Committee(s): Streets & Walkways Sub-Committee – For decision	**Dated:** 16 September 2025
Subject: **Highway Maintenance for the Square Mile**	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	Flourishing public spaces Leading sustainable environment
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: **Executive Director of Environment**	Katie Stewart
Report author: **Assistant Director (Highways), City Operations**	John Grimes

Summary

The Secretary of State for Transport has offered a one-off grant to Highway Authorities to help support their investment in roads maintenance on condition that they have a summary report received by the responsible Member(s) setting out the way in which their streets are maintained.

The grant to the City is a supplementary £70k to our local risk revenue budget, and this provides an opportunity for the Highways Team within the Environment Department to set out how the City's streets are managed, and how choices around materials, defect thresholds, funding allocations and utility reinstatements all combine to help provide the City with consistently high standards of highway maintenance and a high quality public realm.

Recommendation

Members are recommended to:

- Receive this report and approve the submission of further information to the Secretary of State as set out in Appendix 1, enabling the receipt of funds for additional highway maintenance works from the Department for Transport.

Main Report

Background

1. The City Corporation is the Highway Authority for all the public highway and City walkway areas in the Square Mile, except for those streets that fall within the Transport for London Road Network (or 'Red Routes'). As such, the City has a statutory duty to maintain these streets, footways and walkways, including inspecting them for defects, managing repairs, resurfacing roads and maintaining an inventory of street lights and other street furniture.

2. The City's streets and public realm are both a key enabler of the City's economy and a vital part of its residential and tourism offering, helping to drive economic growth and deliver important social benefits in terms of accessibility, health & wellbeing. As such, maintaining high-quality streets and a welcoming environment is a core deliverable of the City's long term Transport Strategy as well as an important aspect of Destination City, enabling people to live, work and visit the Square Mile safely and enjoyably.

3. Despite the important role played by the Highways team who manage the maintenance of our streets, most functions related to the service are delegated to officers and therefore rarely require 'For Decision' reports to be brought forward. However, the City has been offered a supplementary grant of £70k from the Secretary of State to supplement the 2025/26 highway revenue budget, conditional on the respective Cabinet Member (in the City's case, the Streets & Walkways Sub Committee) and its s151 Finance Officer (i.e. the Chamberlain) approving a report on the effective management of the highway network before October 2025.

4. By receiving and approving this report, Members will enable the City to comply with that condition and therefore receive the additional funding on offer which will be used for specific additional carriageway surfacing and footway repair work.

Current Position

General Approach

5. The City has a well-established Highways Group that manages and maintains the City's streets and public realm areas in a cohesive and coordinated fashion. Some of those aspects within this team include:

    - Highways inspections, repairs, resurfacing and accident claims
    - Street furniture maintenance including bollards, signs and street name plates
    - Street lighting and fountains
    - Highway drainage and pipe subways
    - Highway design & construction for new schemes
    - Licensing development activity (scaffolds, hoardings & construction logistics)
    - Utility works permitting and reinstatements
    - Road closures and temporary traffic orders

6. The team also manages 23 historic gas lanterns, the flood lighting for St Paul's Cathedral & the Monument and the bridge lighting for Tower Bridge on behalf of the City Bridge Foundation.

7. The Highways Team in turn forms part of the City Operations Division which together manages a series of typical 'local authority' statutory functions that impact our streets and public realm. This includes Transport & Public Realm, Cleansing, City Gardens and Parking, and together these help enable an integrated approach to managing our streets in a joined up and cohesive way.

Term Contract

8. While City officers undertake a 'client' managerial function, the majority of physical works on street are delivered through a term contract, currently with FM Conway. In effect, the City sets the budget, the defect thresholds and design specification, but it is FM Conway who identifies the highway defects, prioritises the works, manages the supply chain of materials and undertakes the repairs.

9. This concept of working with one key contractor who delivers all aspects of the highway works has proven to be highly effective over the last 20+ years, enabling a lean, joined-up and efficient process, avoiding the need for different contractors to be required to deliver different aspects of the same job. Performance is closely scrutinised through Key Performance Indicators and sample checks to ensure a strong degree of partnership working on both sides.

