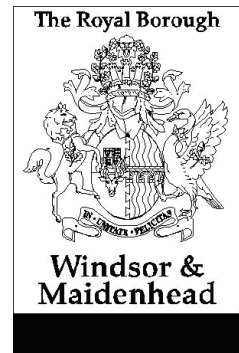


Report for: ACTION



Contains Confidential or Exempt Information	No - Part I
Title	Highway Asset Management Plan
Responsible Officer(s)	Simon Fletcher, Strategic Director of Operations, 01628 796484
Contact officer, job title and phone number	Chris Wheeler, Highways & Transport Business Manager, 01628 796723
Member reporting	Cllr Rayner, Lead Member for Highways & Transport
For Consideration By	Cabinet
Date to be Considered	28 January 2016
Implementation Date if Not Called In	Immediately
Affected Wards	All

REPORT SUMMARY

1. This report was presented to Highways, Transport and Environment Overview and Scrutiny Panel on 25 November 2015 to provide an update on progress relating to improved highway asset management and to present the proposed Highway Asset Management Plan (HAMP).
2. Highways, Transport and Environment Overview and Scrutiny Panel recommended that the report be added to the forward plan for Cabinet in January 2016 for formal adoption of the HAMP.
3. It recommends that the HAMP is adopted.
4. Adoption of a robust asset management strategy, policies and inspection regimes is essential for the Borough to maximise government grant funding, optimise expenditure and maintain a robust defence against claims.
5. Key headlines and trends for the Council's roads:
 - a. RBWM Road Network 375 miles (603km)
 - b. Over £9m spent on road maintenance over the past 4 years
 - c. The percentage of roads where maintenance should be considered has been cut by more than half over the past 5 years
 - d. In 2014/15 31 miles of road were resurfaced and over 11,000 potholes were fixed through the 'Pothole Challenge' initiative
 - e. Almost 100% of dangerous potholes are repaired and made safe within 24 hours of being reported

If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit	Dates by which they can expect to notice a difference
Residents will benefit from an improved highway network, proactively inspected and maintained to optimise the securing and use of funding and minimise legal claims	With effect from formal adoption of the HAMP Grant Funding implications from April 2016

1. DETAILS OF RECOMMENDATIONS

RECOMMENDED: That Cabinet:

- i) **Endorse the strategy, policy and guidance set out in the report and documents and formally adopts the Highway Asset Management Plan.**

2. REASON FOR DECISION AND OPTIONS CONSIDERED

Introduction

- 2.1 The Department for Transport (DfT) encourages local authorities to develop an asset management approach to managing the highway network.
- 2.2 As a highway authority, the Royal Borough aims to introduce and embed asset management principles throughout the organisation to ensure that:
 1. **we optimise government grant funding based on new rules (by reaching DfT Band 2 by 2016/17) and follow DfT good practice to maximise any additional grant funding that becomes available**
 2. **spending is focussed on need and desired outcomes by using investment models (see 2.21)**
 3. **the condition of our roads improves - 2015/16 target for principal roads is 5.5% in need of maintenance. Actual 5% (1% improvement on 2014/15 actual).**
 4. **resident satisfaction increases so that we reach the top quartile of Local Authorities by March 2019 (see section 3)**
- 2.3 In simple terms, asset management is the way an organisation manages its assets to deliver its strategic priorities and service needs effectively.

RBWM Highway assets include:

- Roads Network: 603km (375 miles). See Appendix A.
- Footways: 800km
- Bridges/Structures: 300+
- Street Lights etc: 17,000+
- Traffic Signals: 57 sites
- Road Drains: 26,000+
- Public Rights of Way: 300+km
- Highway Trees: 40,000+

Highway asset management assesses the status of these assets; identifies need and indicates the level of investment required to maintain, and improve our performance.

- 2.4 Historically the RBWM planned maintenance approach has been driven by the budget level allocated and targets roads categorised as 'red' (suggested

intervention level) and roads categorised as high 'amber' (suggested early intervention) together with minor roads identified through inspections and Member requests. The asset management strategy set out in this report and in the documents within the HAMP builds on this approach by providing investment options that deliver different outcomes allowing RBWM to better align investment with Council aspirations and performance targets. With new funding rules coming into place from 2016/17 it is also essential that the Borough embraces all elements of good asset management practice and adopts a strategy to ensure the Council does not lose grant funding (set out in 2.7 and in sections 3 and 4).

