HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Economy, Transport and Environment
Date:	10 March 2022
Title:	Hampshire Highways – Highway Network Recovery Strategy
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The purpose of this report is to set out a longer-term strategy for managing and maintaining the highway network in Hampshire in light of additional County Council funding, and also improving how the highway maintenance service is delivered.

Recommendation

2. That the Executive Lead Member for Economy, Transport and Environment approves the proposed Highway Network Recovery Strategy, included as Appendix A, which sets out how the delivery of the highways service can be sustained, and improved over the longer term, taking into account the recurring additional £7million funding agreed by the County Council on 4 November 2021.

Executive Summary

3. This report is an update to the *Hampshire Highways Service Update* Decision Report that was approved by the Executive Member for Highways Operations on 29 July 2021. This outlined the challenges that have emerged as a consequence of the Covid-19 pandemic and Brexit, and others that have developed from long-term significant under-investment in local highway infrastructure on a national scale, following more than a decade of austerity measures and inadequate funding from central government.

4. The previous report recommended the development of a Highway Network Recovery Strategy to set out how the issues outlined in that report can be managed and mitigated.

5. The additional funding of £7million per year that was agreed by the County Council on 4 November 2021 specifically for highway maintenance will, in conjunction with existing budgets, provide the necessary financial footing to

enable the slowing down, and ideally the gradual reversal, of the managed decline in the condition of Hampshire's road network.

6. The Highway Network Recovery Strategy sets out how *Hampshire Highways* will proactively manage the highway network utilising existing capital and revenue budgets, together with the extra £7million. The strategy is essentially a ten-year forward plan to address the longstanding backlog of highway maintenance on the local road network and, to ensure improvements are targeted in the most effective way, established asset management principles and cost modelling will be utilised. Hampshire-specific asset datasets have been developed to demonstrate the important linkage between investment and improvement and these are included as Appendix B.
7. Indicative target spend areas have already been identified for 2022/23 to address a number of immediate network needs, primarily focussed on carriageway and surface water drainage assets.
8. The new strategy will:-
    a. Enable faster response times to reported defects and incidents which, in turn, should yield a better customer experience with improved perception of the highways service.
    b. Improve how highway asset data is used to enable more efficient and effective targeted interventions.
    c. Facilitate a more proactive approach to highway maintenance.

Contextual Information

9. It is important to note that the condition of Hampshire's highway network and the current state of managed decline is not a Hampshire-specific problem, this is a challenge affecting all local highway authorities across the country at present.
10. The construction industry continues to face a number of challenges nationally which were outlined in detail in the July 2021 report. These have resulted in a high degree of ongoing uncertainty and risk, largely centred around the volatility in prices relating to construction related activity, linked to inflation.
11. In September 2021 the UK Roads Liaison Group published a report "The Case for Investing in Highways Maintenance". This comprehensive report outlined many of the issues that are currently affecting the highway network across England (excluding London) and several highlights from the report are included below to provide an overview of the situation from a national perspective:

    - the condition of roads is increasing motorist operating costs;
    - over 6 years, the RAC reports that motorists believe that the condition of local roads is getting worse;
    - road users state the road surface condition is a top priority/concern;
    - Department for Transport (DfT) data indicates a decline in maintenance undertaken across the local road network, with the minor roads taking the biggest hit;

- DfT data highlights the reduction of strengthening work, with local authorities having to adopt short-term fixes to spread their budget across an ageing asset;
- recent Annual Local Authority Road Maintenance (ALARM) surveys indicate circa. 1% (2,800km) of the local road network degrades into the poor condition category each year;
- nearly one in three (31%) of older adults (aged 65+) are prevented from walking more or at all on their local streets because of cracked and uneven pavements (footways). The new research found that half of older adults (48%) would walk more if their pavements were well-maintained; and
- for every additional £1 invested, an absolute minimum return of £2.20 can be expected, with analysis identifying typical returns of up to £9.10 at a national level. Further socio-economic benefits are estimated to provide up to a further £5+, and work is underway by the highways sector to monitor this more closely.

