



membership resources

State of the Market Survey 2017

Local Authority Highways Services



Briefing 17-42

November 2017



The state of the market survey was conducted by Rob Bailey, APSE Principal Advisor with assistance from Ian Scherr - Research and Coordination Officer

For any enquires in relation to the survey, Rob may be contacted on:

Tel: 0161 772 1810

Email: rbailey@apse.org.uk

Local Authority Highways Services

State of the Market 2017

APSE conducted an online survey during May and June 2017. A series of questions were asked covering a range of issues of interest to those officers and councillors responsible for Highways services.

This is the seventh year that APSE has undertaken a state of the market survey for highways, street lighting and winter maintenance. Street lighting and winter maintenance will be covered in separate reports.

The surveys are an attempt to understand perceptions of the market amongst people directly involved in delivering services.

Methodology

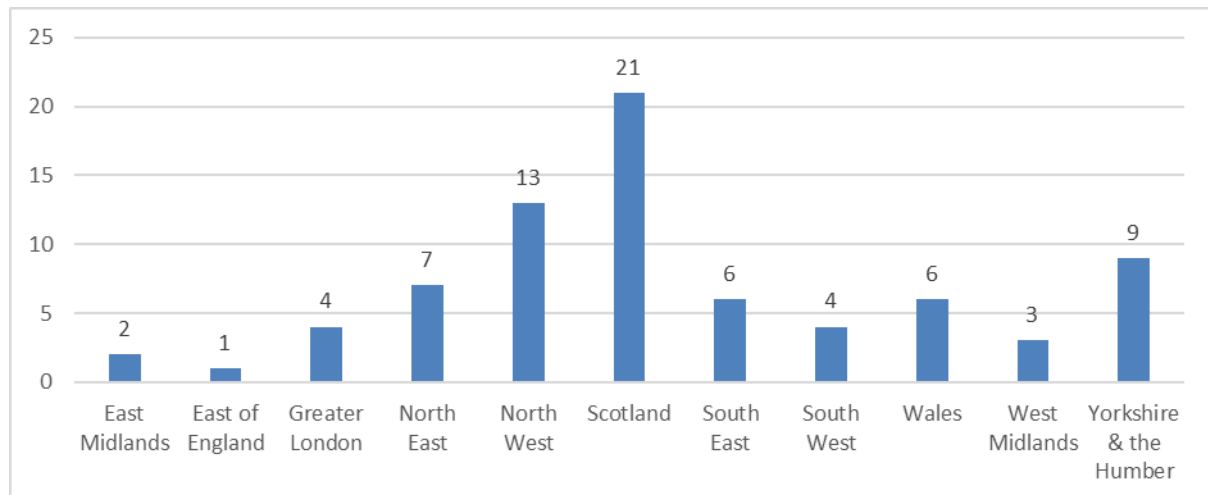
At the beginning of May, an email invitation was sent out to all APSE colleagues who deal with Highways. This contained 23 questions on various different issues faced by those working in Highways Services, 19 of which will be used for this report. Duplicate responses, and almost wholly incomplete responses were eliminated from the sample, leaving a final sample of 76.

No questions were mandatory, so the total amount of responses differs from question to question. This report will state the total that answered each question in the results. Respondent's information has been kept confidential, with identifying information being limited to the general area of the U.K. the respondent is from.

Whilst this survey has been conducted for the past seven years, there was a significant change in survey design three years ago to separate highways, street lighting and winter maintenance into separate surveys. In addition to this, the relatively small sample sizes make it challenging to distinguish sample variance from actual trends across time. Whilst reference to previous years is made, this is purely for general information, and this report is best treated as a snapshot of the current opinions of those working in highway services, rather than a thorough analysis of change over time.

Results from the Survey

1. Where in the United Kingdom do you work?



Respondents represent variety from across the whole of Great Britain. England accounts for 49 of respondents, with 21 from Scotland and 6 from Wales. This gives us a total sample of 76.