Document terminology

- 2.5 The overarching name for the set of documents is the **Highway Asset Management Plan** (HAMP) - It contains the following:
- The high level document focussing on strategy for Highway Assets is the **Highway Asset Management Strategy** (HAMS). Appendix B.
 - The document setting out policies, standards and methods is the **Highway Maintenance Management Plan** (HMMP). Appendix C.
 - The document used to inspect and determine where interventions are required is the **Highway Safety Inspection Manual** (HSIM). Appendix D.

Changing Government requirements/ Grant funding

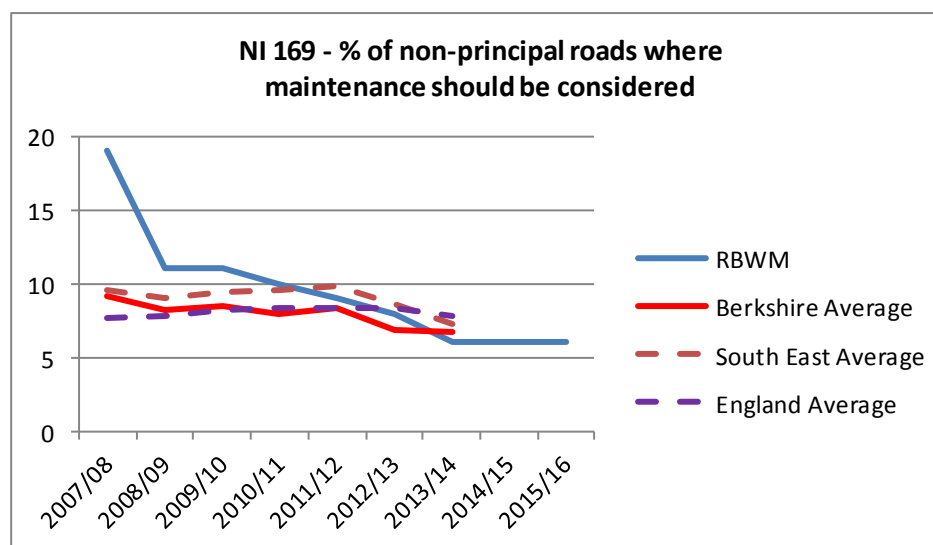
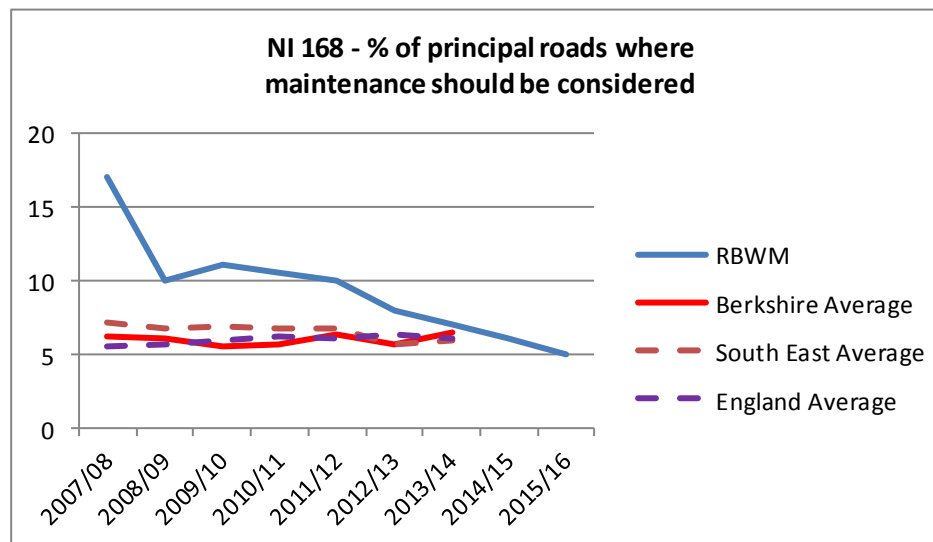
- 2.6 The DfT are currently changing the way they are capturing information and the introduction of Whole of Government Accounting will mean that the Borough will have to provide a valuation and a condition statement for the entire highway network each year. This is already being developed with the Finance Department with a view to RBWM being fully compliant by the deadline in April 2017. Failure to categorise expenditure to the agreed categories could lead to a qualified set of local authority accounts. If the accounts are not approved by external audit this in turn will impact on grants available from the DfT. This will have a detrimental effect on the authority's transport infrastructure in the long term.
- 2.7 From 2016/17 onward an increasing element of Local Transport Plan (LTP) capital grant allocated by the DfT will be based on reward for good asset management practices and less purely based on need (e.g. length of roads). As shown in sections 3 and 4, this element will be greater than £300k in four to five years' time. The current allocation based on need is £2.178m. It is very likely that any other one-off funding the DfT may make available over the coming years will be allocated on a similar basis.