12. In addition to the Roads Liaison Group report, the 2021 National Highways and Transport (NHT) survey results demonstrate a continuing decline nationally in the public perception of highway maintenance services and network condition. Hampshire County Council's overall position against its peer group remains largely unchanged from previous years, but the falling satisfaction figures show that service expectations are increasing, possibly as a result of changing societal behaviours in light of the covid pandemic. This is evident in the numbers of highway enquiries that the service receives which have shown a marked and sustained increase since 2020.

13. The County Council's highway maintenance strategy has, for many years, been asset management driven and this has ensured the allocated funding is routinely invested in the right areas of the network to provide the best value outcome, based on whole life costs. The July report commented that the condition of Hampshire's highway network was deteriorating at an increasingly rapid rate and the under-investment in highway maintenance at a national level has meant that the County Council has been unable to manage and slow the decline in the condition of the local highway network. Planned Maintenance activities, which are delivered by the Operation Resilience team, include larger-scale structural repairs such as carriageway resurfacing and reconstruction, structural drainage and footway resurfacing schemes remains effective, but this programme only addresses a small percentage of the network in any given year. Operation Resilience adopts a "prevention is better than cure" approach and any reduction in Planned Maintenance significantly increases the need for routine and reactive repairs, which are not cost-effective in the long run, increase carbon emissions and generate higher numbers of enquiries and claims. In recent years there has been a noticeable shift back towards more reactive maintenance due to the need for accelerated interventions due to the changing degradation profile. This is undesirable from a network management perspective where a higher proportion of the under-funded budget is spent on reactive repairs rather than long-term planned maintenance operations

14. Analysis of locally held highway asset management data has clearly shown that over the past decade the condition of Hampshire's local road network has deteriorated. Table 1 provides an overview of the decline of the classified road network over a 4-year period.

Year	Percentage and lengths of carriageway requiring structural maintenance		Total length of road in need of structural maintenance
	A Roads	B & C Roads	
2016/17	3% (37km)	3.4% (97km)	134km
2020/21	4.8% (59km)	4.8%* (137km)	196km

Table 1 - Overview of Classified Road Carriageway Condition (average percentage for combined B & C roads)*

15. Table 1 shows that the length of Hampshire's classified road network (A, B and C class roads) requiring major structural maintenance has increased by 3.2% over a 4-year period, which equates to an additional 62km. It is important to emphasise that this only relates to the proportion of the classified network (approximately 38% of the total road network) in the worst condition and does not include the unclassified network or other highway assets.
16. The declining network has resulted in a maintenance backlog across all highway assets and the latest data for Hampshire estimates the cost to be in the region of £377million, as detailed below:

Carriageways	£240m
Footways	£38m
Structures	£78m
Traffic Signals	£21m
Total	**£377m**

17. As part of the County Council's commitment to an asset management driven maintenance strategy, individual performance targets have been assigned for each highway asset category. For example, the department's performance target of "Good" for the percentage of A-Road network in the red band, i.e. in need of structural repair, is between 3-5%. From Table 1 above the condition in 2016/17 was 3% and comfortably within the good target, in 2020/21 this has dropped to 4.8% and heading towards the "Fair" category, 6-7%.
18. The highway network condition data is also used for lifecycle planning purposes, which aims to predict how an asset will deteriorate over its life given a variety of treatment regimes. Those treatments can be costed so that

a theoretical annual budget for the most efficient regime can be derived. The combination of lifecycle planning and performance standards creates various investment models to suggest the best use of budget allocations and it is possible to assess what level of service will be achieved after a given level of investment or, conversely, calculate the investment needed to attain a certain level of service. Appendix B contains extracts from the department's cross asset analysis, which uses deterioration models to identify the level of funding required over a 15-year period to provide a condition outcome. The Performance Management Framework (PMF) banding categorises condition percentage requirements in terms of poor, fair, good and exceeding. As previously mentioned, the County Council's performance target is "Good" and Appendix B shows various investment scenarios for A, B, C and Unclassified roads and the condition outcome for maintaining current levels of spend, increasing or reducing spend, and also achieving a steady state. The change in road length refers to the additional length of network in need of structural repair. It is important to note that the values quoted do not take into account inflationary increases, therefore the actual figure is likely to be higher.

19. Table 2 provides a summary of all the highway assets included in Appendix B with details of their current annual investment values and the additional annual funding required per year to maintain their current levels of performance for a 15-year period.

