



CABINET – 19 APRIL 2016

HIGHWAY MAINTENANCE STRATEGY AND POLICY REVIEW

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. To advise the Cabinet of the need to review the County Council's Transport Asset Management Plan (TAMP), Highway Maintenance Strategy and Policy and Street Lighting Strategy and Policy and to seek approval to undertake an engagement and consultation exercise on proposed amendments to those plans and policies.

Recommendation

2. It is recommended that:
 - (a) The Director of Environment and Transport be authorised to commence consultation on revisions to the policy and strategies currently set out in the Transport Asset Management Plan, Highway Maintenance Strategy and Policy, and Street Lighting Strategy and Policy;
 - (b) A report on the outcome of the consultation setting out recommended new key policies and strategies, in the form of a Highway Infrastructure Asset Management Plan and a revised Highway Maintenance Policy and Strategy, be submitted to the Cabinet later in 2016.

Reason for Recommendations

3. Updating the County Council's approach to managing and maintaining Leicestershire's highway assets will support the delivery of a service that is appropriate to the budget proposals set out in its 2016-2020 Medium Term Financial Strategy (MTFS).
4. The replacement of the Transport Asset Management Plan with a Highway Infrastructure Asset Management Plan together with a revised Highway Maintenance Policy and Strategy will ensure that the Council is in a strong position to secure additional funds, which will be available through the Department for Transport's (DfT's) *Incentive Fund* and *Challenge Fund* processes, up to 2020/21. It will also reflect the new national code of practice, "Well Managed Highways Infrastructure" which is due for publication later in the year.
5. Initial engagement and consultation with stakeholders is an important part of the process for developing revised policies. This will also help to ensure that the

Authority's asset management strategy, highway maintenance and street lighting policies take account of customer expectations and deliver the most appropriate service levels consistent with the limitations of the budget and the need to build long-term resilience into the network.

Timetable for Decisions (including Scrutiny)

6. Subject to approval, initial stakeholder engagement and consultation is expected to take place during summer 2016.
7. The outcome of the consultation exercise will be reported to the Environment and Transport Overview and Scrutiny Committee and the Cabinet towards the end of 2016.
8. Subject to the Cabinet's approval, it is intended that key policy changes would be implemented from April 2017.
9. The Appendix to this report shows the proposed framework and development timescale for the policy and strategy documents.

Policy Framework and Previous Decisions

10. The first *Leicestershire Transport Asset Management Plan* (TAMP) was approved by the Cabinet on 23 November 2007. It describes an analytical approach to highway maintenance, identifying best practice in order to minimise the costs of maintaining the Council's transport assets.
11. The Council's current Highway Maintenance Strategy and Policy was approved by the Cabinet in October 2006 and subsequently amended in 2008, 2010 and 2011. It is based on the National Code of Practice for highway maintenance (Well Maintained Highways).
12. The current Street Lighting Strategy and Policy was approved by the Cabinet in October 2006 which also took account of the national code of practice.

Resource Implications

13. The review of the Council's maintenance policies and strategy will support the efficiency savings required from the MTFs and the corporate transformation process whilst utilising existing staffing.
14. It is anticipated that the proposed consultation exercise will cost in the region of £20,000. This would include engagement with reference groups and analysis of the consultation results. It is proposed that this will be funded from within the existing highway maintenance budget.

Circulation under the Local Issues Alert Procedure

None

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PART B

Background (The Catalysts for Change)

