

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

30 SEPTEMBER 2010

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport - Lead Cabinet Member – Councillor Robert Cook

TRANSPORT ASSET MANAGEMENT PLAN – PROGRESS REPORT

1. Summary

For most local authorities, the road network is the most valuable community asset under their control. Despite this, there is a growing realisation that the management of these vital and valuable assets is not receiving the attention or funding required for the provision of the optimal state of repair and operation. There are drivers, particularly from Central Government, for Authorities to adopt and apply the principles of good asset management to their transport infrastructure. In light of this, Officers from the Tees Valley Authorities have collaborated in developing a Transport Asset Management Plan (TAMP). The TAMP is a 'living document' and is continuously updated and reviewed. This report informs Members on progress being made in the development of a TAMP.

2. Recommendations

It is recommended that:

1. Members approve the continuing development of the TAMP and adoption of the principles of asset management.
2. Members note the progress made to date and authorise the Head of Technical Services to complete the TAMP, review and update as required within existing budgets and report to the Cabinet Member for Regeneration and Transport.
3. A copy of the draft TAMP be placed in the Members library for consultation, reference and comment.

3. Reasons for the Recommendations/Decision(s)

The adoption of the TAMP and its guiding principles will align the Council with national recommendations on good asset management.

The TAMP will enable the Council to fulfil its requirements with regard to Whole Government Accounting including Gross and Depreciated Replacement Costs for the highway assets.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

For most local authorities, the road network is the most valuable community asset under their control. Despite this, there is a growing realisation that the management of these vital and valuable assets is not receiving the attention or funding required for the provision of the optimal state of repair and operation. There are drivers, particularly from Central Government, for Authorities to adopt and apply the principles of good asset management to their transport infrastructure. In light of this, Officers from the Tees Valley Authorities have collaborated in developing a Transport Asset Management Plan (TAMP). The TAMP is a 'living document' and is continuously updated and reviewed. This report informs Members on progress being made in the development of a TAMP.

RECOMMENDATIONS

It is recommended that:

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DETAIL

1. For most Local Authorities, the road network is the most valuable community asset under their control. Despite this, there is a growing realisation that the management of these vital and valuable assets is not receiving the attention or funding required for the provision of the optimal state of repair and operation. There are drivers, particularly from Central Government, for Authorities to adopt and apply the principles of good asset management to their transport infrastructure. In light of this, Officers from the Tees Valley Authorities have collaborated in developing a Transport Asset Management Plan (TAMP). The TAMP is a 'living document' and is continuously updated and reviewed. This report informs Members on progress being made in the development of a TAMP.
2. In the TAMP and in accordance with guidance, the assets have been broken down into a number of relevant groupings, such as but not exhaustively; carriageways, footways, cycleways, structures, street lighting, traffic signals, signs and road markings.

3. Details relating to the asset management of these groups and their components are contained within the TAMP. The TAMP is not appended to this report but will be made available for ease of reference in the Members' library.

Benefits of Transport Asset Management Plans

4. Asset management facilitates better decision-making by supplementing instinctive engineering judgement and supposition with analysis (financial, economic and engineering). It thereby enables an Authority to better understand and manage the relationship between cost and performance. This will deliver an improved level of service with the resources available, i.e.
 - The same or better level of service at a reduced cost.
 - A better level of service at the same or marginally increased cost.
 - Or, where it is not possible to maintain the level of service owing to budgetary constraints, the effects of the reduced level of service is mitigated through the efficient use of resources.
5. Specific benefits of an asset management approach are:
 - Reduced life-cycle costs
 - Defined levels of service
 - The ability to track performance
 - Improved transparency in decision making
 - The ability to predict the consequences of funding decisions
 - Decreased financial, operational and legal risk
 - Ability to discharge statutory valuation and financial reporting responsibilities

Progress to date

6. As discussed, the Tees Valley Authorities have collaborated in producing the TAMP to substantial completion with respect to the generic strategic document. They have also made significant progress in collecting data and evidence that is needed to successfully apply the principles of asset management. It is recognised that this is a continuous process subject to periodical review.
7. This year, because of the work undertaken to date, SBC have been able to submit a return to the Treasury by the required submission date of 31st July 2010.. It calculates that the carriageway only Gross Replacement Cost is currently evaluated at £822m. This the first step in the process of meeting our commitment to Whole Government Accounting and implementing International Financial Reporting Standards.
8. Therefore, it is recommended that Members endorse and support the principles of asset management for the highway infrastructure.
9. It is also recommended that Members give approval to Officers continuing the vital work needed to finalise the TAMP and undertake periodical reviews to the 'live document'. A copy of the draft TAMP be placed in the Member's library for reference, consultation and comment.

FINANCIAL IMPLICATIONS

10. The development of the TAMP is being undertaken by Officers in collaboration across the Tees Valley and is funded from current revenue budgets. It should be noted, however, that the principles of asset management are being applied in accordance with CIPFA guidelines and International Financial Reporting Standards.. In effect, the Council's accounts for

highway assets will need to comply with these requirements. Failure to do so will result in the accounts being qualified

11. It is highly likely that future funding arrangements will be dependent upon the Council being able to demonstrate that it has explicit regard to asset management planning.

LEGAL IMPLICATIONS

12. The Council, as Highway Authority, has a legal duty to maintain the highway.

RISK ASSESSMENT

13. The TAMP is considered to be a low to medium risk to the Authority.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration and Transport

14. A robust approach to asset management will enable the Authority to make more confident and informed decisions on strategic planning for the infrastructure.

Safer Communities

15. A robust approach to asset management will enable to authority to make more confident and informed decisions when determining safety needs for the infrastructure.

Healthier Communities and Adults

16. A robust approach to asset management will enable to authority to make more confident and informed decisions when determining safety needs for the infrastructure.

EQUALITIES IMPACT ASSESSMENT

17. This policy relates to the application of the principles of highway asset management. As such, it has no direct effect on any individual, minority group or community.

CONSULTATION INCLUDING WARD/COUNCILLORS

18. The TAMP will be placed in the Members library for reference, consultation and comment.

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Background Papers

Reference documents and guidance:

CSS – Framework for Highway Asset Management

CSS – Guidance Document for highway Infrastructure Asset Valuation

RLG -- Well-lit Highways Code of Practice for highway Lighting Management

RLG – Well-maintained Highways Code of Practice for Highway maintenance Management

Ward(s) and Ward Councillors:

This a Borough wide policy document and is relevant to all Members.

Property:

None.