Road condition, Highway inspections and safety repairs

- 2.8 Since 2007/08, the Royal Borough has cut the percentage of roads where maintenance should be considered from 17% to 5% for principal roads and from 19% to 6% for non-principal roads, while average figures across England increased slightly (see tables overleaf).

Although we only have access to national, regional and Berkshire averages up to 2013/14, we now have the 2014/15 and 2015/16 road condition percentages in need of maintenance for RBWM.

The principal road target set in the Annual Plan for 2015/16 is 5.5% - the actual, recently reported, exceeds this at 5%.



2.9 This improvement has been delivered by increasing investment in the planned maintenance with over £9m spent on RBWM roads over the past 4 years. This included over £2m of one-off additional funding from the DfT (Flood Alleviation Grant and Pothole Grant). This has been supported by ensuring that Council contracts provide good value, minimise overheads and innovative solutions are used wherever possible.

2.10 The RBWM highway inspection regime and standards are set out in the HMMP and HSM which must account for the content of the national “Well Maintained Highways” Code of Practice. This code provides local authorities with guidance on asset management. The Council follows the vast majority of the current Code of Practice but where there are variations these are clearly justified and explained within the documents. RBWM has a good record in defending compensation claims (pothole repudiation rate for compensation claims from 2009/10 to 2013/14 is 94%. For all other highways claims the average repudiation rate over the same period is 92%). We have been able to defend claims under the statutory defences contained in the Highways Act because we have robust documents and practices. However, a successful claim can be in the hundreds of thousand pounds in value so we need to continue to review and enhance our documents and delivery methods to maintain this. The council’s meets up to the first £500K of public liability claims under the terms of its insurance arrangements.

- 2.11 The target set out in our Integrated Performance Management Report (IPMR) is to fix 98% of emergency potholes within 24 hours. Currently RBWM is performing at nearly 100%.

Resident satisfaction (benchmarking)

- 2.12 In addition to the resident's survey, since 2013 the Royal Borough has taken part in the annual National Highways & Transport (NHT) Benchmarking Survey carried out in July/ August. This works in a similar way to the resident's survey but drills down into a further level of detailed questions relating to these services. In addition, it provides comparison for customer satisfaction between different authorities, regionally and nationally. Overall we were ranked 31st of the 87 local authorities participating compared to 47th of 78 last year which puts us well on target to be in the top quartile by March 2019 as set out in our business plan.
- 2.13 Overall RBWM scores very well compared with local authorities that participated - resident satisfaction with the condition of Roads (10th of 87) and Highway Maintenance (9th of 87). These overall scores are made up from the results of a number of specific questions and Highway Maintenance particularly shows a significant improvement on previous years. We need to continue to make improvements in the way we manage our assets to reach a corresponding improvement in the RBWM resident's survey satisfaction levels. In 2015 overall satisfaction with local road maintenance was 37%. Details of key NHT indicators are at Appendix E.