National Policies

15. Asset management practice has developed considerably since the development of the TAMP, with the Department for Transport (DfT) Highways Maintenance Efficiency Programme (HMEP) recommending a formal approach to managing all highways and transport assets. HMEP has subsequently published various guidance documents and tools to support a more refined approach to whole life costing which considers future treatment options and costs alongside the anticipated condition of the network through the development of lifecycle plans.
16. The Chartered Institute of Public Finance and Accountancy (CIPFA)'s Transport Infrastructure Code (updated 2013), looked at asset valuation for the Whole of Government Accounting (WGA) purposes. This encouraged authorities to correctly value key public assets and adopt a whole life cycle cost approach to their management.
17. Using the WGA approach the depreciated replacement cost for the highway assets within Leicestershire is calculated as £5.5bn, making it the largest value asset for which the Council is responsible. A systematic approach to asset management is required to protect the value of the highway infrastructure in the most cost effective way.
18. In 2011 the Audit Commission published *Going The Distance*, an analysis of highway authorities future approach to the maintenance of local roads set against declining budgets. The report highlighted the case for developing asset management and the need to balance short-term repair pressures with the objective of long-term resilience. It emphasised the point that pressure to tackle "worst first" could detract from more cost effective, preventative interventions. This was echoed in the DfT's Pothole Review, published in 2012.
19. In 2013 the Highway Infrastructure Asset Management Guidance document and Lifecycle Planning Toolkit were produced jointly by DfT, the UK Road Liaison Group and HMEP. These set out a framework to support an asset management approach and outline the latest principles in highway asset management. These will form the basis of the proposed development of the County's new Highways Infrastructure Asset Management Plan (HIAMP), replacing the TAMP.
20. The existing national code of practice for highway maintenance (*Well Maintained Highways*) will be replaced in Summer 2016 by a new code; *Well Managed Highway Infrastructure*. The new code is currently available in draft format and, apart from some additional guidance, is not expected to change greatly.
21. The Council's TAMP, maintenance policy and strategy documents, need revision to ensure that they are consistent with the new national guidance.

The Challenge Fund and Incentive Fund

22. In 2014 the DfT published *Gearing up for Efficient Highway Delivery and Funding*, which set the scene for the introduction of the Government's *Challenge Fund and Incentive Fund*. Both these sources of funding are intended to incentivise and reward highway authorities that demonstrate a commitment to the ongoing development of an asset management approach to service delivery.
23. The Council was successful in bidding for funding from the first round of the Challenge Fund, securing £5.1m over 3 years to support the street lighting LED replacement programme. Further Challenge Fund bids will be invited in 2017 and a successful bid will be expected to demonstrate the continued development of an asset management approach.
24. The Incentive Fund allocations will be made annually for five years from 2016/17, based upon a self-assessment and external audit. The assessment places highway authorities into one of three bands, depending on the authority's ongoing commitment to asset management.
25. The Council is expected to be in the intermediate level 2 band in 2015/16. With a commitment to developing the asset management strategy, it is realistic to expect the Authority to reach the highest level, band 3, by 2018/19.
26. The Incentive Fund is available on an annual basis until 2021 with an increasing differential between the bands. The likely grant due to Leicestershire, depending upon the assessed level, is shown in Table 1 below.

Incentive Fund	2016/17	2017/18	2018/19	2019/20	2020/21
Band 3 share	£ 789,117	£ 1,183,675	£ 2,383,133	£ 2,383,133	£ 2,383,133
Band 2 share	£ 789,117	£ 1,065,308	£ 1,668,193	£ 1,191,567	£ 714,940
Band 1 share	£ 710,205	£ 710,205	£ 714,940	£ 238,313	Zero

Table 1. Likely value of Incentive Fund grant (highlighted figure assumes development of TAMP)

27. Developing an asset management approach through a new HIAMP will support the progression to Band 3 and secure an additional £3.57m over the period via the Incentive Fund and will also increase the prospect of a second successful bid for Challenge Fund monies.

Medium Term Financial Strategy (MTFS) 2016/17 to 2019/20

28. By 2019/20, £4.405m of ongoing savings are to be made through a revised approach to highways maintenance (which cumulatively will save £14.3m over the MTFS period). These savings include efficiencies and service reductions to be delivered through a range of actions and initiatives including better packaging of planned works, such as minor patching, road marking and gully emptying and more effective use of depots and vehicles.
29. The changes required to deliver the MTFS savings will need to be supported by the HIAMP, coupled with a revised maintenance policy and strategy. This will ensure that the Council can maximise opportunities to deliver efficiencies and be flexible in

adapting to changes in future budgets.

30. Reductions in budgets will require a change to the management of highway assets. For example, current levels of major resurfacing will not be achievable and it will be necessary to mitigate the network condition over longer periods through more extensive use of localised patching. This will require an alteration to life cycle plans which will need to be supported by stronger evidence of the links between the condition of the network and the selected treatments.