Highway Asset	Current Performance Target (PMF)	Current Annual Investment	Additional Annual Investment to Maintain Performance Target	Total Additional Investment (over 15 years)
A Roads	Good	£4.6m	£1m	£15m
B Roads	Good	£2.6m	£1.7m	£25.5m
C Roads	Good	£6.9m	£3.5m	£52.5m
U Roads	Good	£10.2m	£8.1m	£121.5m
Footways	Good	£3.7m	£4.6m	£69m
Structures	Good	£4m	£9.05m	£135.75m
Traffic Signals etc.	Fair	£150k	£3.55m	£53.25m
Totals		**£32.15m**	**£31.5m**	**£472.5m**

Table 2 - summary of scenario planning for all assets, to maintain current performance targets over the next 15 years

20. From the data provided in Table 2 it is evident that annual funding for the highway assets will need to almost double to maintain their current state for the next 15 years. Given current funding levels and financial pressures at a national and local level, this is clearly an unrealistic expectation, therefore it is essential that the funding is invested in the right areas at the right time to achieve maximum benefit and value.

21. In October 2021 the government announced details of the Comprehensive Spending Review, where an indication was given that capital funding allocations from the Department for Transport (DfT) for highways maintenance in England would be £1.125billion (2021/22 allocation) for the next three financial years (2022/23, 2023/24 & 2024/25). In terms of capital budgets for Hampshire this equates to £45.3million for the next three financial years, although it should be noted that formal confirmation of this had still not been received from DfT when this report was prepared. The commitment to a longer-term funding allocation by the Government is welcome news and will help to provide stability, resilience, and better opportunities for asset management driven maintenance strategies although it is disappointing that it is still below the optimum level to reverse the declining trends from the last decade.

22. The UK Roads Liaison Group report models various investment scenarios for different levels of funding from the DfT. The model includes an investment scenario for £1.125billion and states that the backlog will be “unsustainable” and growing by c. £375million per annum. Network condition will continue to decline, which will be evident through bridge restrictions, flooding, more footway and carriageway defects and the continuation of “reactive management strategies”.

23. Decisions to cut funding for highway maintenance over the past decade have been led by central government rather than the County Council. Central government has tried to reduce the impact for local authorities by providing sporadic short-term funding allocations to deal with problems such as potholes and flooding. Whilst any additional funding is welcome, short-term funding injections do not provide the necessary long-term financial commitment to enable an asset management-driven maintenance strategy to be optimally followed. Short-term funding allocations increases demand across the industry and can create a scenario where local highway authorities are effectively competing with each other to secure additional resources from a limited supply pool. In recent years the County Council has acknowledged the cuts in funding and tried to mitigate the impact through additional investments of £10million per year for Operation Resilience activities. The additional £7million per year funding will provide higher confidence of achieving sustainable network stability and serviceability.

24. The construction industry is currently experiencing high levels of inflation, mainly for materials. The Hampshire Highways Service Contract (HHSC) contains annual price adjustment mechanisms that allow the contract prices to fluctuate in accordance with inflation measures, which are based on the consumer price index (CPI) and other construction inflation indices. Whilst the contract mechanism protects the County Council to some degree, the early

indications are that highway maintenance costs for a large proportion of capital funded maintenance works are likely to increase by at least 6% for 2022/23, with similar increases expected for the years ahead until the economic outlook stabilises. The 6% increase is not wholly reflective of the current market conditions. Inflation in the construction industry continues to be volatile and it is affecting different parts of the sector in different ways, so it is difficult to forecast the full impact. The duration of the current unstable situation is the subject of much debate across the construction sector, but the consensus seems to be that the financial instability and uncertainty will remain for several years. Compounding the inflationary pressures further are the impending increases to National Insurance contributions and changes to the legislation around the permitted use of red diesel, which will directly affect the highways service. From a forecasting perspective, if an indicative figure of 10% was applied to estimate the impact of inflation on DfT capital funded highway budgets it would result in a reduction in deliverable work of £4.5m in 2022/23 as the funding allocations from the DfT are fixed and therefore any inflationary increase is effectively a direct reduction in the amount of work that can be undertaken on the ground to maintain the network. Revenue budgets are relatively well protected with inflationary increases up to 2.5% and over 3.5% being covered by the County Council's corporate finances, leaving a potential reduction of up to 1% (£424k) for revenue funded work. Table 3 below provides an overview of the impact of a 10% reduction in capital budgets and a 1% reduction in revenue budgets. The total annual budget of £87.7m is effectively reduced by £4.95m. It should be noted that the 10% is **an indicative figure only** and the duration of increased inflation is unknown. However, as the construction industry inevitably stabilises in time the net amount of work undertaken on the ground could increase.