Progress

- 2.14 The first stage of developing our asset management approach was to look at the current RBWM position across a range of highway aspects and where we aimed to be in the short and longer term. The review was conducted in a workshop environment with the RBWM officers, discussing and scoring RBWM highway maintenance service as a whole. This set a clear set of actions for improvements including engaging with key stakeholders on the strategy, undertaking investment modelling and developing programmes of work to cover more than one year.
- 2.15 The 2015/16 revenue budget includes £50k for additional surveys for A, B, C, D and unclassified roads. This is above the statutory minimum requirement and will now provide 100% survey coverage for all Borough roads. These additional surveys enable us to link technical condition assessments for all roads with the planning and decision-making process for highway maintenance works and thereby improve modelling of future programmes and better targeting of resources.
- 2.16 In July 2015 Cabinet agreed three year programmes for highway works enabling a strategic approach over the long term.



- 2.17 We have developed the proposed HAMP by reviewing and developing our asset management approach. This includes:
- Ensuring that our core data is correct
 - Producing different models for investment which would lead to a range of outcomes going forward
 - Creating an even greater emphasis on preventative work rather than reactive repairs
 - Setting out the benefits of longer term programming
 - Working closely with public utility companies

This approach together with funding levels recommended in the investment modelling would ultimately lead to a better road network, which in turn, should lead to greater resident satisfaction.

- 2.18 A working group of officers from the Highways, Streetcare, Trees, Insurance and Risk teams worked together to review the existing RBWM HMMP. In our new set of documents these details are covered in the HMMP and the HSI which aim to simplify and clearly set our policies, standards, inspection frequencies and intervention levels.



Funding Band Target

- 2.19 In addition to our road condition and benchmarking targets, we aim to reach Band 2 for Highway Asset Management (as set out by the DfT) in 2016/17 and then Band 3 in 2018/19. This will increase the amount of Incentive Funding available to RBWM as set out in section 4. This target is set in the Operations Directorate Business Plan. In order to reach band 2 RBWM must meet a number of detailed requirements but it is essential we have a Highway Asset Strategy endorsed by our executive. In order to achieve this we recommend the HAMP is progressed to Cabinet for formal adoption in January 2016.

Proposal

- 2.20 Our approach and the proposed RBWM HAMP meet the requirements of good Highway Asset Management by:
- Setting out strategic approach over the long term
 - Engaging with key stakeholders
 - Meeting the needs of all road users, including cyclists and pedestrians
 - Taking a systematic approach and maintaining good data
 - Optimising funding opportunities
 - Managing expenditure over the asset lifecycle
 - Providing different models for investment and outcomes
 - Setting out clear and robust policies and standards
- 2.21 The investment modelling we have undertaken for our road network uses historical data regarding capital spend, reactive maintenance costs and trends in the condition of our roads to produce a range of options, including the following:
- Maintain current spend - £1.65m - this enables a broadly steady state condition over the next five years for A, B & C roads but indicates a deterioration in unclassified roads based on current distribution of expenditure

- Halve current spend - £825k - indicates a rapid decline in condition across all classification of roads
- Double current spend - £3.3m - indicates a steady state condition for unclassified roads but rapid improvement in condition for A, B & C roads based on current distribution of expenditure
- Increase spend to maintain current road condition (see 2.8) - £2.372m - **recommended** - indicates a steady state in condition across all classification of roads

The investment models will be used to inform the capital bid process which is underway and the budgets for 2016/17 will be determined in February 2016. The full investment modelling report is attached at Appendix F.

2.22 Effective delivery of the HAMP is equally important and requires us to meet performance requirements in the most efficient way by optimal allocation of resources, managing risk and ensuring effective operational delivery. Reviews of the highway inspection service and highway works contracts have also been conducted as set out in 2.23 and 2.24 below.

Options

Option	Comments
(a) Adopt a strong asset management approach as set out in the HAMP.	(a) This option is recommended . A strong asset management approach not only ensures that existing highway funding is targeted correctly through effective planning and delivery, but also will maximise access to grant reward funding (see key implications). This approach also ensures that our inspection regime is robust and fit for purpose.
(b) Adopt an alternative approach to managing and maintaining our highway assets.	(b) This option is not recommended. Not following the DfT guidance on Highway Asset Management is very likely to result in less funding being available to RBWM. It is also good practice to review and refresh highway inspection regimes and it provides support when defending claims because the application of its HMMP and HSIM is what the legal system judges the highway authority on.

