

## APPENDIX 4 – HIGHWAYS

### Highway Service

The Highways Service works to improve the city's road networks and public spaces, delivering a range of work that keeps traffic flowing, maintains the public realm and designs major new highway schemes to benefit residents and visitors in Manchester.

The Highways Service is made up of several teams:

- Network Management - keeping the city moving, managing parking, traffic, and other aspects of road safety.
- Design, Commissioning and Project Management Team (PMO) - managing and developing our highways.
- Public Realm - maintaining monuments, water features and more

#### Priorities:

- Keeping highway users safe
- Reducing congestion and supporting business and economic recovery
- Supporting active travel options of walking and cycling
- Delivering a programme of highway improvements

### Revenue Budget.

Although the Highways service revenue budget is part of the overall Neighbourhoods service budget, it is under the remit of Environmental Scrutiny Committee. The service has a gross £32.7m and net £13.1m budget with 236 fte's.

Service Area	2021/22 Gross Budget £000's	2021/22 Net Budget £000's	FTE's
Highways Development	43	43	3
Network Management	4,921	2,026	94
Public Realm	683	654	5
Design, Commissioning & PMO	(276)	(294)	56
Highways Maintenance	6,206	5,625	74
Accident & Trips	1,164	1,164	0
Street Lighting	11,480	8,328	0
Metroshuttle Contribution	900	0	0
<b>Highways Service</b>	<b>25,121</b>	<b>17,546</b>	<b>235</b>
Off Street Parking	7,242	(4,720)	0
CCTV	302	291	1
<b>Operations &amp; Commissioning</b>	<b>7,545</b>	<b>(4,429)</b>	<b>1</b>

<b>Total Business Area</b>	<b>32,665</b>	<b>13,117</b>	<b>236</b>
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### **2022/23 Revenue Budget**

Members will recall that the 2021/22 approved City Council budget identified over £48m savings over the three years 2021/22 - 2023/24. Of these savings £0.645m related to Highways. The 2021/22 savings of £495k are on track to be achieved in 2021/22 and a further £150k is already approved for 2022/23, this relates to a further reduction in the accidents and trips budget to reflect the lower volume of claims against the Council due to the improvements to the roads and footways because of the ongoing investment.

### **Proposed Changes to the 2022/23 Budget**

#### **Covid Implications on Income**

As part of the 2021/22 budget additional support was provided to allow for reduced income due to Covid. Support of £3.136m was provided to off street car parking to reflect the reduced number of car park users. Whilst this was one off support in 2021/22 and has been reversed in 2022/23, car park usage is still not back to pre-covid levels, and particularly season ticket sales. The future use of parking remains uncertain although the recent Government announcements around returning to the office will help and it is anticipated that from Spring 2022 the use of parking will increase, and this will be retained under review.

#### **Inflationary Pressures**

Budgets have been updated to reflect the employers National Insurance increase of 1.25%, (£61k) to fund the 'social care levy'.

Provision has been made for inflationary price increases and potential pay awards. This is held centrally and will be allocated to service budgets when the details are available.

#### **Increased Vacancy Provision**

A 1% increase to the vacancy factor would more accurately reflect the fact that many employees are not at the top of the grade and the current levels of turnover and would generate budget savings of c.£2m across the council. Highways Services have been allocated £63k of this which is reflected in the 2022/23 indicative budget

#### **Growth/Other Investment**

As part of the November scrutiny process cost pressures of £464k were identified and they include: -

The current winter services contract is up for renewal in 2022/23 and indications are that the contract is likely to cost c£200k more than the existing contract, this is due to increased costs of HGV drivers.

The provision of CCTV monitoring has been provided by Mitie since January 2021, and the costs of the contract are c£264k higher than the previous contract. A review of the service provision has recently been undertaken to ensure any increased costs can be mitigated as far as possible, and the £264k is net of the proposed changes.

The impact of the above would result in a proposed net Highways budget for 2022/23 of £10.292m as detailed below:

Service Area	Cash Limit	Savings approved 21/22	COVID Adjustments	New Savings proposed 22/23	New pressures identified 22/23	Cash Limit
	2021/22 £000's	2022/23 £000's	2022/23 £000's	2022/23 £000's	2022/23 £000's	2022/23 £000's
Highways Development	43			(1)		42
Network Management (inc Winter Services)	2,026			(36)	226	2,216
Public Realm	654			(2)	1	653
Highways Capital Programme	(294)				20	(274)
Highways Maintenance	5,625			(23)	13	5,615
Accident & Trips	1,164	(150)				1,014
Street Lighting	8,328					8,328
<b>Highways Service</b>	<b>17,546</b>	<b>(150)</b>	<b>0</b>	<b>(63)</b>	<b>260</b>	<b>17,594</b>
Off Street Parking	(4,720)		(3,136)			(7,856)
CCTV	291				264	555
<b>Operations &amp; Commissioning</b>	<b>(4,429)</b>	<b>0</b>	<b>(3,136)</b>	<b>0</b>	<b>264</b>	<b>(7,301)</b>
<b>Total Business Area</b>	<b>13,117</b>	<b>(150)</b>	<b>(3,136)</b>	<b>(63)</b>	<b>524</b>	<b>10,292</b>

### Highways Capital Programme

The current approved capital programme, as at period 9 in 2021/22, is shown below alongside the funding to be used. Details on potential future investment opportunities are also shown, but these remain subject to approval.

### Highways Approved Capital Programme

Service Area	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000
Maintenance Programme	17,233	14,758	629	-	32,620
Mayor's Challenge Fund schemes	10,755	20,499	-	-	31,254
Other	11,210	12,743	-	-	23,953

<b>Total</b>	<b>39,198</b>	<b>48,000</b>	<b>629</b>	<b>0</b>	<b>87,827</b>
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### Funding of Approved Capital Programme

<b>Service Area</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grant	2500	-	-	-	500
External contributions	20,962	26,675	-	-	47,637
Revenue Contribution to Capital	828	30	-	-	858
Capital Receipts	308	681	-	-	989
Borrowing	16,600	20,614	629	-	37,843
<b>Total</b>	<b>39,198</b>	<b>48,000</b>	<b>629</b>	<b>-</b>	<b>87,827</b>

### Future Investment Priorities

The following projects are potential future investment opportunities, which may be brought forward in the future:

- A further investment plan for highway and footway maintenance, improvements, and road safety, as the existing programme comes to an end, starting with a 1-year funding allocation. This would complement existing government funding.
- The opportunities to bid for Mayor's Challenge Fund from the GMCA will be continually reviewed to fund road, footway, and cycleway improvements.
- Investments which prioritise improvements to the network to support active travel.
- Ongoing review of accident prevention and local community safety measures, £2m was included in the programme for 2021/22 and any unused resources will be carried forward into 2022/23.