Budget	**2022/23 Budget Allocation**	**Impact of 10% inflation on Capital works**	**Impact of 1% inflation on Revenue**	**Total Reduction**
Capital (DfT)	£45.3m	-£4.53m	n/a	-£4.53m
Core Revenue	£35.4m	n/a	-£354k	-£354k
Additional Revenue	£7m	n/a	-£70k	-£70k
Totals:	**£87.7**	**-£4.53m**	**-£424k**	**-£4,954,000**

Table 3 – Summary of the impact of inflation and other pressures on the highway budgets

25. A key aim of the strategy is to reverse the trend for short-term reactive maintenance back to long-term planned maintenance. However, it is likely that the additional £7million will initially be used to fund additional revenue activity with, over time, an increasing proportion capitalised to increase funding for planned maintenance. Appendix A details the proposed strategy and includes

indicative TOTAL budget allocations for 5 years from 2022/23, aligned to the increase in Government funding. The additional £7m funding is available from 2022/23 with the flexibility for the Director of Economy, Transport and Environment to allocate this between Operation Resilience (Planned Maintenance) and reactive maintenance budgets as required.

26. It should be noted that revenue funded works will generally not improve the condition of the highway network structurally, although the additional spend in drainage cleansing and maintenance should help to reduce the incidence of flooding, which in turn should reduce structural defects such as potholes. The additional capitalised funding will provide additional support for structural repairs, i.e. more patching gangs and an enhanced Operation Resilience programme.

27. The funding will also be used to improve frontline staff capacity. Highway staff numbers have reduced by around a quarter since 2010. Whilst these measures were necessary to meet transformational savings targets it has put an unsustainable strain on the highways service in terms of customer service and managing the network on the ground, particularly during and after severe weather events. Highways is a resource intensive area and increasing the numbers of front-line and support staff will provide an improved customer service and much needed resilience for the delivery of all highway activities, and especially so in light of the increased funding provision.

28. The UK construction industry continues to struggle with the availability of operational resources, material supplies, HGV drivers and increased costs, and the uncertainty of this evolving situation could result in difficulties in obtaining the necessary operational resources to address and resolve the issues as quickly as desired. However, with surety over longer term funding the County Council will be in a much stronger position to commit to larger programmes of work that will undoubtedly be attractive to Milestone and its supply chain partners increasing the likelihood of securing key resources for extended periods. The Network Recovery Strategy in Appendix A outlines how the current risks and challenges will be managed and expected outcomes are:-

    a. Faster response times to reported defects and incidents which, in turn, should yield a better customer experience with improved perception of the highways service.

    b. Improved use of highway asset data to enable more efficient and effective targeted interventions.

    c. A more proactive approach to highway maintenance.

29. The collaborative working relationship with the County Councils service provider, Milestone Infrastructure, remains strong and is an exemplar in the highways sector. This will be a vital element to maintaining and sustaining increased operational delivery, productivity, and efficiency across the highways service.

Consultation and Equalities

30. Due to the nature of the approval sought for this report, limited consultation has been undertaken. However, Milestone Infrastructure has been closely involved in the formulation of the new strategy to ensure it is deliverable from a service providers perspective.

31. The decision sought in this report will not reduce the scope of the service provided or have any impact on the individuals working on the service or service users, so has been assessed as having a neutral impact on groups with protected characteristics. Approval is sought for service adjustments to accommodate and address current pressures and it is not anticipated that these proposals will have a direct impact on people with protected characteristics. Rather, they are intended to minimise disruption and improve service delivery to all residents and help maintain and/or improve highway safety.

