

**CABINET – 13 DECEMBER 2016****HIGHWAY MAINTENANCE POLICY AND STRATEGY REVIEW****REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT****PART A****Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of the results of the 'A-Roads to Zebras' consultation exercise undertaken to support the review of highway maintenance strategy and policy, and to present and seek approval to consult on the revised Highway Asset Management Policy and Strategy which has been developed in the light of the consultation responses and which will define the future direction and management of highway maintenance work within the County.

Recommendations

2. It is recommended that:
 - a) The outcome of the 'A-Roads to Zebras' consultation be noted;
 - b) The draft Highway Asset Management Policy (Appendix A) and Highway Asset Management Strategy (Appendix B) be approved for consultation;
 - c) A report on the outcome of the consultation exercise be submitted to the Cabinet in summer 2017;
 - d) The Director of Environment and Transport be requested to develop a pilot scheme for a Highway Warden and/or Lengthsman arrangement as detailed in the report which is based on the assumption that future arrangements would be at least cost-neutral to the County Council.

Reasons 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 the 2016-2020 Medium Term Financial Strategy (MTFS).
4. Developing new Highway Asset Management Policy and Strategy documents will:
 - ensure that the County Council's approach to highway maintenance is consistent with the current recommendations of the Highways Maintenance Efficiency Programme (HMEP) endorsed by the UK Roads Liaison Group;

- ensure consistency with the new national code of practice for highway maintenance, 'Well Managed Highways Infrastructure';
 - ensure that the Council is in a better position to secure additional funds available through the Department for Transport's (DfT's) *Incentive Fund* award process, up to 2020/21;
 - ensure that the County Council develops a more analytical and evidence-based approach to managing its highway assets; and
 - establish the detailed direction and operational processes required to underpin delivery of the Highway Asset Management Policy and Strategy.
5. Developing a pilot scheme for a Highway Warden / Lengthsman scheme would allow the County Council to understand the benefits, operating costs and viability of implementing this type of arrangement and whether it could have a part in the future approach to highway maintenance in Leicestershire.
 6. 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 Highway Asset Management Strategy and Highway Maintenance Street Lighting Policy 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)

7. This report will be considered by the Environment and Transport Overview and Scrutiny Committee on 12 December 2016 and its comments will be reported to the Cabinet.
8. Subject to the Cabinet's approval, consultation on the draft Highway Asset Management Policy and Strategy is expected to take place in early 2017.
9. The outcome of this further consultation exercise, and details of the changes that will be required to the supporting procedures and processes and the TAMP, will be reported to the Environment and Transport Overview and Scrutiny Committee and the Cabinet in summer 2017.

Policy Framework and Previous Decisions

10. The Council's current Highway Maintenance Policy and Strategy 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), which has now been superseded.
11. The current Street Lighting Policy and Strategy was also approved by the Cabinet in October 2006 and is based on the national code of practice (Well Lit Highways), which has now been superseded.
12. The new code of practice incorporates both of these documents into a single approach and it is therefore proposed to replace the Highway Maintenance and the

Street Lighting Policy and Strategy documents with new Highway Asset Management Policy and Strategy documents, each of which will cover all highway assets.

13. The first Leicestershire Transport Asset Management Plan (TAMP) was approved by the Cabinet on 23 November 2007 and subsequently updated in 2011. This also followed guidance that has now been superseded. It describes an analytical approach to highway maintenance, current service levels and management processes, providing limited direction to further developing asset management and supports the current Highway Maintenance Strategy and Policy. If the draft policy and strategy documents are approved, then they will provide the overarching direction for the future development of a replacement TAMP.
14. On 19 April 2016, the Cabinet approved a consultation on revisions to the policy and strategies, which are currently set out in the Transport Asset Management Plan, Highway Maintenance Strategy and Policy, and Street Lighting Strategy and Policy.

Resource Implications

15. The review of the County Council's maintenance policies and strategy as set out above supports the efficiency savings required from the MTFS and the corporate transformation process.
16. The development of the Highway Asset Management Policy and Strategy will underpin improvements in the effectiveness of highway maintenance delivery. It is also one of the key steps towards satisfying criteria required by the DfT to achieve the highest level of funding available through the Incentive Fund process.
17. If the County Council achieves the highest Incentive Fund level by November 2017 then it is likely to secure an additional £715,000 of capital maintenance money in 2018/19, £1.19 million in 2019/20 and £1.67 million in 2020/21.
18. To support the timely development of asset management principles and the progress towards securing the maximum Incentive Fund award, additional specialist asset management support has been procured through the Midlands Highway Alliance (MHA) Professional Services Contract at an estimated cost of £75,000. This work will be funded as part of the Council's transformation programme.
19. The proposal to work more closely with Parish Councils and community groups would provide opportunities to improve local service delivery by improving communication between the county and communities, involving local knowledge and resources and encouraging local ownership of solutions. However, it is unlikely to secure significant savings as the types of work that Highway Wardens or Lengthsmen would be likely to undertake would probably be low cost items (such as sign washing or cutting back vegetation). There may also be additional costs associated with this proposal, depending upon the level of officer support required.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

