businesses and two were from multiple Councillors who had sent collective responses and one was from a democratically Elected Representative of a constituency in Hampshire.

In order to help capture the views of young people about the consultation, members of the Hampshire Youth Forum (aged between 11 and 18) were invited to consider the proposals and attend a discussion group to share their feedback.

### **Who responded: Demographics of individual responses**

- Nearly half (46%) of responses from individuals were from those aged 45 to 64, with over a third (36%) aged 65 or over. Only around 1% of responses were from those aged under 25, and around a fifth (17%) were aged 25 to 44.
- Over half (53%) of the respondents who responded to this proposal via the Response Form were female, compared to 47% who were male, and less than 1% were of non-binary gender.

- The majority of responses were from non-ethnic minority groups (i.e. White British, English, Welsh, Scottish or Northern Irish), with 8% of responses from an ethnic minority group.
- While the majority (66%) reported no health or disability issues, 20% reported a health or disability issue that impacted their day-to-day activities either a little or a lot.
- Responses were received from residents of all districts in Hampshire, although some areas were slightly under- or over-representative of the Hampshire population as a whole.
- The majority of respondents (68%) lived in urban locations, with nearly a third (32%) living in rural settings.

No demographics were captured about the individuals who provided unstructured responses to this proposal.

Please note this was an open consultation the respondents were self-selecting so do not provide a representative sample of the total Hampshire population.

#### **Who responded: Types of organisations responding**

- Among the 55 organisations who responded via the Response Form, 22 were from other local authorities (County, City, Borough, District, Parish or Town Councils), 19 from charity, voluntary or local community groups, seven from local businesses or business representatives, two from a nursery, school, college or place of education, one from a public sector organisation and four from other types of organisations.
- Among the 24 unstructured responses from organisations/businesses, 21 were from other local authorities (County, City, Borough, District, Parish or Town Councils), one was from a voluntary organisation, one from a local NHS trust and one was from a political party of a local constituency.

#### **Who responded: Responses from service users**

- Hampshire Highways provide a universal service, so service users are broadly anyone living, working, studying, visiting or travelling through Hampshire who use the roads. However, the mode of transport can vary which was captured in this consultation to understand any differences in views based on the type of transport being used on Hampshire roads.
- Respondents travelled via Hampshire's Highway using the following modes:

Car	5,778 (93%)
Walking	3,619 (58%)
Bus	2,280 (37%)
Bicycle	1,372 (22%)
Taxi	768 (12%)
Motorcycle / moped	170 (3%)
Wheelchair / mobility scooter	132 (2%)
Community transport schemes	111 (2%)

Please note that respondents were able to select all of the different modes of transport they used so these categories were not exclusive.

### Levels of agreement with this proposal

Of all the proposals (both generally and specific to Universal Services) included in the consultation, the proposal to reduce funding for Highways maintenance received the highest level of disagreement and very little agreement. Specifically:

- 88% overall disagreement (64% strongly disagreed)
- 8% overall agreement (2% strongly agreed)
- 4% were neutral

### What is driving disagreement with this proposal?

Although disagreement was universal, certain groups of people disagreed with the proposed more strongly than others, In particular: **respondents in East Hampshire and the New Forest and local authorities.**

- Respondents in East Hampshire and the New Forest were more likely to disagree (both 91%, with 69/68% doing so strongly) with the proposal than those living elsewhere in Hampshire. Where those areas were mentioned in an open text comment, these referred to the current poor standard of road maintenance, particularly in relation to potholes. The small number (23) of White Irish ethnic respondents also strongly disagreed with the proposal (96% overall disagreement, 74% strongly disagreed).

“The state of the roads in the New Forest is disgraceful. Potholes seem to be opening up all over the place and are dangerous, especially to cyclists and drivers of small vehicles.”

“Current state of roads in east Hants is shocking after the winter. Dangerous potholes if cycling.”

- Despite making up a small number of respondents (21), local authorities expressed strong disagreement with the proposal (100% overall disagreement, 90% strong disagreement). Unstructured responses from local authorities mentioned existing issues with the roads would be made worse by this proposal, as well as the proposal contradicting the Council’s aims (such as the *Hampshire 2050 Vision*,

*Local Transport Plan and Climate Change Strategy and Action Plan*). Some local authorities also expressed a need for more information on how the proposal would impact them directly.