10. Members may be aware that FM Conway were formally a family firm but were purchased by the Vinci Group at the beginning of this year. Such corporate changes can sometimes disrupt service delivery contracts but so far, the corporate philosophy of FM Conway and their commitment to the City has not changed, and the quality of work undertaken by their gangs remains at an extremely high level.

11. Alongside its highway maintenance function, FM Conway are also responsible for the construction of new public realm works for the City. This not only ensures a high degree of quality because Conway continue to maintain these areas after construction, but it also allows gangs to be swapped between both functions, meaning that if a scheme has to be put on hold, the gang can generally be found alternative work to minimise the risk of downtime and subsequent claims.

Service Performance Standards

12. In terms of the City's overall highway standards, these are naturally dependent on the levels of funding made available to maintain our streets. It has been well publicised that funding to roads maintenance across the UK can sometimes struggle to support the maintenance of good quality roads and the City has also had to absorb funding reductions for roads maintenance, most recently during the Target Operating Model.

13. TfL funding for resurfacing to Highways Authorities in London has also become much more limited since Covid, with the City not receiving any funding over the last five years compared to annual awards of around £100k pa beforehand.

14. Taken together, this has required the Highways sector in general to focus on making the most efficient use of the resources currently available. For the City, that focus has been to maintain a 'steady state' for our streets to ensure that the overall state of our highway is (at a minimum) not deteriorating.

15. Our monitoring data would suggest we have achieved this objective over recent years, but it has required the contribution of a number of areas of prioritisation and innovation to deliver this outcome.

- Given the large volumes of pedestrians using our streets, the City has traditionally had one of the lowest intervention levels (i.e. what defines a trip hazard) of 20mm for the footway. This compares to the typical national standard of 25mm, but it still encompasses a risk-based element, so areas with very high footfall may have smaller defects repaired whereas areas of lower footfall may be considered a lower priority.

- The City's high standards and intensive maintenance regime significantly reduces the number of accident claims for slips, trips, falls and vehicle damage made against the City which in turn helps reduce our associated insurance premium. As a result, the City is seen as a relatively 'good risk' in what has become a very difficult insurance market overall.

- The footway materials used in the City are typically hard wearing and robust with long life spans. The City's choice of York stone paving has demonstrated its suitability to City conditions over many years, and trials with cheaper, softer materials have shown that such options represent a false economy in terms of their durability and maintenance costs.

- Some of these materials have been subject to significant cost increases in recent years well above the rate of inflation, so the City and Conway have together successfully explored alternative supply chains to ensure we collectively maintain the best value for money possible.

- The City's carriageways are inspected every year, both visually and with new AI technology to assist in prioritising long term investment in resurfacing and road reconstruction where it is most needed (see Key Data below).

- The upgrade of all the City's street lighting to LED together with the introduction of a central management system has delivered energy and cost savings from both a reduction in energy usage and being able to use real time control of individual street lights. This has allowed us the opportunity to adapt local lighting levels in accordance with the City's Street Lighting Strategy.

- Most of the City's street lights are mounted on buildings to limit street clutter, using legislation which was granted by the Victorians. Where necessary, lamp columns are used to maintain adequate lighting levels. We make use of these columns to mount telecommunication apparatus, reducing the need for additional assets to be installed on our congested streets.

- Almost 2,500 permits were granted to utilities in 2023/24 to excavate our streets, and although they have statutory rights to do so, such intensive levels of excavation undoubtedly introduce greater risk of our highway surface deteriorating. Utilities are required to reinstate the street within six months and are responsible for that reinstatement for the next two years, but officers closely monitor reinstatement quality and core drill where required to test it. We also make use of our powers to limit utility works after a major scheme or resurfacing, encouraging their activity to happen beforehand.