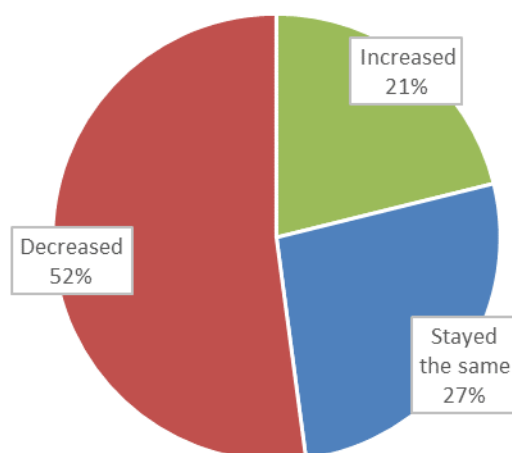
Responsibility in Northern Ireland rests with the Department for Infrastructure

2. How has the budget for the highways service changed from 2016-17 to 2017-18?

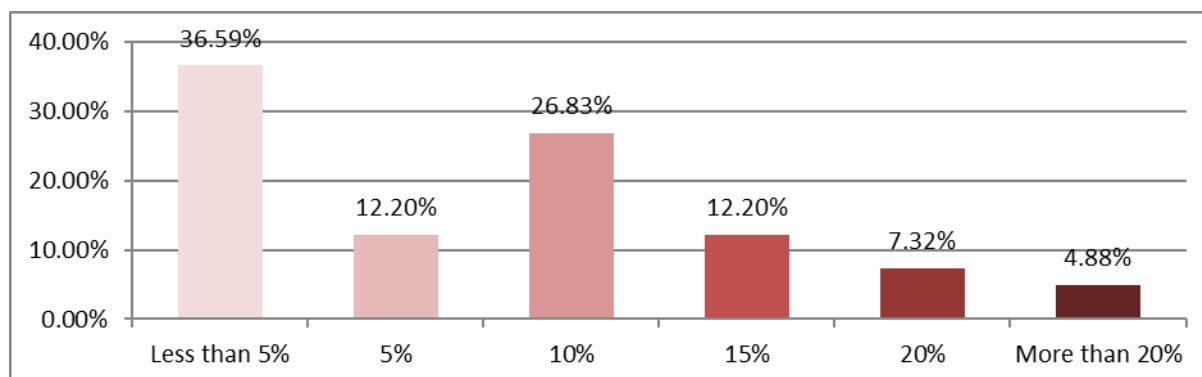
There was a total of 71 responses to this question. The majority of people (37) have experienced a decrease in their budget. 19 said their budget was still the same and 15 had experienced an increase in their budget.

The comments shed some further insight into the reasons for this:

- Increase in Capital budgets and reductions in revenue.
- Increase in funding from DfT to assist in flood recovery.
- Some received support from the administration and government grants.



3. If your budget has decreased from 2016-17 to 2017-18, how much has it decreased by?

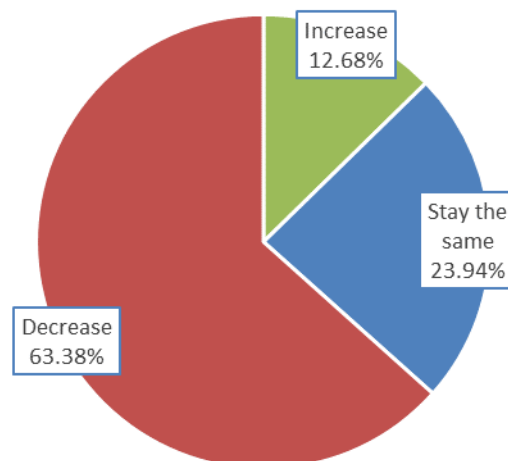


Of the 41 responses to this question, almost half (20) had a budget decrease of 5% or less, and around three quarters of people were 10% or less. Only two people reported a reduction of over 20%.