Climate Change Impact Assessments

32. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2℃ temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation

33. Adaptations will be made to reduce the highway network's vulnerability to climate change by reducing the impact of flooding on the highway caused by heavy rainfall. Carbon sequestration and biodiversity in highway verges will be increased through enhanced maintenance regimes. The investment in proactive planned maintenance activities will reduce the number of reactive repairs, which generate carbon emissions. Increased numbers of repairs also generate disruption and diversions to the travelling public. Expanding the use of the County Council's highway materials recycling facility at Micheldever will provide cold recycled materials for use in Hampshire's highway network, reducing the need for traditional materials that use quarried virgin aggregates, production processes using high temperature batching plants and can be transported significant distances by road.

Carbon Mitigation

34. The carbon mitigation tool was not applicable because the decision relates to a programme of measures and is strategic in nature.

Conclusions

35. The network recovery strategy is a 10-year plan and is intended to return Hampshire's highways into a position where the service can meet the increasing levels of service demand and also improve highway user perception. The current fluid nature of the industry makes it difficult to predict how long it will take to turn the tide and be in a position to return to proactively managing the highway network. However, the strategy will need to be regularly reviewed, ideally annually, in the context of the wider sector issues, and amended accordingly so that is remains flexible and agile to meet changing priorities.

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

Links to previous Member decisions:	
Title Hampshire Highways – Service Update	Date 29 July 2021

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.)

Document	Location
None	

EQUALITIES IMPACT ASSESSMENT:

1. **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 characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic 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 which participation by such persons is disproportionally low.

2. **Equalities Impact Assessment:**

The decision sought in this report is for information purposes and will not change the scope of the service provided or have any impact on the individuals working on the service or service users, so has been assessed as having a neutral impact on groups with protected characteristics. Approval is sought for service adjustments to accommodate current pressures and it is not anticipated that these proposals will have a direct impact on people with protected characteristics. Rather, they are intended to minimise disruption to all residents arising from the current challenges and to help maintain highway safety.

Appendix A

Highway Network Recovery Strategy

Introduction

1. The Network Recovery Strategy aims to address the highway maintenance backlog in Hampshire and arrest degradation and depreciation across the network. Current levels of Planned Maintenance (Operation Resilience) replace less than 0.5% by area each year during which time the rate of deterioration greatly exceeds this level of replacement.

2. The optimal outcome of the Network Recovery Strategy is to recover the network to reach a sustainable steady state at a minimum cost. A key aim for the strategy is to move from an expensive, reactive maintenance regime to a more planned, proactive and affordable programme. As part of the strategy the annual spend between reactive and planned maintenance activities will be tracked to provide an overview of the anticipated shift over time.

3. To start to recover the network it is important to address two main areas:

   (i) the longstanding maintenance backlog must be tackled in a targeted way. The maintenance backlog has been defined as the value of the work required to remove those areas requiring urgent interventions.

   (ii) the natural year-on-year deterioration of the network. Deterioration occurs on the highway due to a number of reasons:

   - Ageing process. Oxidation of bituminous materials occurs over a period of time causing surfacing to become loose and eventually to break up.

   - Traffic Loading. Vehicles, especially heavy goods vehicles, have a detrimental effect on the carriageway, causing defects by wear or making existing defects worse.

   - Damage. This can be described as events that compromise the road surface. A good example would be poor utility reinstatements. Utility work needs to be rigorously policed in order maintain high standards of workmanship and materials.

   - Water, either standing on the highway or penetrating the underlying structure of the road, due to poor drainage and the increase in demand caused by the effects of climate change.

4. The Network Recovery Strategy will be delivered in conjunction with the recently reviewed network hierarchy which, subject to further analysis, will beneficially assist with prioritisation of network repairs over the life of the strategy, i.e. focus expenditure to those parts of the network most used and most important. The Strategy defines an approach for improving the overall condition of highway asset by the reintroduction of planned, preventative maintenance and cyclic maintenance and the extra highways funding will facilitate this.

5. By applying asset management condition analysis and experience in the right way, the deterioration of the highway network can be accurately mapped which can help to determine and drive priorities to manage the maintenance backlog, arrest the deterioration and return the road network to a steady-state condition that is sustainable going forward.

6. It is proposed to identify a comprehensive revenue and capital programme for the first year of the Strategy – 2022/23 - and then indicative programmes of work and target sites for the next four years. At year five the Strategy will be subject to a comprehensive review and, at the end of year ten, it is hoped that the deterioration can be arrested to such an extent that the value of the highway network can be maintained. The ultimate outcome for the Strategy is that it can be devised and delivered in such a way that the rate of improvement will exceed annual depreciation rate.