In general, many respondents who opposed change were already critical of the Highways maintenance service provided on the current budget.

- Three quarters (77%) of comments about the proposal mentioned issues with the current surface of the road - most notably, concerns relating to potholes.

“Already the state of the roads is a poor standard. I've never known potholes to be so bad in the area.”

- Other frequently mentioned issues included current safety risks from accidents (23%), damage to vehicles because of the current quality of roads (18%) and other current issues relating to roads in Hampshire (including drainage, road signs and vegetation) (13%).

“I think it's dangerous. I think the roads are really bad at the moment and I think someone could get killed. There are too many accidents happening.”

“I am fed up with damage to my car caused by poorly maintained roads.”

“Current state of roads, drainage, visibility of road signs etc is really deplorable. It doesn't seem to make a lot of sense reducing by so much!”

This sentiment was also reflected in comments relating to the proposal that were submitted via the 'general comments' question within the overall consultation.

- Of the 325 comments relating to the Highways Maintenance proposal, 50% mentioned the need to improve the current quality of repairs and 39% mentioned current maintenance being poor.

“Carry out proper repairs to roads instead of terrible pot hole filling which lasts weeks and has to be revisited.

“We should not be cutting roads maintenance costs, the roads are in a terrible condition and in a downward spiral of decline.”

### **What is driving agreement with this proposal?**

Despite the majority of respondents opposing this proposal, there were a minority of respondents (8%) who agreed, most often from younger age groups and charities.

- Younger age demographics were more likely to agree with the proposal than older groups. Respondents aged under 25 (albeit a relatively small cohort of 49 respondents) had the highest level of agreement (22%) followed by those ages 25-34 and 35-44 (both 13% respectively). 6% of those aged 65 and over agreed with the proposal.



- The small number of charities (18) who responded also expressed a much higher level of agreement (28% overall agreement, 17% strongly agreed).

Those who supported the proposal suggested that this would be acceptable alongside certain caveats, such as the roads being maintained to a functioning and safe standard.

“I agree with the general proposal [...] However, I believe it's important that roads are still maintained to a good quality at which they can safely be used by motorists and other primary stakeholders.”

People who supported the proposal were more likely to make other suggestions to the maintenance schedule, such as only completing necessary work (20% compared to 12% overall) and prioritising planned maintenance over other spending (such as infrastructure projects) (20% compared to 14% overall). As well as this, people who supported the proposal made notably less comments on the current state of the county's roads (37% compared to 75% overall).

### **Main impacts of the proposed change**

The overall comments provided about this proposal were also analysed to understand what potential impacts the proposal could have if it were to be implemented.

1,470 out of 3,724 people (39%) who chose to provide comments on this proposal mentioned a potential impact of the proposal in their feedback.

Respondents highlighted a number of impacts that may occur as a result of the proposal, with the most frequently mentioned being negative financial implications (45%). This includes references to both an increased cost for the public (such as more repairs to vehicles) as well as costs to the Council (such as more legal and administrative costs arising from claims due to vehicle damage).

“Further reductions in the already poor level of care HCC currently deploy to the road network could expose the council to financial claims of death or injury by negligence and damage to vehicles, which may significantly dwarf the initial savings you are suggesting.”

Other impacts frequently mentioned included concern about safety issues (namely a belief that accidents will increase due to worsening road surface quality) (37%), exacerbation of existing issues relating to the quality of road (32%) and increased damage to vehicles (both relating to an increase in potholes) (26%). These impacts relate to the general idea that the proposal will create more work in the long run (in terms of both cost and workload) (10%).

“Reducing the maintenance levels even further will lead to the roads becoming more dangerous which in turn will lead to more accidents.”

“There is not enough maintenance carried out currently, hence reducing it further will make our roads unfit for purpose.”

“Reducing maintenance will make the situation worse causing damage to cars eg broken suspension and tyres”.

Respondents mentioned differing impacts of the proposal for various modes of travel. For drivers, the main impacts were seen as increased safety risks and vehicle damage due to more potholes on the road surface. Cyclists/ motorcyclists were seen to be more adversely affected by a potential increase in potholes due to the safety risks being higher (and potentially fatal).