It should be noted that some respondents only reported their revenue budget and others their combined budget.

4. How do you expect the budget for the highways service to change when allocated in 2018-19?

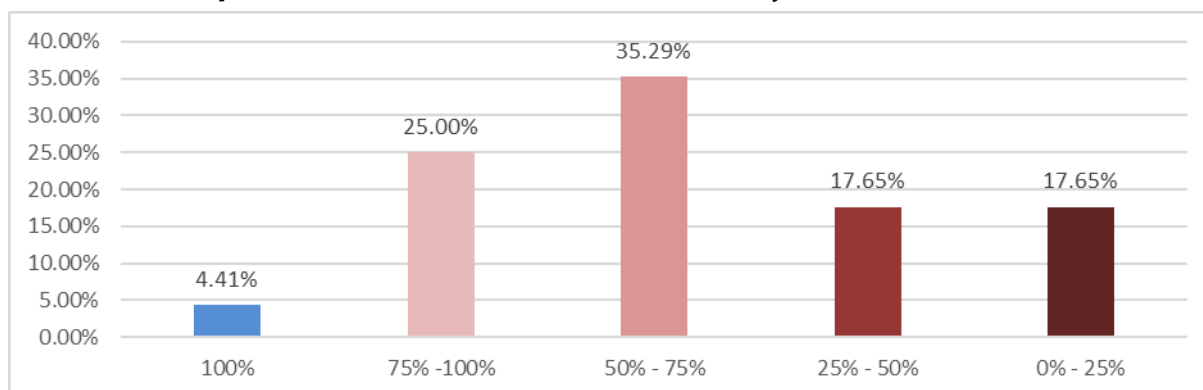
A clear majority of people expect budgets to fall in 2018-2019. 45 out of 71 people predict a decrease, 17 expect it to stay the same and only 9 are anticipating budgets to increase. This is both the highest share expecting an increase since 2014, and the highest share expecting a decrease since 2014 too.



The comments suggest some reasons for this:

- Austerity Savings and planned decreases.
- Those with increases cite DfT funding for Flood Recovery and Northern Powerhouse Investment Fund money.
- There may be changes in funding due to recent elections.

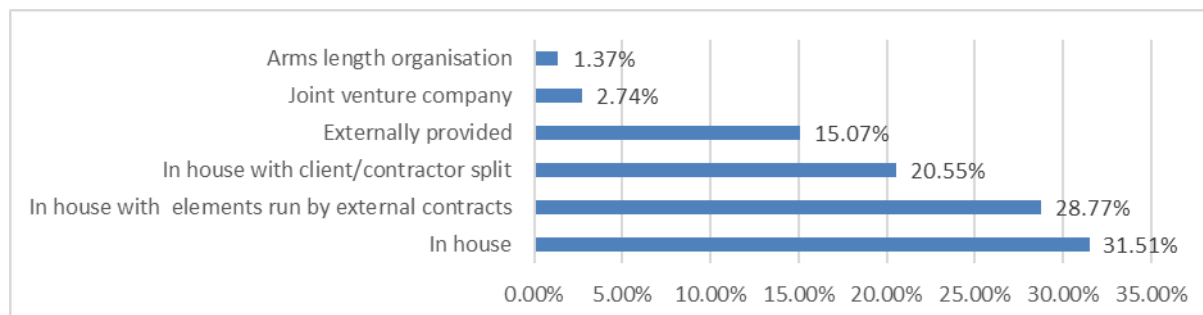
5. To what extent will your 2017/18 budget for highways maintenance meet the need to fill potholes and resurface where necessary?



Only 3 out of 68 people believed that their budget would meet the need of filling potholes and resurfacing. 24 believed that they would receive less than half of the required money. Last year 10% of respondents believed the budget would meet 100% of needs.

