Cabinet

6 April 2016

Transport Asset Management Plan - Annual Update

Report of Corporate Management Team
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Councillor Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships

Purpose of the Report

1 To provide Cabinet with an annual update on the Transport Asset Management Plan (TAMP).

Background

2 The highway network is the Council's largest and highest value asset. Across the county it includes 2,348 miles of carriageway, 486 road bridges and 83,144 street columns. It is used every day by nearly all County Durham residents and businesses together with many visitors. The highway network is therefore fundamental to economic and social activity in County Durham.

3 The asset is of course in a continual process of change. Not only is the infrastructure ageing, bringing with it demands for maintenance and capital improvement, but the inventory also grows with new developments. With finite resources, it is vital to ensure that investment is well directed to ensure a safe, serviceable and sustainable highway network. This approach helps maximise the condition of the highway for the available budget.

4 A TAMP is a key tool in delivering this. It provides an opportunity to systematically understand the condition of the highway asset, and to establish policy and priorities regarding investment. It applies a whole life cost approach and considers the asset in the long term.

5 The TAMP for Durham County Council has been developed to achieve the following best practice standards:

- British Standard BS ISO 55001:2014 Asset Management. The Council is one of the first Councils in the UK to achieve this accreditation; and
- The Chartered Institute of Public Finance & Accountancy (CIPFA) - Code of Practice on Transport Infrastructure Assets; and
- Highways Maintenance Efficiency Programme (HMEP) - Highway Infrastructure Asset Management Guidance Document.

6 Throughout the country there are more demands on highways than there are resources to maintain and improve them. Indeed the Annual Local Authority Road Maintenance (ALARM) Survey 2015 estimates the backlog for England at £12.16 billion for carriageways and footways. Having a TAMP does

however put the Council in a good position for establishing a clear case for investment, particularly from the Department for Transport.

Key Findings of the TAMP

7 The TAMP is set out in full in **Appendix 2 and 3**. It is divided into two separate sections; section one being the policy which set out the principles of TAMP and section two being an annual update report.

Condition

8 The condition of A, B and C principal roads have improved in recent years and are close to the national average. This reflects that the Council has prioritised budgets at maintaining principal roads which have the highest usage.

9 Structures are generally in 'good to fair' condition although the backlog has grown over the past year due to updated and more accurate condition surveys.

10 The key issues are:

- Unclassified roads: The condition is below the national average. However, there has been an improvement over the past year and there is an on-going programme of resurfacing works is in place;
- Footways: A high proportion requires resurfacing. However, there has been an improvement over the past 2 years and there is an on-going programme of resurfacing works is in place; and
- Street lighting columns: A significant number of columns have reached the end of their service life. There is an on-going column replacement programme in place.

Maintenance Backlog

11 The maintenance backlog is the value of maintenance required to bring the entire highway asset up to good condition. Good condition represents where the maintenance backlog will be zero with no defects. This is an ideal theoretical target which is not realistic in practice and therefore nearly every Highway Authority has a significant maintenance backlog.

12 The maintenance backlog as at 31 March 2015 is summarised as follows:

Maintenance Backlog	**£Millions 31 March**			
	2012	**2013**	**2014**	**2015**
Carriageways	67.5	67.7	66.8	59.2
Footways	48.1	48.4	47.0	47.7
Street Lighting	24.8	25.6	23.3	23.5
Sub Total	**140.4**	**141.7**	**137.1**	**130.4**
Structures	9.9	9.9	9.9	22.4
Traffic Management	1.1	1.1	1.1	1.0
Kerbing	18.1	18.2	20.2	18.4
Drainage	5.4	5.4	5.8	5.6
Road Markings	0.8	0.8	0.5	0.9
Street Furniture	2.3	2.5	2.4	2.4
Total	**178.0**	**179.6**	**177.0**	**181.1**

13 As can be seen from the above, the maintenance backlog in relation to carriageways and footways has reduced since 2012.

14 The Council's maintenance backlog is broadly in line with other Councils on average taking into account the size of the highway network.

Investment Levels – Council and Department for Transport Funding

15 Despite unprecedented reductions in government funding since 2010, the Council has protected and continued to prioritise investment in programmed capital maintenance. Indeed funding has steadily risen - the Council's contribution to programmed capital maintenance in 2010/11 was £0.7 million, however, this has increased to £5.4 million in 2014/15 and is committed to increase still further to £7.6 million in 2017/18. This is at time when many other Councils are reducing their funding in this area.

16 The DfT provides the majority of the funding for programmed capital maintenance. In 2014/15 this was £14.2 million. This funding is not ring-fenced but the Council has always allocated it fully to highway maintenance. Every opportunity is taken to secure additional funding, indeed in addition to the budget allocations shown in the TAMP, the Council has just received notification of £800,000 grant from the Pothole Action Fund for 2016/17.

17 The Council has recently achieved the maximum Band 3 efficiency rating under the DfT's Incentive Fund. Durham is one of only two highway authorities to achieve this maximum efficiency rating out of 119 participating highway authorities in England. This rating will help ensure the Council maximises funding from the DfT going forward.