“Less highway maintenance would result in more potholes and therefore dangerously impact on motorcyclists and cyclists, with a potential of 'danger to life'.”

A decrease in maintenance was seen to impact how walkers are able to travel due to potential safety risks associated with poor surfacing and issues relating to flooding.

“Vehicles will swerve into the path of pedestrians and forest animals to avoid the potholes [...] Surface water from overflowing drains, settles and then freezes. As a shared space this poses a significant risk to pedestrians or we are encouraged to use our cars”

The main impacts mentioned by the Hampshire Youth Forum were also around the deterioration of road quality, specifically that the Council will pay more in claims relating to vehicle damage and potential investors would avoid Hampshire due poor road infrastructure.

### **Perceived impact on protected characteristics**

Those who commented were asked whether the impacts they had highlighted related to any protected characteristics.

They were most likely to indicate that the withdrawal of funding would have an environmental impact (39%). Specifically, it was suggested that the proposal would discourage people from using forms of active travel (such as walking and cycling) leading to more air pollution. As well as this, it was suggested that it would increase the number of potholes on the road, leading to people driving less economically to avoid damaging their vehicles.

“This proposal is likely to have a particularly adverse effect on bicycle users, which will discourage bicycle usage, with a corresponding increase in the level of air pollution in the county and increased traffic congestion in many areas.”

“There will be an increase in noise and pollution as vehicles have to change direction and speed to avoid potholes and poor surfaces.”

Almost a third of respondents (32%) indicated that impacts from the proposal were related to rurality. Those living in rural area were more likely to select rurality as an impact (43%), compared to those living in urban areas (24%). A particular concern was that the specific topography and geology of rural areas makes them more susceptible to degradation (As exemplified by the unstructured response from Hyde Parish Council). As well as this, it was felt that rural locations already receive a poor maintenance service which would be reduced further.

“If you only concentrate on some types of road/repair no doubt rural lanes will get no treatment at all. They are already dangerous for cyclists due to the poor surfaces and broken-down edges.”

Impacts also related to age (20%) and disability (20%) . Comments relating to those who are vulnerable suggest those who do not drive, have limited mobility or use mobility aids rely on well-maintained pavements and roads to enable access and therefore would be disproportionately impacted by this proposal.

“By reducing the maintenance budget on these roads, you are impacting those people who are disabled, can't afford significant repairs, rely on vehicles to get to work/carry out their tasks of daily living due to rurality/poverty.”

Other characteristics were also mentioned but at much lower levels.

### **Suggested alternatives to the proposal**

1,406 out of 3,724 people (38%) who chose to provide comments on this proposal offered a suggestion about any alternatives to the proposal or how they felt the service could be carried out differently.

The most commonly mentioned idea was to improve how repairs are done (37%). Specifically, respondents mentioned investing in longer term repairs, completing repairs to a higher standard and investing in new technologies and materials.

“The work carried out on highways is very shoddy and problems soon re-occur. There needs to be quality control over work, guidelines for how the work should be done.”

Other suggestions included:

- increasing the budget for Highways maintenance (as more money is needed to rectify current issues with the service) (21%)

“The roads have deteriorated very badly over recent years and need more funding, not less, to bring them up to a safe standard.”

- promoting organisation efficiencies (such as departmental efficiencies like better planning/ prioritisation of maintenance scheduling, as well as overall organisational efficiencies such as reducing waste within the Council) (16%)

“Rather than simply reducing expenditure HCC should be scrutinising its own and any third party expenditure and contracts to find ways to deliver the required service more efficiently and to force third party contractors to provide a better service.”

- prioritising planned maintenance over other spending (such as reducing spend on other infrastructure projects) (14%)

“Fix the potholes rather than building cycle lanes and traffic calming and lights.”

Havant Borough Council offered support to deliver cost-effective highway improvements via their Civil Engineering and Landscape Team (CELT).

There was a wide range of additional and detailed suggestions which have been passed to the department for consideration, both in relation to preparing recommendations on this proposal and for managing the service generally.

#### **Comments on the consultation**

A concern was raised around the figures provided as part of a freedom of information (FOI) request regarding the number of potholes repaired in relation to department funding.