Comments indicate that backlogs are a common cause of the shortfall, and budgets will only cover reactive maintenance to make the network “safe and serviceable”. One person remarked that they have less than 3.5% of the budget required to achieve green status on their network.

6. How are your highways services currently delivered?



Our survey shows that 59 out of 73 respondents have services delivered, at least in part, in-house. 11 said that they were entirely externally provided, and 3 were either through an arm’s length organisation or a joint venture.

Comments suggest that size of work has some bearing on who undertakes the work. Smaller work is routinely completed in-house with larger contracts subject to a decision on capacity and timescale as to whether pursued internally or let as a contract externally.

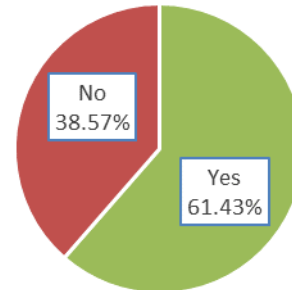
7. If the service is currently provided in-house, do you expect the service to remain in-house over the next 12 months?

Of 57 people, only one (1.75%) said that they did not expect the service to remain in-house.

8. Do you personally feel staff absence levels are at an acceptable level?

Of the 70 responses, 43 felt that absences were acceptable. This is almost 10% lower than in 2016, showing that dissatisfaction with absence could be growing.

Those that indicated that absences were an issue said that mental health and stress were factors, as well as expressing concerns over an aging workforce. One also mentioned that they only had issues with operatives staff, and that their office staff absence level was fine.

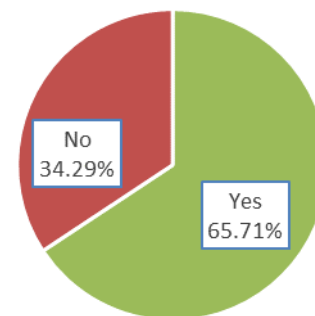


9. Do you run an apprenticeship scheme for the highways maintenance service?

A clear majority of services operate an apprenticeship scheme. Only 24 of the 70 responders said that they did not.

This is slightly higher than the 2016 figure, which had 61.6% say they were running an apprenticeship scheme, and the highest since 2010

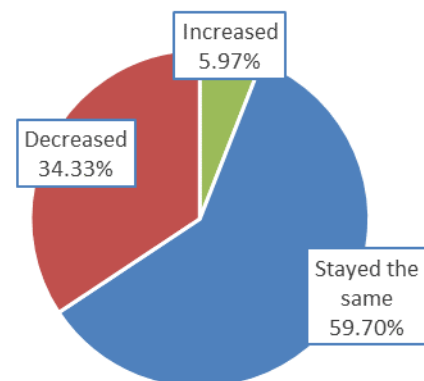
The number of apprentices taken on varied significantly between each response, with some taking only a single apprentice whilst some taking up to 45.



10. What has happened to your highways maintenance training budget over the past 12 months?

Training budgets have remained stagnant for the majority of those responding, with 40 out of 67 people reporting no change. 23 said there had been a decrease. This is a larger decrease than was reported in 2016, where only 26.4% had said there was a decrease.

Comments suggest that there are many that do not



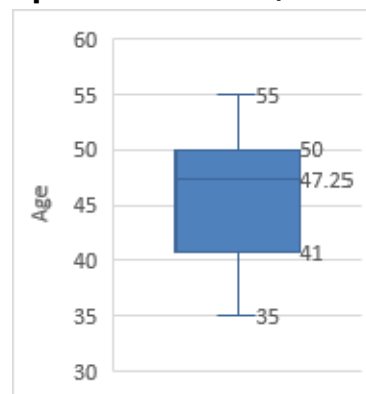
have a specific training budget, and that the money comes out of the general revenue budget. Others say that training is dealt with centrally by the council, and therefore subject to being frozen to meet other goals of the Council.