Service Improvement, Risk Management and Collaborative Working

7. Working in close collaboration with Milestone Infrastructure, measures to manage and improve the service, and mitigate risks, will include such things as improving systems and processes, obtaining additional resources, prioritising work types to ensure the safety of the network is not compromised, exploring new innovations, whether new digital technologies or alternative products and materials, and investigating new ways to maximise existing assets such as the County Council's new highways materials recycling facility at Micheldever.

Budget Allocations and Indicative Spend Areas 2022/23 to 2026/27

8. Indicative budget allocations for the financial years 2022/23 to 2026/27 are included in the table below, this includes Capital funding from the DfT, Revenue base budgets and the additional £7m Revenue budget.

	Financial Years				
Budget	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
Capital (DfT)	£45.3m	£45.3m	£45.3m	£45.3m*	£45.3m*
Core Revenue	£35.4m	tbc	tbc	tbc	tbc
Additional Revenue	£7m	£7m	£7m	£7m	£7m
Total budget:	£87.7m				

* The Capital (DfT) funding for these years is not confirmed and is based on previous allocations

9. The indicative spend for highway maintenance works for the 2022/23 financial year is outlined in the table below.

Work Type/Area	**Works Budget**		
	Capital (HCC & DfT) £m	**Revenue (HCC) £m**	
Operation Resilience (Planned Maintenance)	£29.7	0	
Routine & Reactive Maintenance	£5.1	£5.5	
Cyclical Maintenance	0	£5.1	
Winter Maintenance	0	£5.9	
Arboriculture	0	£0.9	
Structures	£4	£0.6	
Intelligent Transport Systems	£0.7	£1.7	
Street Lighting	0	£11.9	
Street Works Coordination	0	£0.1	
Miscellaneous	£5.8	£3.7	
Additional £7m outlined in paragraph 10	£3.5	£2.5	
Totals:	**£48.8m**	**£37.9m**	**£86.7m***

* the table above excludes the £1m revenue funding for staff from the additional £7m

10. The indicative areas of spend for the additional £7m in 2022/23 are included in the next table. It is acknowledged that the work types shown include a large proportion of revenue funded activity, but it is anticipated that this will gradually change, over time, to a larger proportion being capital maintenance. The County Council approval included flexibility for the Director of Economy,

Transport and Environment to allocate this between Operation Resilience (Planned Maintenance) and reactive maintenance budgets as required. Therefore, the areas of spend and proportions of revenue and capital will change for subsequent years, subject to service requirements:

Work Type	**Allocation**
Routine reactive (pothole) repairs, footway siding out, sign cleaning, localised drainage repairs and vegetation clearance	£1.1m
Rural grass cutting – increase quantities of the full width verge cutback, expand the trial of cut and collect arising from verges and further trials of re-wilding verge areas	£0.4m
Weed control – increase more localised additional treatments and undertake trials of alternatives to herbicide treatments	£0.1m
High performance reinstatements around carriageway ironwork	£0.2m
Drainage – additional routine maintenance and cleansing of drainage assets. Additional grip cutting and ditch clearance	£1.8m
Carriageway and footway defect repairs and patching	£2.4m
Delivery resources (staff)	£1m
Total	**£7m**

Indicative spend for the additional £7m for 2022/23

11. The funding will provide additional resources to undertake repairs that typically generate a high number of customer enquiries such as pothole repairs, overgrown vegetation, gully cleansing and obscured traffic signs.

12. Additional targeted rural grass cutting will be undertaken, with a full cutback of all highway verges being undertaken each year. In conjunction with this, the current cut-and-collect trials will be expanded along with further trials of re-wilding highway verges. These measures have been developed in consultation with the conservation charity Plantlife to increase biodiversity and carbon sequestration in Hampshire's highway verges.

13. Weed growth on the highway is an area that generates high volumes of enquiries. The funding will be used to undertake additional weed control treatments to targeted areas. Trials of alternative treatment methods will be undertaken with a view to finding a replacement to the herbicides currently used.