18 The TAMP measures the current and projected condition of the highway asset for a given level of investment in programmed capital maintenance. A range of investment levels (condition or budget led) are provided to allow stakeholders to select the most appropriate investment level to meet their objectives.

19 The key investment levels are summarised below:

Investment Level - Annual Average Programmed Capital Maintenance	**1 April 2015 Prices (£ millions)**
Projected Budget -indicative	16.8
Steady State Condition	23.3

20 The Projected Budget is an indicative annualised figure of the expected budget and the actual budget may be greater or less depending upon DfT and Council funding. The total budget for programmed capital maintenance in 2014/15 was £19.6 million.

21 The steady state condition investment level is where the budget is set to keep the current condition constant after allowing for annual average deterioration. The steady state condition investment level is calculated using nationally accredited lifecycle planning models which are based on current condition projected forward for average annual deterioration over a period of 30 years.

22 In the short term the annual movements in the maintenance backlog are affected by inflation, annual variations in deterioration due to the severity of the weather, cycle for collecting condition data which is up to 6 years and the accuracy of the nationally accredited deterioration model when applied to County Durham. Therefore, the annual movements in the maintenance backlog in paragraph 12 do not necessarily reconcile to the investment levels above.

23 Current investment levels, including those over the last few years and those projected over the next few years are allowing the maintenance backlog to be broadly stable, and indeed condition improvements across several highway categories through a process of prioritisation. This will however get more challenging in the longer term, as the asset ages further. The financial climate at this time may be better or worse, but there will be a continued strong case for investment.

Complementary Work to the TAMP

24 The Council has led the development and implementation of the North East Highways Alliance which was formally established in September 2013. This is a forum for collaborative working for all 12 North East Councils. The North East Highways Alliance has delivered a number of initiatives that are helping all Councils involved, including Durham, maximise efficiencies in highways through sharing resources, collaborative procurement and knowledge sharing.

25 This partnership working together with on-going collaborative working with our supply chain of competitively procured external sub-contractors has led to the Council being one of the first in the UK to be awarded British Standard BS11000 – Collaborative Business Relationships. This again will assist in maximising funding from the DfT.

26 The Council has provided a wide range of complementary funding to support highways, for example:

- Increasing the revenue budget for winter maintenance by £1.5 million per annum from 1st April 2014;
- Investing £1.5 million in new salt barns at Wolsingham and Hackworth over the past 2 years;
- Investing £1.0 million in the refurbishment of Tindale and Wolsingham Depots over the past 3 years; and
- Providing funding from reserves to repair exceptional flood damage.

27 In addition to the TAMP the Council has a Highway Maintenance Plan (HMP) which sets out the Council's service levels for inspections, reactive maintenance and routine maintenance in accordance with national codes of practice. This includes the highway safety inspection regime which helps ensure that the adopted highway throughout the County is maintained in a safe condition as far as reasonably practicable.

Summary

28 Like most highway authorities, the Council has a highways maintenance backlog and faces considerable challenges to maintain the condition of the highway network. However, the TAMP demonstrates that the highway maintenance backlog is currently stable and work is progressing well in helping to maximise the condition of the highway for the available budget.

29 The Council has been steadily increasing its own investment and has also been proactive in attracting considerable funding from DfT. This TAMP together with the top efficiency rating will ensure that it is well placed to maximise the much needed funding from the DfT going forward.

Recommendations and Reasons

30 It is recommended that Cabinet:-

i) Approves the annual update report.

ii) Notes the substantial investment in programmed capital maintenance and the on-going work to maximise funding going forward.

Background Papers

- British Standard BS ISO 55001:2014 Asset Management
- The Chartered Institute of Public Finance & Accountancy (CIPFA) - Code of Practice on Transport Infrastructure Assets
- Highways Maintenance Efficiency Programme (HMEP) - Highway Infrastructure Asset Management Guidance Document

Appendices

- Appendix 1: Implications
- Appendix 2: Transport Asset Management Plan - Section 1 - Policy
- Appendix 3: Transport Asset Management Plan - Section 2 - Annual Update Report 2015

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Appendix 1: Implications

Finance
The TAMP informs the capital bids for programmed capital maintenance. The TAMP also provides the methodology for prioritising the programmed capital maintenance budget.

Staffing
Highway maintenance is delivered by the Council's in-house provider, Highway Services, who are supported by an extensive supply chain of competitively procured external sub-contractors.

Risk
The investment level in programmed capital maintenance directly affects the condition of the highway asset, maintenance backlog, number of defects, number of public liability claims and public satisfaction.

Equality and Diversity / Public Sector Equality Duty
None.

Accommodation
None.

Crime and Disorder
Street lighting helps reduce the fear of crime.

Human Rights
None.

Consultation
None.

Procurement
Highway maintenance is delivered by the Council's in-house provider, Highway Services, who are supported by an extensive supply chain of competitively procured external sub-contractors.

Disability Issues
Disability access is a key consideration for any highway scheme.

Legal Implications
The Highways Act 1980 sets out the main duties of the Local Highway Authority in respect of highways maintenance. In particular, Section 41 imposes a duty to maintain the adopted highway at public expense. The Highways Act does not specify the level of maintenance although national Codes of Practice offer guidance in line with best practice.