Supporting work streams

Highway inspection function review

2.23 In order to ensure that the service for inspections is robust and fit for purpose in the future the Head of Neighbourhoods & Streetscene has undertaken a fundamental service review of the highway inspection function. The proposals will include the improved use of technology, systems, resources and processes in order to create efficiency improvements and align with the HSIM. Improvements will be implemented from April 2016.

Contracts

2.24 The existing highway work term contracts have been extended to May 2016 in order that a full review could take place prior to retendering. The review looked at the scope of contracts in order to ensure that they are let to provide the best delivery mechanism to deliver works and meet good practice set out by the Highway Maintenance Efficiency Programme (HMEP). HMEP is a DfT



funded and sector led transformation programme that connects networks from across the highways sector and provides the tools and resources to ignite ideas and help leaders and managers to transform delivery of roads and services through greater efficiencies.

2.25 The retendering proposals were approved by Cabinet in December 2015.

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be deliver by
Percentage of emergency potholes fixed within 24 hours (annual average based on monthly figures)	<98%	98%	99%	100%	31 st March 2017
Percentage of highways claims repudiated (annual figure)	<91%	91%	92-95%	96-100%	31 st March 2017
Percentage of Highways schemes delivered (annual figure)	<90%	90%	91-95%	96-100%	31 st March 2017
Percentage of RBWM principal roads assessed as being in need of repair (annual figure) <i>lower = better</i>	>5%	5%	4.9-4%	<4%	31 st March 2017

4. FINANCIAL DETAILS

As the government grant funding allocation is changing, achieving the levels of asset management maturity they set (Band 1, 2 or 3) will have a direct impact on LTP capital grant as set out in the table overleaf. Similar considerations will be made by the DFT for other one off grants that become available.

	Total needs/ formula allocation	Incentive element by “band” of self-assessment ranking			Totals		
		Band 3	Band 2	Band 1	RBWM Total Band 1	RBWM Total Band 2	RBWM Total Band 3
2015/16	£2.178m				£2.178m	£2.178m	£2.178m
2016/17	£1.997m	£121k	£121k	£109k	£2.105m	£2.117m	£2.117m
2017/18	£1.936m	£181k	£163k	£109k	£2.045m	£2.099m	£2.117m
2018/19	£1.752m	£365k	£255k	£109k	£1.862m	£2.008m	£2.117m
2019/20	£1.752m	£365k	£182k	£36k	£1.789m	£1.935m	£2.117m
2020/21	£1.752m	£365k	£109k	0	£1.752m	£1.862m	£2.117m

5. LEGAL

There are no direct legal issues arising from this report. However, by reviewing and ensuring robust highway maintenance plans we will be minimising the risk of compensation payments by RBWM by providing a strong defence against claims related to highways.

6. VALUE FOR MONEY

Highway asset management is an approach that aims to optimise value for money through whole lifecycle planning and investment. This proactive approach aims to minimise need for more expensive reactive work.

7. SUSTAINABILITY IMPACT APPRAISAL

Sustainable construction and maintenance practices are set out in the HMMP (section 1.2 of the HMMP). This includes the use of recycled materials.

8. RISK MANAGEMENT

Risk	Uncontrolled Risk	Controls	Controlled Risk
<p>Highway Asset Management</p> <p>Future funding from DfT will increasingly depend on how well local authorities manage their highway assets. If we do not adopt a robust asset management approach we could fail to access the growing incentivised element of LTP grant.</p>	Medium	Adopt the Borough’s Highway Asset Management Plan and continue to develop a robust asset management approach to highway maintenance.	Low

Risk	Uncontrolled Risk	Controls	Controlled Risk
<p>Highway Inspections</p> <p>If we do not keep our inspection regime updated in line with best working practices and fit for purpose it will become harder to defend compensation claims for third party property damage or personal injury, which may result in increased pay outs and reputational damage as set out in the corporate risk register (HE0008)</p>	Medium/ High	Adopt the Borough's Highway Asset Management Plan and continue to develop a robust asset management approach to highway maintenance. Continue to review the highway inspection regimes, road categorisation and intervention levels based on the requirements of the national code of practice and implement any recommended improvements.	Low

9. LINKS TO STRATEGIC OBJECTIVES

The recommendations of this report and the anticipated outcomes are wholly consistent with the Borough's strategic objectives, in particular the following:

Residents First

- Improve the Environment, Economy and Transport
- Work for safer and stronger communities

Value for Money

- Deliver Economic Services
- Improve the use of technology
- Invest in the future

Delivering Together

- Deliver Effective Services
- Strengthen Partnerships

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

An improved highway network benefits all road users. EQIA not completed.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS:

There are no direct staffing/ workforce issues arising from this report.