- There are numerous highway improvement projects delivered across the City every year, the majority funded through Section 106, 278 or CIL contributions from major developments. Although these activities can sometimes cause damage to the highway, the developers are required to fund any repairs on completion and larger developments can often directly contribute to a public realm enhancement or fund road resurfacing. More recently, long term commuted sums have also been secured to ensure that maintenance of our enhanced public realm is affordable, not just for Highways but also Cleansing and City Gardens.

16. As a result of these actions, some of our headline outcomes include:

- Only one successful claim made against the City for a slip, trip or fall between 2022 and 2024

- In 2024 over 200 potholes were repaired

- Over the last three years, the City has resurfaced over 40,000m2 of its carriageway network, using over 4500 tonnes of material.

- A 73% reduction in energy and a 65% reduction in carbon emissions from the switch to LED and a new central management system

- Almost 250 days of disruption were saved on the road network in 2024/25 from coordinating the activities of utilities into combined works and joint road closures

- Over 5400m2 of new paving and 2500m2 of carriageway resurfacing has been completed through scheme work in the last year.

- Sustainable drainage/rain garden schemes have been incorporated across 5 schemes.

Key Data

17. The City manages its carriageway network, through regular surveys carried out using UK Pavement Management System Surveys (UKPMS), Detailed Visual Inspections (DVI), Artificial Intelligence (AI) Technologies and Scanner. These surveys provide condition indices for the City's road network showing the various states of repair. Alongside these surveys, officer led visual condition inspections are conducted in line with UKPMS practises to identify and confirm road condition data. These surveys provide a red, amber, green status indicator.

18. Over the last three years, City has commissioned additional AI surveys of its carriageway network to gather information on condition based on national standards. These surveys have shown that the condition of City roads have been kept at a near steady state condition over this period.

AI Generated Condition Score				
Condition Score	2022/23	2023/24	2024/25	3 year average
Red	6%	8%	9%	8%
Light red	15%	13%	14%	14%
Yellow	24%	22%	19%	22%
Light Green	29%	37%	39%	35%
Green	15%	13%	14%	14%
No Access/G-Setts	11%	7%	8%	9%

19. City's own officers have for many years also conducted visual carriageway condition surveys using a bespoke set of standards to rate the condition of the City's streets. The results from these surveys also show that the percentage of red/light red has stayed at a near steady state over the same period.

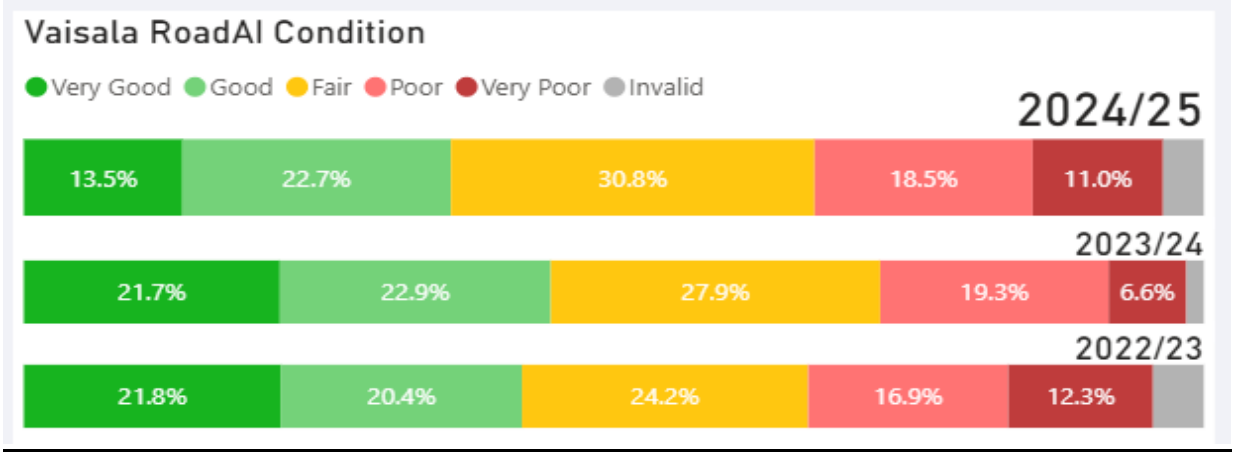
20. City officer-led surveys consistently indicate a higher proportion of streets in poor condition compared to AI-generated assessments. These discrepancies arise because officers are able to detect subtle signs of wear and tear—such as minor surface degradation, early-stage cracking, or context-specific risks—that AI