Review of Leicestershire's TAMP and Highway Maintenance Policies

31. Given the changes set out above a review of Leicestershire's highway maintenance policies is required, including:

Development of the HIAMP

32. The HIAMP will develop stronger, systematic links between maintenance treatments, costs, changes in condition and the value of the asset.
33. In order to achieve this it is proposed that a *maintenance hierarchy* is developed, which:
- takes account of the key factors that influence the deterioration and safety of the network (for example traffic volume, carriageway construction, carriageway width and alignment)
 - reflects the expectations of users
 - combines this with current systems for recording treatments and monitoring condition.
34. This will allow the Council to:
- define, quantify, validate and evaluate short and long-term maintenance strategies
 - calculate better the costs and benefits associated with maintenance strategies
 - ensure appropriate maintenance strategies, which ensure that as far as possible, the network meets the needs of users
 - ensure maintenance strategies are presented in a form that can be understood and communicated to all.
35. The HIAMP will set out the process by which the Council will maintain its highways assets and will also help to inform and manage expectations about the likely levels of service, condition of highway and treatments to be applied across the network, providing a transparent process for deciding treatments and priorities
36. By using lifecycle planning the HIAMP will optimise maintenance interventions and help secure long-term resilience. Improved recording of works and condition assessments, through improvement of the existing Highway Management System, will provide sound information on which to base investment priorities and the levels of funding that may be required in the future.

Review of Highway Maintenance and Street Lighting Strategy and Policy Documents

37. As stated above, the Council's current Highway Maintenance Strategy and Policy is based on the national code *Well Maintained Highways*. The current Street Lighting Strategy and Policy is based on the equivalent (*Well Lit Highways*) code of practice, which is also due to be replaced during 2016. Both sets of documents therefore require review to ensure consistency with the new national codes.
38. The Street Lighting Strategy and Policy review was originally intended to take place in 2015 but was delayed pending the publication of the new code of practice. The review will now take account of recent changes in part-night lighting, the replacement of lanterns with LEDs, and the new national code.
39. The *Well Managed Highway Infrastructure* departs fundamentally from the current code in its philosophy, placing a great deal of emphasis on developing local policies based firmly on an assessment of risk, rather than providing prescriptive standards. The Council therefore needs to develop reliable local evidence base of network condition, linked to use, customer expectation, levels of funding, and the likelihood of user detriment. The new code now covers roads, lighting and structures, which were previously covered by three separate codes of practice.
40. Most critically, the new national code will require a revised approach to defining defects and response times based on an assessment of risk. One of the key aims of the review will be to establish an intervention policy that focusses on delivering prompt response to those defects which pose the greatest risk whilst at the same time allowing a more considered and planned approach to the less critical defects. For example, the Council currently applies a 3-day response time to all carriageway potholes over 40mm in depth, regardless of the risk they pose to users. This results in a high number of reactive repairs at sporadic locations, which is challenging to meet with current resources and results in high travel times for response vehicles and low outputs and productivity.
41. It is not practical or financially viable to employ substantial plant for compaction or to keep materials in fresh condition for such small scale repairs. The Council operates specialised Road Mender vehicles which deliver small scale patch repairs, but this comes at a cost of between £80 and £120 per repair, compared with between £40 and £50 per m² for conventional patch repairs. Furthermore, Road Mender repairs are likely, although not always, to be less durable than conventional patch repairs. Revised intervention and response times would focus swift interventions on defects that present the highest risk, whilst relaxing interventions for low risk defects, thus ensuring more cost effective and durable repairs.
42. As with defect interventions, the new national code supports the scheduling of inspections via a risk based approach. Current policy establishes the frequency of inspection solely from the classification of the road, with higher classification roads in urban areas receiving more frequent inspections. However, it is quite likely that there are lower classification roads which, due to their traffic volume and reduced construction characteristics, present a higher level of risk to road users. Inspection frequencies will also be revised, based on an assessment of risk and an understanding of road user expectations.

43. Existing highway maintenance policies are contained within various discrete and largely unconnected documents produced by the Environment and Transport Department, including *Highway Maintenance Policy and Strategy*, *Street Lighting Policy and Strategy*, the *Highway Inspection Operational Manual*, the *Tree Management Strategy*, and the *Skid Resistance Strategy*. A policy review will provide the opportunity to rationalise and combine the various documents (along with others, such as the Highway Verge Maintenance Policy), under an overarching policy statement. This approach is recommended within the HMEP guidance.