12. PROPERTY AND ASSETS

The Highway Asset Management approach set out within this report seeks to improve the Highway Network and maintain the highway asset in accordance with good practice.

13. ANY OTHER IMPLICATIONS:

N/A

14. CONSULTATION

The annual RBWM Residents Survey and National Highways and Transport (NHT) Surveys gauge the views of a cross section of Borough residents on a range of highway subjects including road condition. We use these indicators and feedback to inform the development and delivery of highway services and improve resident satisfaction.

This report was presented to Highways, Transport and Environment Overview and Scrutiny Panel on 25th November 2015. Comments from the panel are included throughout the report.

Cabinet Members have requested metrics relating to non-emergency potholes. None are in place at present. These are to be developed with the Lead Member for Highways & Transport.

15. TIMETABLE FOR IMPLEMENTATION

- Immediate from formal adoption of the HAMP.
- Grant Funding implications from April 2016

16. APPENDICES

- Appendix A – RBWM Road Network Plan (attached)
The following are available electronically:
- *RBWM Highway Asset Management Plan (HAMP) documents:*
 - Appendix B – Highway Asset Management Strategy (HAMS)
 - Appendix C – Highway Maintenance Management Plan (HMMP)
 - Appendix D – Highway Safety Inspection Manual (HSIM)
- Appendix E – NHT Benchmarking (road condition and highway maintenance)
- Appendix F – Investment Modelling 2015 – Carriageways – RBWM

17. BACKGROUND INFORMATION (AVAILABLE ON REQUEST)

- Highways, Transport and Environment O&S Panel Report - 3 February 2015

18. CONSULTATION

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Ben Smith	Head of Highways & Transport	06 Nov & 04 Dec 2015	09 Nov & 05 Dec 2015	Throughout report No further comment
Dave Perkins	Head of Neighbourhoods & Streetcare	10 Nov & 04 Dec 2015	11 Nov & 04 Dec 2015	Section 2 (2.3, 2.9) No further comment
Steve Mappley	Insurance & Risk Manager	10 Nov 2015	13 Nov 2015	Sections 2 (2.9) & 8
Mark Lampard	Finance Partner	10 Nov 2015	13 Nov 2015	Sections 2, 4 & 6
Elaine Browne	Shared Legal Services	10 Nov 2015	12 Nov 2015	None
Simon Fletcher	Strategic Director of Operations	10 Nov & 04 Dec 2015	13 Nov & 04 Dec 2015	Sections 1 & 2 Section 14
Michael Llewelyn	Cabinet Policy Assistant	10 Nov & 04 Dec 2015	11 Nov & 11 Dec 2015	Report summary, Sections 1&2 (2.18)

				Section 3
Cllr C Rayner	Lead Member for Highways & Transport	10 Nov & 04 Dec 2015	12 Nov 2015 07 Dec 2015	Comments provided at meetings with Chris Wheeler
Cllr D Burbage	Leader of the Council	14 Dec 2015	05 Jan 2016	Section 3

REPORT HISTORY

Decision type:	Urgency item?
For information	No

Report author	Job title	Full contact no:
Chris Wheeler	Highways & Transport Business Manager	01628 796723

**MOTORWAYS AND TRUNK
ROADS****(HIGHWAYS ENGLAND)**

BLUE - 29.2 Kms

RBWM Road NetworkRED - A Roads
83.8 KmsGREEN - B Roads
68.8 KmsYELLOW - C Roads
102.6 KmsORANGE - Unclassified Roads
347.2 Kms**Date:** 09/12/2015© Crown copyright and database right 2015
Ordnance Survey 100018817