systems may overlook. AI relies on image-based algorithms and requires clear, high-quality visual data to accurately assess surface conditions. As a result, it can underestimate surface anomalies, particularly in complex or shaded environments, leading to slightly more optimistic condition scores.

State of the Network – Officer Surveys				
Condition Survey Priority Rating	**2022**	**2023**	**2024**	**3 Year Average**
Red (5/6)	19%	18%	18%	18%
Light Red (4)	11%	9%	10%	10%
Light Amber (3)	11%	12%	11%	11%
Yellow (2)	11%	19%	19%	16%
Light Green (1)	16%	18%	19%	18%
Dark Green (0)	31%	25%	24%	27%

21. Comparing the City's Road network condition with adjoining boroughs is difficult as the road networks are not comparable due to differing road type, size and vehicle usage. However, Transport for London conducts regular Principal Road Network (PRN) surveys for all London Boroughs and the results from these surveys can provide a good comparator. The condition of the City's Principal Roads are shown in the table below. This table shows that Principal roads within the City have deteriorated over the last year, with the percentage of very poor and poor condition roads increasing from 25.9% to 29.5%.

City's Principal Road Network Condition Rating over the last 3 years



22. From these latest condition surveys, London's PRN average for very poor and poor condition carriageways is 28.9% which is comparable to City's 29.5%.

23. The increase in carriageways on the Principal Road Network (PRN) classified as being in poor or very poor condition may be attributed to the lack of TfL funding support, which historically provided the City with approximately £100,000 per annum for PRN maintenance. Additionally, the rise in these condition scores may reflect the learning curve associated with the AI-based survey tool used during

the assessment period. Despite these challenges, City officers have continued to apply effective and cost-efficient treatments to maintain the overall road network in a near steady-state condition.

24. City's Officers will continue to submit bids to TfL for PRN funding and DfT for highway maintenance funding to reduce the effective backlog in road maintenance and improve the overall condition.

Corporate & Strategic Implications

25. Well maintained pavements, carriageway and streetlighting help ensure the City's streets are safe, attractive and accessible particularly for people walking and wheeling and cycling. In doing so Highways maintenance contributes to the delivery `of the Flourishing public spaces and Leading sustainable environment outcomes of the Corporate Plan. It also contributes to the delivery of several Transport Strategy outcomes and the Destination City initiative.

Financial & Resource implications

26. The summary table below sets out the funding allocations for the different aspects of Highway Service delivery from 25/26 Budgets.

Highway Repairs and Maintenance Funding

Activity	**Amounts (£,000s)**
Temporary Repairs to footways and carriageways, emergency call out services, miscellaneous repairs, life buoy maintenance	647
Planned Highways Resurfacing	606
Routine footway stone paving and asphalt repairs	547
Planned Footway Maintenance	300
Routine carriageway asphalt and granite sett repairs	209
Highway Inspections	150
Road Marking maintenance and Street Furniture repairs	110

Mechanical and Electrical Repairs, Maintenance and Energy Funding

Activity	**Amount (£,000s)**
Energy costs for lighting of highways, illuminated signs, subways, lifts	381
Energy costs for subways, walkways and tunnels	219
Street lighting maintenance, repair, structural and electrical testing	210
Illuminated street signage maintenance and repairs	100
Tunnel and Subway maintenance repairs	100
Festive Lighting	20

27. Officers work closely with the Chamberlain and FM Conway to monitor spend against these items during the course of the year, profiling for different patterns of

spend that naturally occur at different times of year to ensure the quality of service can be delivered within the budget available.

