

8 Managing Risk

8.1 Managing Risk in Highway Asset Management

Managing risk is a crucial part of highway asset management, covering activities from identifying and prioritising works to establishing budgets. Risks should be identified at all management levels (strategic, tactical, and operational) and managed using appropriate tools and procedures. We have a Highways Risk Register which aligns to GCC's [Risk Management Policy and Strategy](#), with some strategic Risks being escalated into the Corporate Risk Register

8.2 Objectives of Risk Management

Our strategic objectives include:

- Better informed decision-making
- Achieving local and national priority objectives
- Cultivating a culture of balanced risk-taking
- Learning from past mistakes to prevent recurrence

Risk management promotes balancing opportunities and minimising losses as an integral part of good management practice.

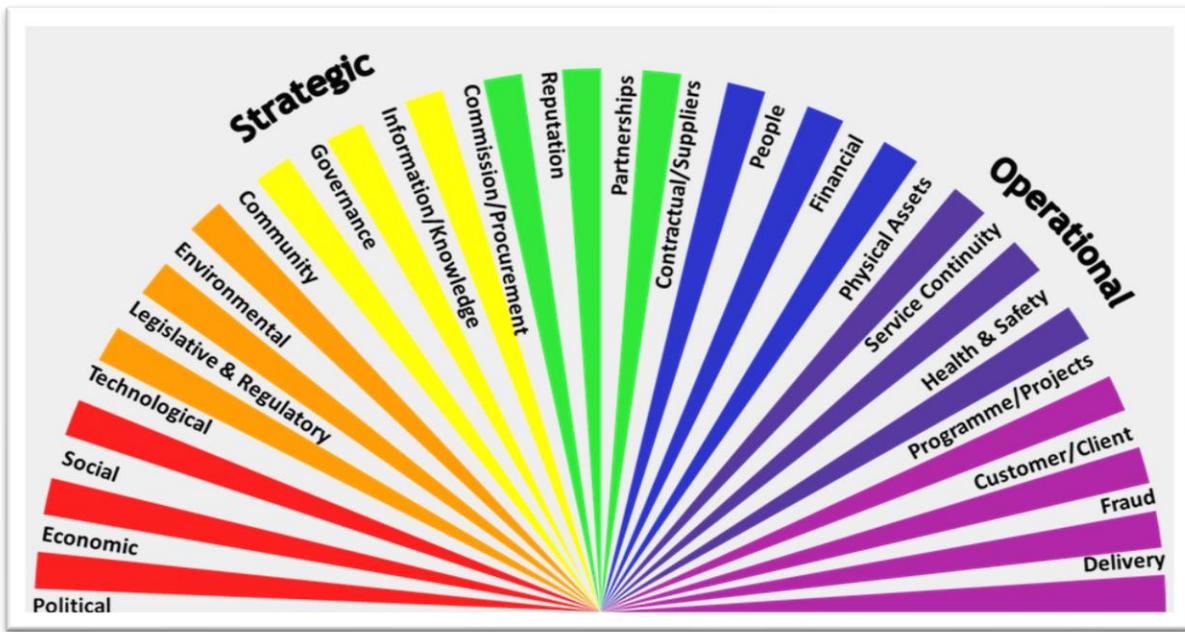
8.3 Risk-Based Processes

We inspect all our roads on a regular basis in line with National Guidance. Our [Highway Safety Inspection Manual](#) details our Safety Inspection regime. It also provides the risk matrix we use for prioritising repairs such as potholes, or cracks and gaps in a road or pavement. Other issues referred to in the manual include: traffic signs and bollards, overgrown vegetation, graffiti, damage to street furniture, gullies, drains or grips, fences, barriers, street lighting and road markings.

The manual also specifies inspection intervals. These are risk-based processes which determine inspection intervals for different assets.

8.4 Categories of Risk

- Strategic Risks: Long-term objectives affected by funding cuts, network resilience, and climate change.
- Operational Risks: Daily service delivery issues like health and safety, programming, budget management, and supply chain.
- Tactical Risks: Link strategic and operational risks, impacting program delivery due to weather, political pressures, service levels, and skill shortages.



8.5 Key Risks

The following are the key risks identified within the Highways & Infrastructure Service Plan for 2025/26:

- There are over 400 staff working in the Highways Authority many of which spend all or a portion of their working day on construction sites or out on the highway network with all of the inherent risks, plus contractors and public.
- Under-investment in highway assets has led to significant backlogs of maintenance needs and capital grant allocations are not sufficient to keep up with annual deterioration with the likelihood that backlogs will continue to grow
- Reliance on external funding contributions to underpin project workstreams.
- More frequent or extreme weather events will cause damage to existing assets and increase deterioration.
- Changes in operational needs of network management to deal with impacts of climate change.
- Inflation and volatility in construction sector.
- Construction and engineering industry skills shortage, with over 50% of operatives in workforce over the age of 50
- Commercial/contractual management pressures
- Organisational change
- New legislation implementation for Procurement Act and new systems implementation corporately