11. What is the average age of your highways maintenance operational staff? (if known)

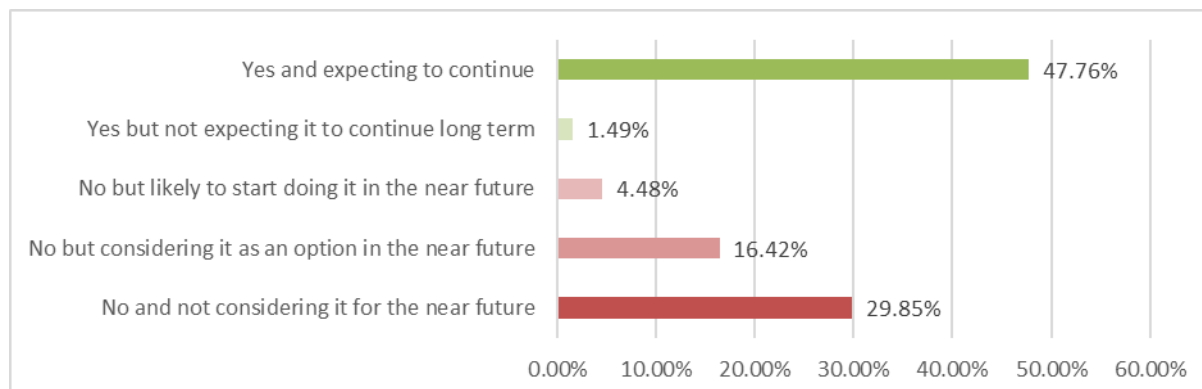
The estimated average (mean) age of operational staff is just over 47 years old. Half of all respondents who were able to give an age placed the average age of staff within the range of 41 - 50 years old.

The oldest average reported was 55, and the youngest 35.

There were 33 valid responses to this question.



12. Do you currently sell your services to organisations external to the council?

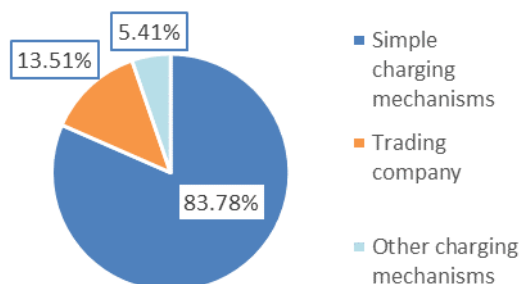


33 out of 67 responses indicate that they sell services to external organisations. Only one of these expected to not continue long term. 3 expected to start selling services in the near future, and 11 said that it was under consideration. This is the first time since 2010 that the total 'yes' share is below 50%.

Local authorities have increasingly been leveraging their services to provide additional income, and APSE host the [Local Authorities Commercialisation, Income and Trading Network](#), which members can attend free of charge.

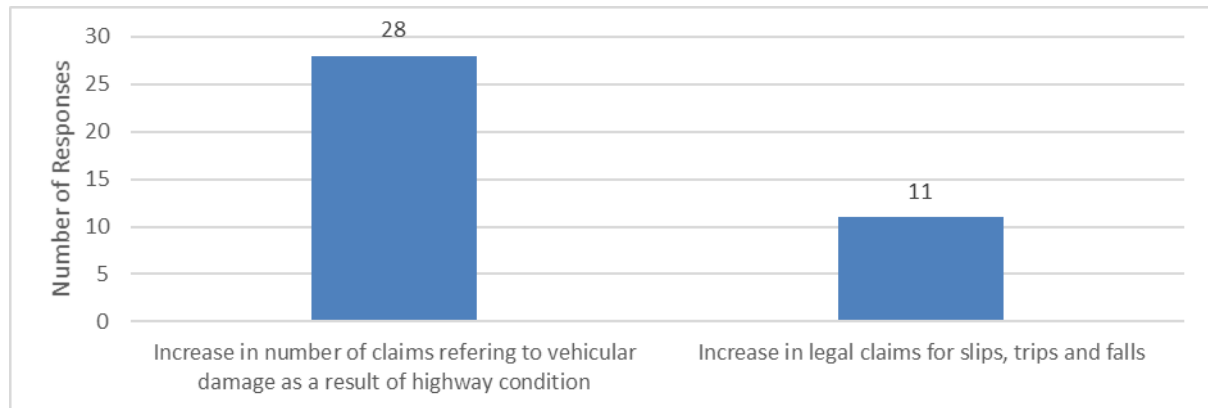
13. If you do currently sell your services to organisations external to the council, do you use:

Out of 37 respondents, 31 use simple charging mechanisms when selling services. 5 use a trading company to conduct their external business.



This compares to a quarter of respondents reporting using a trading company in 2016, with 70.2% using simple charging mechanisms.

14. Has the severe weather over the past 3 years led to any of the following (you may answer more than one)



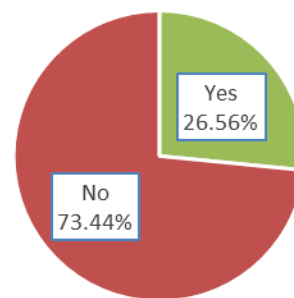
28 people identified an increase in vehicle damage claims over the past 3 years, and 11 said there had been an increase in slips, trips and falls.

Comments indicate that this increase is more likely to be due to 'claims culture' rather than road condition. Storm Desmond was also posited as a possible reason for increase. Some expressed fears that budget cuts could lead to more claims.

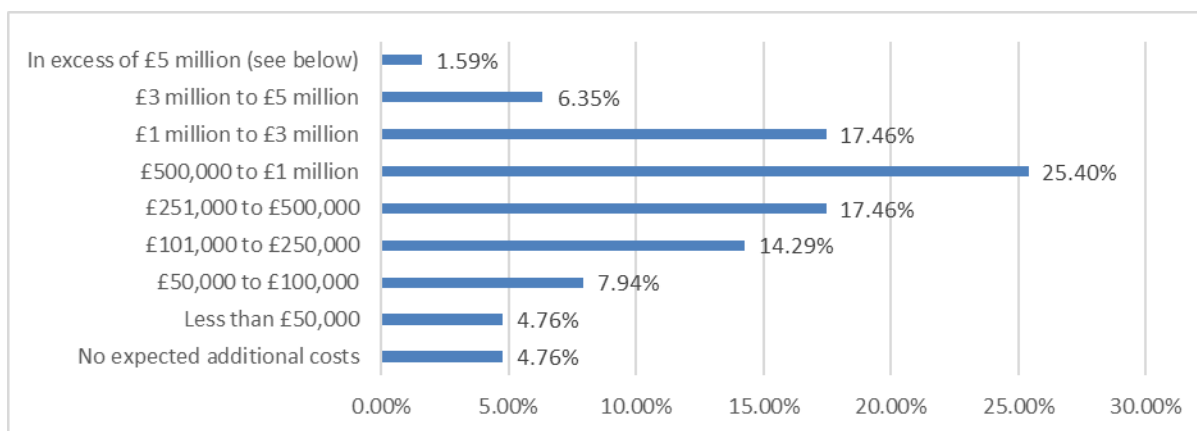
15. Have you recently taken a more aggressive approach to defending claims?

47 out of 64 respondents said that they have not taken a more aggressive approach recently. However, comments suggest that many consider their approach to always have been aggressive, especially with what are believed to be fraudulent claims.

One response mentions that they do this to avoid being seen as an 'easy target', and others suggest the use of risk assessments and strategy documents to support claims.