28. Budget pressures within this service can occur when, for example, material costs rise faster than inflation or when the need for Corporate savings has required budgets to be cut, as was last the case during the 2022 Target Operating Model Review. In such circumstances, officers work with FM Conway to seek to identify ways in which further efficiencies can be made, ideally without compromising on quality or (in the long term) starting to see a decline in overall highway inspection standards.

29. The subject grant allocation will be used to supplement the planned highway resurfacing budget to enable smaller areas of carriageways, which have been identified as in poor condition, to receive resurfacing treatment.

Legal & Risk implications

30. The City Corporation is the Highway Authority in the Square Mile, as such, the City has a statutory duty under the Highways Act, Section 41, to maintain the streets, footways and walkways, including inspecting them for defects, managing repairs, resurfacing roads and maintaining an inventory of street lights and other street furniture in a condition that is safe for users.

31. Section 58 of the Highways Act provides for a defence against an alleged failure to maintain on the grounds that the highway authority has taken the care that is reasonably required to ensure that the part of the highway in question was not dangerous for the appropriate type of traffic, including pedestrians.

32. In fulfilling this statutory duty, a risk-based approach has been adopted, in line with the Well Managed Highways Infrastructure Code of Practise 2016, for the inspection, prioritisation, response times and repair of highway defects.

33. The Traffic Management Act 2004 establishes a duty to manage the highway network to secure the expeditious movement of traffic, including pedestrians and cyclists along with vehicles. The City manages any activity on the highway through its permit scheme ensuring the co-ordination and management of any road works, ultimately improving road safety and reducing congestion.

Equalities implications

34. As a Public Authority, the City must have due regard to equality considerations when exercising its functions (section 149 Equality Act 2010).

35. Highway works can sometimes have a higher impact on younger and older people, those with disabilities, pregnant or those on maternity leave, some ethnic minority groups and women. However, these impacts will be short term and through high quality design, appropriate pedestrian and traffic management and excellent execution of the work delivered to improve pedestrian areas, cycle

facilities, public transport access and improvement to street scene facilities will ultimately bring longer term benefits.

36. Where appropriate, Equalities Impact Assessments will be carried out for specific schemes to ensure the particular impact on protected groups are assessed and any necessary mitigating actions are taken in line with these duties.

Climate implications

37. City's Officers continuously evaluate the specification of materials used in highway projects, in light of the continued development of sustainable, recycled and re-useable materials that give a whole life valued approach. Consideration is given to the use of sustainable drainage and tree pits to help reduce surface water run off along with increase greening opportunities, wherever underground utility apparatus allows, increasing the biodiversity and climate resilience.

38. Carriageway resurfacing operations will continue to make use of warm mix asphalt and recycled materials wherever appropriate. FM Conway are key to providing a circular economy by recycling the materials taken from the City's roads and producing new asphalt.

39. By utilising older, but serviceable, Yorkstone paving from new scheme sites, we are able to reduce carbon and costs by recycling this paving into reactive repair work, creating a circular economy.

Security implications

40. The Highways Team and FM Conway help manage and maintain various items of security infrastructure on our streets that help keep the public safe in relation to publicly accessible crowded spaces.

Conclusion

41. The City's Highway team's commitment to maintaining a high-quality, safe, and sustainable highway network is clearly demonstrated through its strategic approach, strong partnerships, and consistent performance outcomes. Despite financial pressures and reduced external funding, the City has successfully upheld a near steady state of road condition across the Square Mile, leveraging innovation, efficient contract management, and a risk-based maintenance regime.

42. The additional £70k grant from the Department for Transport presents a valuable opportunity to further enhance the City's streets, supporting targeted smaller scale resurfacing aligned with corporate priorities and public expectations. Approval of this report will enable the City to access these funds, reinforcing its leadership in urban infrastructure management and ensuring continued delivery of safe, accessible, and attractive public spaces for residents, workers, and visitors alike.

Appendices

- Appendix 1 – Local highway maintenance transparency report template (Annex B)

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