

TELFORD & WREKIN COUNCIL

CABINET – 13 OCTOBER 2016

HIGHWAY ASSET MANAGEMENT POLICY AND STRATEGY

REPORT OF: ASSISTANT DIRECTOR: CUSTOMER & NEIGHBOURHOOD SERVICES

**LEAD CABINET MEMBER – CLLR ANGELA McCLEMENTS FOR TRANSPORT
CUSTOMER & NEIGHBOURHOOD SERVICES**

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 Our roads, footpaths, street lighting, bridges and other highway assets all play a vital role in supporting our communities and businesses, whether its accessing healthcare, education, local services, visiting family and friends or getting to work the highway network has an essential role to play. Its also our most expensive asset to maintain and look after. In support of this the Council has developed a vision for our highway network to act as a guiding light in transforming the way we deliver this service. The highways vision for Telford & Wrekin is:-

We will keep Telford moving by

- ✓ **Delivering a safe, efficient and sustainable highway to meet the needs of communities and businesses, providing access to jobs and services, supporting health and wellbeing and catering for future growth**
- ✓ **Maximising and managing investment into the highway network to support the local economy, investing in new technologies and our workforce to promote innovation and creativity**

Consultation, collaboration and community engagement will be the key to our success

1.2 The Council has developed a Highway Asset Management Policy & Strategy that sets out the newly-developed vision for highways in the Borough as well as the Council's approach to implementing asset management. This report seeks approval of the the Highway Asset Management Policy & Strategy at Appendix 1 to this report. The adoption of this policy and strategy will ensure the Council can maximise available highway maintenance funding.

1.3 Our overarching aim of '**Keeping Telford Moving**' form the basis of our Asset Management Policy and Strategy which links corporate priorities with asset management principles. The document focuses on 12 key asset management policy objectives along with a delivery strategy for each. The objectives are summarised separately in Appendix 2 of this report:

RECOMMENDATIONS

That Cabinet

- 1.0 Approves the Telford & Wrekin Highway Asset Management Policy and Strategy and its supporting Appendices.
- 2.0 Delegates authority to the Assistant Director of Customer & Neighbourhood Services (and any officer authorised in writing by that Assistant Director) to prepare documents and develop, agree, adopt and implement policies, strategies and capital programmes in accordance with the provisions of the Highway Asset Management Policy & Strategy and its Appendices.

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Maintenance of highway assets meets the corporate priority of "Ensuring that Neighbourhoods are Safe, Clean and Well Maintained".
	Will the proposals impact on specific groups of people?	
	No	Highway asset management impacts upon the safety and quality of life of all of our residents.
TARGET COMPLETION/ DELIVERY DATE	Implementation of the Asset Management Policy & Strategy will begin immediately following approval. Further documents as part of the Asset Management Framework will be delivered in due course.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The adoption of an asset management policy and strategy and achievement of band 3 in relation to incentive funding ensures that the Council maximises its allocation of available Department for Transport highways funding. Failure to have an approved Asset Management Policy & Strategy will result in the loss of up to £115k of additional incentive funding in 2017/18, up to £405k in 2018/19 and up to £579k in 2020/21. DR – 29/9/2016

LEGAL ISSUES	No	Under the Highways Act 1980, the Council as local highway authority has a statutory duty to maintain all publicly maintainable highways in the Borough (besides those roads which are maintainable by Central Government such as trunk roads). The Act also provides the Council with wide powers to improve highways. As well as being a necessary element of the funding arrangements outlined in this report, having an approved Highway Asset Management Policy & Strategy document is part of the Council's response to its duty and its powers to improve highways. There is no further legal comment to make in response to this report. (IR 14.09.16)
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Council will develop a set of other documents including a communication strategy, performance management framework, lifecycle planning which contribute to the delivery of asset management.
IMPACT ON SPECIFIC WARDS	No	Asset management has a Borough-wide impact for all our Wards and communities.

