

## **Task and Finish EIT Review of Highways**

### **Regeneration and Transport Select Committee**

The Committee have considered the issues involved in the task and finish review of Highway Services at its meetings of 5 December 2011, 13 February, and 19 March. The Committee has received in-depth information on the scope of the services involved, network management strategy and relevant budget areas.

In order to meet the needs of the MTFP, the review proposes reductions to a number of budget areas, including scheduled and structural maintenance, inspection and management, and a range of other budgets including bridge maintenance. The Committee are pleased to note that savings in relation to inspection and management costs can be made without the need for compulsory redundancies due to reallocation of duties and different ways of working. Members are also pleased to note the procurement exercise during 2011 that has produced savings in relation to the road surfacing contract, despite increased oil prices.

The Committee recognise the need to make further savings in order to meet the wider targets of the EIT programme. However, due to the nature of this review it is inevitable that the required level of savings will lead to some reduced levels of service.

Reductions to the scheduled and structural maintenance revenue budgets will have an impact on the condition of the highway asset and increase the road maintenance backlog that the Authority has, in common with all highways authorities. Members regard the condition of the highway as a key issue for local residents, and recognise that the highway is the Local Authority's highest valued asset; therefore the Committee support all efforts to identify ways of improving local roads.

Due to the assumed continuing pressure on revenue and capital funding in future years, the Committee support the investigation of invest to save options in order to deliver investment in the highway asset, based on a comparison of the amount of money needed for repayments versus reduced need for maintenance.

Therefore the Committee strongly support the inclusion of a recommendation that would enable officers to undertake this work.

Members do recognise that the Council will still be able to meet its statutory duty to keep the highway maintained to an acceptable standard following the completion of this review.

Members also note that over the short to medium term the projected income from private developers is expected to increase as the housing market recovers. This will alleviate some of the fixed costs in relation to the inspection and management of roads in new developments.

Members recognise previous corporate reviews of insurance provision across the Authority. The Committee would support any future review of the insurance arrangements that may lead to reduced contributions from Highway Services, especially in light of the high repudiation rate for highways related claims, and in order to use all available money for investment in the network itself.