

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**21 APRIL 2016**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

### **CABINET DECISION**

Regeneration and Transport – Lead Cabinet Member – Councillor Nigel Cooke

#### **HIGHWAY INFRASTRUCTURE ASSET MANAGEMENT POLICY**

1. Summary

Managing the highway infrastructure is a critical challenge to local highway authorities whom have to manage what is an ageing network with high public expectations, whilst at the same time, resources are reducing and there is less funding available. Asset management promotes a business-like way to manage the highway infrastructure which involves taking a long-term view of assets in a structured way that gives the confidence to decision makers and future planned maintenance decisions.

Effective highway infrastructure asset management is fundamental to the provision of services and the delivery of the Council's long-term vision and strategies. Asset management principles enable informed decisions to be made about investment and maintenance funding, assisting in the targeting of resources to where they can be most effective and enables the identification and management of the risks associated with statutory duties to manage and maintain the public infrastructure. As part of Stockton Borough Council's commitment to ensuring that all highway infrastructure assets are managed in an effective and efficient manner that extend the lifecycle of all assets and reduces risks a Highway Infrastructure Asset Management Policy and Strategy have been developed.

2. Recommendations

1. Cabinet approve the Highway Infrastructure Asset Management Policy and Strategy.
2. Cabinet note the benefits of implementing a formal Asset Management Policy and Strategy.

3. Reasons for the Recommendations/Decision(s)

In adopting an asset management approach to the management of the highway infrastructure a methodology will be implemented that ensures maintenance schemes take into account whole life costs and risk management, ensuring any maintenance treatments are targeted and are undertaken wherever possible at the optimum time in the assets lifecycle in order to maximise the life of the asset.

#### 4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

#### Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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### **HIGHWAY INFRASTRUCTURE ASSET MANAGEMENT POLICY**

#### **SUMMARY**

The highway infrastructure asset is the most valuable asset owned by the Council and is vital to the economic, social and environmental well-being of the area contributing towards local and regional economic growth and resident's quality of life. The funding requirements necessary to manage these assets are under constant scrutiny, with increasing pressure from central government and the public for transparency, accountability and more efficient use of the resources that are available.

Effective highway infrastructure asset management is fundamental to the provision of services and the delivery of the Council's long-term vision and strategies. Asset management principles enable informed decisions to be made about investment and maintenance funding, assisting in the targeting of resources to where they can be most effective and enables the identification and management of the risks associated with statutory duties to manage and maintain the public infrastructure. As part of Stockton Borough Council's (SBC) commitment to ensuring that all highway infrastructure assets are managed in an effective and efficient manner that extend the lifecycle of all assets a Highway Infrastructure Asset Management Policy and Strategy have been developed.

#### **RECOMMENDATIONS**

1. Cabinet approve the Highway Infrastructure Asset Management Policy and Strategy.
2. Cabinet note the benefits of implementing a formal Asset Management Policy and Strategy.

#### **DETAIL**

##### Background

- 1 There are a number of definitions that describe the key elements of asset management, but perhaps the most appropriate is:

**'systematic approach to meeting the strategic need for the management and maintenance of highway infrastructure assets through long-term planning and optimal allocation of resources in order to manage the risk and meet the performance requirements of the authority in the most efficient and sustainable manner'.**