14. The increased funding provision will provide additional resources to undertake first-time permanent repairs to carriageway and footway defects such as potholes and loose paving slabs. This will include specialist treatments such as high-performance repairs around chamber covers and drainage gullies in the carriageway, which take a significant impact on the higher trafficked network and can lead to repeated failures. The increase in resources will enable more proactive routine repairs to be undertaken and arrest the deterioration of the network. This will also reduce the number of public enquiries, reactive repairs and damage claims.

15. Highway drainage will be reviewed and reprioritised with the additional funding through a variety of measures. Additional cleansing frequencies for drainage assets such as gullies and soakaways will be undertaken, and additional resources will be provided for rural areas including additional grip cutting (intercepting ditches) and ditch clearance. The investment in additional drainage maintenance will help Hampshire's adaption to manage and mitigate the effects of climate change such as increased rainfall and storm events. Improvements to highway drainage systems will reduce surface water flooding which is a major contributor to highway defects such as potholes, and claims.

Appendix B

Cross Asset Investment Planning

A Road Summary

PMF Banding

Percentage of the network in the Red 'Road Condition Index' (RCI) band. RCI is a DfT measure of road condition.

Poor	Fair	Good	Exceeding
>7% Red	6-7% Red	3-5% Red	<3% Red

A Scenarios	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	Current Red Length (km)	Outcome Red Length (km)	Change in Red Length (km)
1 – Current Spend	£4.6m	-	£69m	4.8%	7.1%	2.3	32	48	16
2 – £250k reduction	£4.35m	-£250,000	£65.25m	4.8%	7.7%	2.9	32	52	20
3 – £250k increase	£4.95m	+£250,000	£72.75m	4.8%	6.5%	1.7	32	44	12
4 – £500k increase	£5.1m	+£500,000	£76.5m	4.8%	6%	1.2	32	41	9
5 – Steady State	£5.6m	+£1m	£84m	4.8%	4.8%	0	32	32	0

B Road Summary

PMF Banding

Percentage of the network in the Red 'Road Condition Index' (RCI) band. RCI is a DfT measure of road condition.

Poor	Fair	Good	Exceeding
>8% Red	6-8% Red	3-5% Red	<3% Red

B Scenarios	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	Current Red Length (km)	Outcome Red Length (km)	Change in Red Length (km)
1 – Current Spend	£2.6m	-	£39m	5.2%	9.5%	4.3	30	55	25
2 – £250k reduction	£2.35m	-£250,000	£35.25m	5.2%	10.3%	5.1	30	59	29
3 - £250k increase	£2.85m	+£250,000	£42.7m	5.2%	8.7%	3.5	30	50	20
4 – £500k increase	£3.1m	+£500,000	£46.5m	5.2%	8%	2.8	30	47	17
5 – Steady State	£4.3m	+£1.7m	£64.5m	5.2%	5.2%	0	30	30	0

C Road Summary

PMF Banding

Percentage of the network in the Red 'Road Condition Index' (RCI) band. RCI is a DfT measure of road condition.

Poor	Fair	Good	Exceeding
>9% Red	6-9% Red	3-5% Red	<3% Red

C Scenarios	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	Current Red Length (km)	Outcome Red Length (km)	Change in Red Length (km)
1 – Current Spend	£6.9m	-	£103.5m	4.5%	8.3%	3.8	92	169	77
2 – £750k reduction	£6.15m	-£750,000	£92.25m	4.5%	9.3%	4.8	92	189	97
3 – £500k reduction	£6.4m	-£500,000	£96m	4.5%	9%	4.5	92	183	90
4 – £250k reduction	£6.65m	-£250,000	£99.75m	4.5%	8.7%	4.2	92	176	84
5 – £500k increase	£7.4m	+£500,000	£111m	4.5%	7.8%	3.3	92	158	56
6 – Steady State	£10.4m	+£3.5m	£156m	4.5%	4.5%	0	92	92	0

U Road Summary

PMF Banding

Percentage of the network in the Red 'Road Condition Index' (RCI) band.