Proposed Consultations

44. The consultation will cover maintenance of all elements of the highway asset, including carriageways, footways, cycleways, signs, Vehicle Activated Signs, traffic signals, traffic calming features (tables, cushions, coloured surfacing), line marking and road studs, drains, lighting, winter gritting, grass verges, shrub beds, trees, public rights of way (footpaths and bridleways) and field roads.
45. The consultation will seek views on the value and potential reduction, either by removal or downgrading, of certain highway assets such as bollards, fencing, low-use rural laybys, shrub beds, lighting, low-use rural footways, signs and field roads.
46. Views will also be sought on opportunities for partnership working to achieve savings and maintain service levels, for example by devolving local maintenance responsibilities such as verges and sign cleaning to parish councils or community groups.
47. Linked to this and as an extension of the existing Snow Warden and Flood Warden Initiatives, the consultation will also seek views on the introduction of Parish Highway Wardens. This has the potential to provide an interface between the Council and local communities, undertaking minor maintenance duties (such as those outlined above), low level enforcement issues (such as notifying requirements for hedge-cutting), and condition reporting.
48. Responses to the consultation will provide a basis for developing the HIAMP, policy revisions and maintenance strategies that are appropriate to the needs of users and the realities of the Authority's financial position.
49. Due to the complex range of issues to be considered by the consultation, it is proposed that the process will include a series of workshops involving representative groups, as well as web-based engagement.

Equality and Human Rights Implications

50. These proposals are aimed at maintaining the highway network in the best overall condition, appropriate to its use, taking account of stakeholder expectations and the available budget. Maintenance of the network will benefit all users.
51. No detailed Human Rights Impact Assessments have been carried out at this stage. Where appropriate this will be undertaken as part of the development of specific policies and processes.

Environmental Impact

52. The development of the HIAMP and revision of policies will provide an opportunity to consider the impact of the highway maintenance strategy and processes on climate change, carbon emissions, congestion, street-scene, flood and water management and recycling opportunities.
53. All of these matters will be considered as part of the review. Where relevant an appropriate environmental impact assessment will be completed as specific policies and strategies are developed.

Legal Considerations

54. Development of the HIAMP and a review of maintenance policy will support the Council's responsibilities as Highway Authority in meeting the requirements of the Highways Act 1980, particularly section 41 which defines a statutory duty to maintain the highway and section 58 which provides a defence against claims provided that the authority can demonstrate that it is applying a standard of maintenance appropriate to the character of the route.

Background Papers

Leicestershire County Council Highway Maintenance Policy and Strategy document
http://website/highway_maintenance_policy_and_strategy_document_v6_november_2012-2.pdf

Leicestershire County Council Transport Asset Management Plan
http://website/tamp_2.pdf

Report to the Cabinet - 11 October 2011 - Changes to Highway Maintenance Policy and Strategy
[http://politics.leics.gov.uk/Published/C00000135/M00003128/AI00029400/\\$Gchangestohighwaysmaintenancepolicy.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003128/AI00029400/$Gchangestohighwaysmaintenancepolicy.doc.pdf)

Report to the Cabinet - 26 July 2011 - Street Lighting Policy
[http://cexmodgov1/Published/C00000135/M00003126/AI00028733/\\$Lstreetlightingpolicyappx.doc.pdf](http://cexmodgov1/Published/C00000135/M00003126/AI00028733/$Lstreetlightingpolicyappx.doc.pdf)

Report to the Cabinet - 12 October 2010 - Changes to Highway Maintenance Policy and Strategy
[http://politics.leics.gov.uk/Published/C00000135/M00002911/AI00026408/\\$Hchangeshighwaymaintenanceappendicesab.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00002911/AI00026408/$Hchangeshighwaymaintenanceappendicesab.doc.pdf)

Report to the Cabinet - 23 November 2007 - Leicestershire's first Transport Asset Management Plan
[http://cexmodgov1/Published/C00000135/M00001973/AI00017860/\\$ItemNTransportAssetManagementPlan.doc.pdf](http://cexmodgov1/Published/C00000135/M00001973/AI00017860/$ItemNTransportAssetManagementPlan.doc.pdf)

Report to the Cabinet - 31 October 2006 - Codes of Practice for Highways Maintenance and Street Lighting
[http://politics.leics.gov.uk/Published/C00000135/M00001529/AI00013984/\\$ICodesofPracticeforHighwaysMaintenanceandStreetLighting.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00001529/AI00013984/$ICodesofPracticeforHighwaysMaintenanceandStreetLighting.doc.pdf)

Appendix

Framework for the Highway Maintenance Policy and Strategy documents

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