- 2 The Highways Act 1980 puts a statutory obligation on local Highway Authorities to maintain those highways which are maintainable at public expense. The term 'Highways' refers to all infrastructure assets within the highway boundary which have been officially adopted by the Council, including roads, footways, bridges, street lighting, traffic signals, street furniture, public rights of way and public open spaces. Assets that have not been adopted, or are located on private streets are not maintainable at public expense and as such are not included within the Highway Infrastructure Asset Management Strategy.
- 3 Asset management promotes a business like-way to manage assets that involves taking a long-term view of all Council assets in a structured way and is widely accepted as a means to deliver a more efficient and effective approach to management of the highway assets through long-term planning, ensuring a more effective and efficient use of resources, while fulfilling legal obligations, delivering stakeholder needs and ensuring the engineering integrity of the network.
- 4 Lifecycle planning is a technique that enables links to be made between a particular asset, levels of service, current condition, future maintenance needs and future funding of the asset. Developing and utilising lifecycle plans will ensure best use of the available funding in meeting long-term objectives and mitigating the risk of failure by allocating funds where they will be most beneficial. Lifecycle objectives are to:
  - Identify long-term investment for highway infrastructure assets and develop an appropriate maintenance strategy.
  - Predict future performance of highway infrastructure assets for different levels of investment.
  - Support decision making, the case for investing in maintenance activities and demonstrate the impact of different funding scenarios.
  - Minimise costs over the lifecycle while maintaining the required performance.
  - Determine the level of investment required to achieve the required performance.
- 5 Lifecycle plans can chart the journey from cradle to grave for determinate life assets or, for assets with a more indeterminate lifecycle, from creation through to maintenance refurbishments which restore the asset to an "as new" condition, whereupon the cycle is repeated.
- 6 This approach will support some of the key themes detailed in the Council Plan by contributing towards:
  - Enhancing the transport network.
  - Delivery of vibrant and economically successful town centres.
  - Further regeneration of the Borough's housing.
  - Improving economic prosperity for residents across the Borough.
  - Improving resilience to extreme weather events.

Asset management of the highway infrastructure is accepted as a key factor in enabling the Council to deliver its services and corporate objectives in an efficient and effective manner. In addition having a robust asset management process in place will contribute towards the Councils vision of a Borough that is more confident, more vibrant and more successful than ever before, a place where people will prosper and grow, where they feel happy, safe and healthy.

- 7 Local highway authorities are required to manage a variety of risks at strategic, tactical and operational levels with the likelihood and consequences of these risks being used to inform and support the approach to highways infrastructure asset management and inform key decisions, regarding performance, investment and implementation of works programmes. The adoption of an asset management based approach will result in the incorporation of all aspects of management activity in to one system so that conflicting demands, objectives,

delivery targets, funding and statutory duties can be balanced against each other and risks identified and mitigated.

- 8 Current funding arrangements for maintaining highway infrastructure assets are that revenue budgets are primarily utilised for cyclic and reactive maintenance works with Capital funding utilised for planned maintenance and for more major maintenance schemes. Local Transport Block Funding allocation for all highway infrastructure maintenance including highways, streetlights and bridges over the period 2016/17 – 2018/19 is approximately £7M. Revenue budget allocation for the same period 2016/17 – 2018/19 is expected to be approximately £2M. In addition government have stipulated that there will also be a £250M pothole fund allocated at £50M per annum over the next 5-year period. However, at present it is not known how this will be allocated amongst local Highway Authorities. Therefore in summary funding from government and additional Council revenue will see an investment programme over the next three years of £9M.
- 9 A key element which underpins an asset management based approach to managing the highway infrastructure is collaboration which can aid in driving down costs and driving up efficiencies. Collaboration has been evidenced as one of the starting points to achieve savings around the delivery of highway maintenance services and one of the main areas where some of the biggest savings can be achieved.
- 10 The recent MORI survey undertaken showed that there is still a level of dissatisfaction with highways in terms of maintenance and repairs, although it should be noted that there has been an improvement on 2013 results. It is hoped that by continuing with the innovative more cost effective measures available that further improvements in public perception can be made.

## **FINANCIAL IMPLICATIONS**

- 11 The adoption and implementation of both the Asset Management Policy and Strategy will ensure financial benefits in terms of efficiencies, improved accountability and value for money.

## **LEGAL IMPLICATIONS**

- 12 Highways Act 1980.

## **RISK ASSESSMENT**

- 13 This report is categorised as low to medium risk.

## **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

- 14 The report impacts upon the Policy Principles and Priorities in the Council Plan.

## **EQUALITIES IMPACT ASSESSMENT**

- 15 This report has not been subject to an Equality Impact Assessment.

## **CONSULTATION INCLUDING WARD COUNCILLORS**

- 16 The highway/footpath maintenance schemes are presented to appropriate Cabinet Member and upon agreement local Ward Councillors are then notified of specific schemes in their respective ward. A communication strategy has also been formulated to ensure members, residents and other appropriate stakeholders are kept up to date on progress with key messages via various medians.

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Education related

No

Background Papers

Ward(s) and Ward Councillors:

All