Poor	Fair	Good	Exceeding
>9%	7-9%	3-7%	<3%

U Scenarios	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	Current Red Length (km)	Outcome Red Length (km)	Change in Red Length (km)
1 – Current Spend	£10.2m	-	£153m	5%	8.4%	3.4	236	409	173
2 – £750k reduction	£9.45m	-£750,000	£141.75	5%	9%	4	236	430	194
3 – £500k reduction	£9.7m	-£500,000	£145.5m	5%	8.7%	3.7	236	424	188
4 – £250k reduction	£9.95m	-£250,000	£149.25m	5%	8.6%	3.6	236	417	181
5 – £500k increase	£10.7m	+£500,000	£160.5	5%	8.1%	3.1	236	397	161
6 – Steady State	£18.3m	+£8.1m	£274.5m	5%	5%	0	236	236	0

Footway Summary

The PMF banding is based on the percentage of the footway network in the resurfacing band.

Poor	Fair	Good	Exceeding
>25%	20 - 25%	10 - 20%	<10%

Scenario	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	Current Red Length (km)	Outcome Red Length (km)	Change in Red Length (km)
1 – Current Spend	£3.7m	-	£55.5m	10.5%	25.40%	14.9	634	1,534	900
2 – £500k reduction	£3.2m	-£500k	£48m	10.5%	27.20%	16.7	634	1,642	1,008
3 – £250k reduction	£3.45m	-£250k	£51.75m	10.5%	26.30%	15.8	634	1,588	954
4 – £250k increase	£3.95m	+£250k	£59.25m	10.5%	25%	14.1	634	1,485	851
5 – £500k increase	£4.2m	+£500k	£63m	10.5%	23.70%	13.2	634	1,431	797
6 – Steady State	£8.3m	+£4.6m	£124.5m	10.5%	10.50%	0	634	634	0

Structures Summary

PMF Targets

The structures PMF target is based on the Structures Stock Condition Index score and maintaining this within the good band overall

Condition	Poor, Very Poor or Substandard	Fair	Good Condition	Very Good
SSCI Range	0 - 65	65 - 80	80 - 90	90 - 100

Scenarios	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	No of bridges V good	No of bridges Good	No of bridges Fair	No of bridges Poor or V Poor	Backlog
1 – Current Spend	£4.0m	-	£60m	84.5	70.97	-13.53	34	241	781	662	£213,238,905
2 – PMF into poor band	£1.5m	-£2.5m	£22.5m	84.5	65	-19.5	18	180	731	789	£257,775,870
3 – £500k reduction	£3.5m	-£500,000	£52.5m	84.5	69.64	-14.86	30	215	785	688	£225,948,734
4 – £250k reduction	£3.75m	-£250,000	£56.25m	84.5	70.22	-14.28	30	220	783	685	£218,560,978
5 – £250k increase	£4.25m	+£250,000	£63.75m	84.5	71.15	-13.35	35	239	800	644	£207,850,502
6 – £500k increase	£4.5m	+£500,000	£67.5m	84.5	71.85	-12.65	31	240	806	641	£201,195,989
7 – Remain in good band	£9.25m	+£5.25m	£138.75m	84.5	80.19	-4.31	73	585	835	225	£109,253,937
8 – Steady State	£13.05m	+£9.05m	£195.75m	84.5	84.5	0	215	1024	463	16	£39,484,444

ITS Summary

The PMF indicators are the percentage of assets in the poor band.

Poor	Fair	Good	Exceeding
>10%	5-9%	2-4%	1%

Scenarios	Annual Investment	Change in Investment	Total Investment	Current Condition	Condition Outcome	Condition Change	No of ITS Assets V Good	No of ITS Assets Good	No of ITS Assets Fair	No of ITS Assets Poor or V Poor	Backlog
1 – Current Spend	£150k	-	£2.25m	8	47%	41	12	304	300	539	£45,000,000
2 – £250k increase	£400k	+£250,000	£6m	8	44%	38	44	311	290	510	£43,000,000
3 – £500k increase	£650k	+£500,000	£9.75m	8	42%	36	66	318	283	488	£41,000,000
4 – £1m increase	£1.15m	+£1m	£17.25m	8	37%	31	108	346	271	430	£36,000,000
5 – Remain in Fair	£3.3m	+£3.15m	£49.5m	8	9%	3	335	424	291	105	£18,000,000
6 – Steady State	£3.7m	+£3.55m	£55.5m	8	8%	0	353	439	288	75	£15,000,000