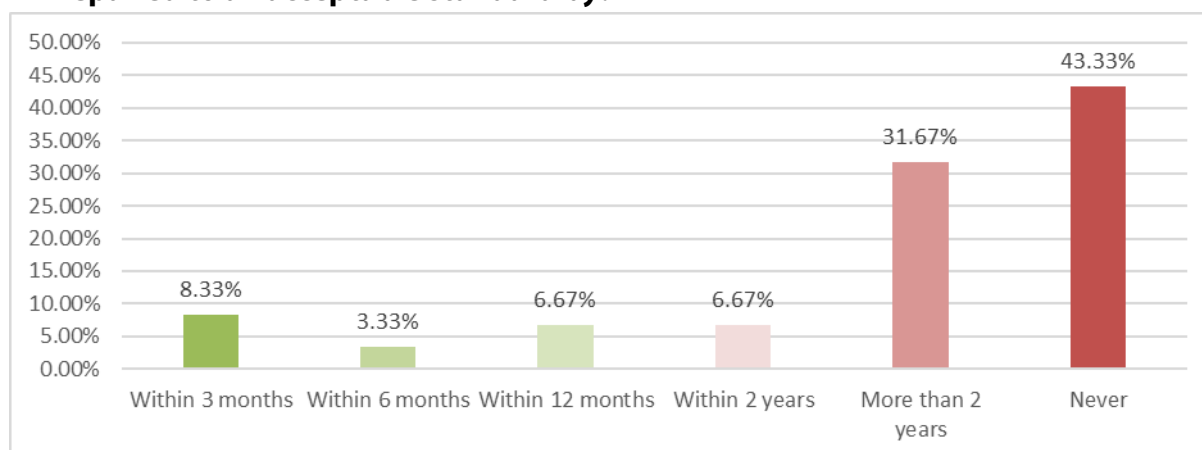


16. What will be the likely costs of repairing pot holes which have been identified in your council area?



There was a total of 63 responses to this question. It should be noted that the individual circumstances of each council vary considerably, and this is just an overview of the condition of the wider network.

17. When do you estimate the existing damage to roads in your council area will be repaired to an acceptable standard by?



A total of 60 people answered this question, with only 11 expecting existing damage to be repaired within a year or less, and 26 expecting repairs to never be fully achieved. The comments for this question reveal that a lack of funding is blamed for this, and that backlogs are a major issue. One response indicates that it would take over 30 years at current spends to fully repair the road.

There has been a 10% increase since 2016 of people estimating that their council will never be repaired to an acceptable standard, and the expectation that repairs would be carried out within a year or less has fallen 14% in the same period.

18. Where do you see growth areas for the service over the next 12 months?

Naturally, this question elicited a wide variety of responses. A number of people foresaw no areas for growth, however those that did identified areas such as:

- External Income Streams
- Asset Management
- Air Quality
- Sustainable drainage
- Collaboration with other authorities
- Town Centre Regeneration
- Charging for Specialist Knowledge
- Housing and Industrial Development sites
- Surface Dressing Road Network
- Design and Build using Section 278 and 38

19. Where do you see areas where work may decrease over the next 12 months?

A number of areas were identified where work could decrease over time:

- Pothole Repairs
- Structural Highway Maintenance
- Long Term Maintenance
- Cyclic & Routine Maintenance
- Carriageway Surfacing
- Road Reconstruction
- Major Resurfacing
- Street Light Maintenance
- Winter Service

In almost all cases, this would be due to budget limitations. The only exceptions to this were Street Lights, which would result as a move to LED lighting, and Winter Service, which would be due to introduction of new routes and improved forecasting.

Local Authority Highways Services

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The Association for Public Service Excellence

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings, and would like to be added to our list of contacts for your service area, please email : enquiries@apse.org.uk.

Our national advisory groups include:-

- FM & Building Cleaning
- Catering (school meals)
- Cemeteries and Crematoria
- Environmental Health
- Highways and Street Lighting
- Housing Construction and Building Maintenance
- Local Authorities Commercialisation, Income and Trading Network
- Parks, Horticulture and Grounds Maintenance
- Renewables and Climate Change
- Sports and Leisure Management
- Vehicle Maintenance and Transport
- Waste Management, Refuse Collection and Street Cleansing