PART B) – ADDITIONAL INFORMATION

3.0 INFORMATION

Changes to DfT Funding

- 3.1 The Department for Transport (DfT) has changed the formula for allocating highway maintenance funding allocated to Local Highway Authorities. The new funding model allocates a proportion of the available funding on a need basis i.e. total length of roads, number of footways and street lights. This forms the base level of funding for each authority. An element of the total available funding has then been topsliced into a challenge fund and incentive fund for Highway Authorities.
- 3.2 The challenge fund totals £300m for 2015-2018 and £280m for 2018-2021. The challenge fund is a competitive bidding process for schemes that typically are too large to deliver through normal capital allocations. The Council was successful in securing £10.3m of challenge funding for the Telford Town Centre Connectivity Package (Rampart Way, Hall Park Way and the new Rail Station footbridge). This is a one-off allocation for these major schemes and the funding will not contribute to our annual maintenance programmes.
- 3.3 The incentive funding is based upon a self-assessment of where authorities are in relation to asset management. Authorities will be identified within one of three bands; band 1 being at the early stages of adopting asset management and band 3 being fully developed in implementing asset management. Authorities will be incentivised to adopted asset management over the next five years with funding being reduced to

those authorities which remain as band one or band two as demonstrated in table one below.

3.4 Impact of the Funding Changes

Our initial self assessment, carried out in January 2016 identified the Council as band 1. The financial implications of the banding's are shown in table 1. It should be noted that our baseline allocation decreases as more funding falls within the incentive element. The Asset Management Policy and Strategy will ensure the Council achieves band 3 by 2018. In order to achieve band 3 a number of areas are required to be developed or improved and these are set out in the action plan within the policy and strategy. Once adopted this policy will ensure that Telford & Wrekin Council is band 2 for this forthcoming financial year.

	Total allocation (£) 2016/17	Total allocation (£) 2017/18	Indicative allocation (£) 2018/19	Indicative allocation (£) 2019/20	Indicative allocation (£) 2020/21
Baseline allocation	3,165,000	3,069,000	2,778,000	2,778,000	2,778,000
Additional Incentive Funding					
Band 3	192,000	287,000	579,000	579,000	579,000
Band 2	192,000	259,000	405,000	289,000	174,000
Band 1	172,000	172,000	174,000	58,000	0

Table 1. (Highlighted cells show planned progress through the bands)

- 3.5 Within the Self Assessment Questionnaire there are a number of areas where Members are expected to provide support or show leadership in order to satisfy the DfT. In particular, Members are required to formally adopt an Asset Management Policy & Strategy (AMP&S). Regardless of our score in other questions, if we do not have an approved AMP&S we will automatically be placed in band 1 overall.
- 3.6 Our AMP&S can be found in Appendix 1. It contains a newly developed highways vision outlined in the summary of this report on page 1
- 3.7 This vision and the overarching aim of '**Keeping Telford Moving**' form the basis of an Asset Management Policy and Strategy which links corporate priorities with asset management principles. The document focuses on 12 key asset management policy objectives along with a delivery strategy for each. The objectives are summarised separately in Appendix 2 to this report:

Next Steps

- 3.8 Asset managers are using lifecycle planning and deterioration modelling to develop a long term programme of carriageway works. This, along with a full Asset

Management Plan will be brought to Members as part of the Annual Budget process. These documents form the basis of our Asset Management Framework and other documents will be developed in support of this in due course including a communication strategy, lifecycle planning and a performance management framework.

- 3.9 The next Incentive Funding self-assessment is due to be completed in Autumn 2016. Once this has been submitted, the incentive funding action plan will be updated to ensure that Telford & Wrekin Council will be Band 3 Highway Authority by 2018.
- 3.10 Progress on implementing asset management and on improving our Incentive Funding score will be reported through the governance structure described in the AMP&S.

4.0 BACKGROUND PAPERS

Appendix 1 – Highway Asset Management Policy & Strategy 2016

Appendix 2 – Asset Management Policy Objectives

Report prepared by Dominic Proud, Service Delivery Manager Transport & Highways Development