National Guidance Promoting the Development of Highway Asset Management

20. Asset management practice has developed considerably since the introduction of the Council's Highway Maintenance Policy and Strategy and the development of its current TAMP. These documents are in need of revision, to ensure that they are aligned with current national guidance.
21. 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. This highlighted the case for developing asset management and the need to balance short-term repair pressures with the objective of long-term sustainability of the asset and emphasised the point that pressure to tackle 'worst first' could detract from more cost-effective, preventative interventions.
22. In 2013 the Highways Maintenance Efficiency Programme (HMEP), commissioned by the DfT, published a 'Highway Infrastructure Asset Management Guidance' document, endorsed by the UK Roads Liaison Group, which recommended a formal approach to managing all highway and transport assets. This made a number of recommendations, including the fundamental requirement to adopt a highway asset management policy setting out the authority's strategic objectives regarding asset management, and to introduce a strategy that would support the delivery of those objectives.
23. HMEP has subsequently published various additional guidance documents and tools which promote the development of life-cycle planning for all key highway assets, a process which considers the relationship between future treatment options, asset condition and cost through the development of lifecycle models.
24. A new Code of Practice for highway maintenance was also published in October 2016 titled 'Well Managed Highway Infrastructure'. This sets out the principle of applying a locally appropriate risk-based approach to the inspection, prioritisation and treatment of the highway network. Such an approach will require an improved understanding of all key assets, including their importance to customers, levels of use, strategic importance, acceptable service levels, current condition, how they deteriorate, how they respond to treatments and the associated treatment costs.
25. The proposed Highway Asset Management Policy and Strategy documents (Appendices A and B to this report) have been developed to ensure that the Council follows an approach to asset management that is in accordance with the recommendations of the HMEP guidance document and the new Code of Practice for highway maintenance. These documents would replace the current Highway Maintenance Policy and Strategy and the Street Lighting Policy and Strategy documents.

26. To support the draft Highway Asset Management Policy and Strategy documents it will also be necessary to revise the TAMP and update current operational processes and procedures, in accordance with the guidance from HMEP and the new code of practice. The TAMP would be replaced with a new document, the Highway Infrastructure Asset Management Plan (HIAMP). This will develop the TAMP from its current largely aspirational base into a document that directs the operation of the policy and principles set out in the draft Policy and Strategy documents.
27. As the revised approach to asset management strategy and policy develop, the Local Transport Plan (LTP3) will also be reviewed and aspects of it may eventually be superseded when the final versions of the Highway Asset Management Strategy and Policy are adopted by the Council.

The Government's Incentive Fund

28. In 2014 the DfT published 'Gearing up for Efficient Highway Delivery and Funding', which set the scene for the introduction of the Government's Incentive Fund. This Fund is intended to incentivise and reward highway authorities that demonstrate a commitment to the ongoing development of an asset management approach to service delivery.
29. Incentive Fund allocations will be made annually for five years from 2016/17, based upon an assessment and a possible external audit of the authority's ongoing commitment to applying the recommendations of various aspects of HMEP guidance.
30. The assessment places highway authorities into one of three bands, depending upon the level of progress towards implementing the recommendations of HMEP. The Council is currently assessed to be at the intermediate level, band 2.
31. An increasing differential is applied annually to the amounts allocated across the bands. The likely grant due to Leicestershire, depending upon the assessed level, is shown in Table 1 below. With a strong commitment to developing its approach to asset management, it is realistic to expect the Authority to move to the highest level, band 3, by 2018/19, potentially securing a further £3.57 million over the final three years of the Fund.

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

32. The draft Highway Asset Management Policy and Strategy have been developed to ensure that the Council's approach to asset management incorporates the recommendations of HMEP guidance which contribute to the Incentive Fund assessment and therefore support the objective of reaching band 3.

33. It is a specific requirement of the Incentive Fund to ensure progress to band 3, that the Council has published and implemented a Highway Asset Management Policy and Strategy.

Highway Asset Management Support for the Medium Term Financial Strategy

34. By 2019/20, £4.4 million of ongoing savings are to be made by the Council through a revised approach to highways maintenance. 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.
35. In addition, reducing budgets will require a change to the treatment strategies applied to highway assets. For example, previous levels of major carriageway resurfacing will not be achievable and it will be necessary to sustain the network condition over longer periods through more extensive use of localised patching.
36. The development of asset management through the principles set out in the new draft Policy and Strategy will assist in minimising risk and ensure that revised treatment strategies continue to provide a safe, serviceable and sustainable network. This will be achieved by developing stronger evidence of the interactions between treatment options, the condition of the network and cost, coupled with the risk-based approach for developing priorities. They will also ensure that the Council can consider initiatives designed to deliver efficiencies with more confidence and can be more flexible in adapting to changes in future budgets.

The Initial Consultation – ‘A-Roads to Zebras’

37. The consultation exercise took place between 5th July and 25th September 2016, with a further week's extension agreed with some parish councils to accommodate their parish meeting dates. All consultees were provided with background information regarding the current service and the three specific proposals detailed below.
38. An online questionnaire on the County Council's website was promoted through a number of channels, including press releases, direct emails to key stakeholder groups and parish councils, messages on social media, articles in the Parish Newsletter and items on the Council's website and intranet. The questionnaire sought views on:
- Respondents' use of the network (mode and frequency)
 - Satisfaction with the current service and the condition of assets (to support the development of strategies and treatments that focus treatment where customers are least satisfied with the condition of the network)
 - The relative importance users place on different highway assets (to support the development of the risk-based approach)
 - A proposal to develop the risk-based approach to prioritising the response critical defects and the delivery of planned works
 - Proposed options to reduce or rationalise certain highway assets

- The proposal to consider developing opportunities for parish councils/ communities to become more directly involved in the delivery of some areas of local maintenance.

39. The questionnaire was presented in two formats. The first was made available to all users and is referred to in this document as the Public Consultation, the second format included additional questions specific to parish councils. This included some additional questions about the possibility of involving communities directly in service delivery and is referred to in this document as the Stakeholder Consultation.
40. The questionnaires were supplemented by stakeholder workshops, to explore the proposals in more detail. Four consultation workshops were held. Three were held with representatives from town and parish councils and primarily focused on the option to develop opportunities for communities to become more directly involved in the delivery of certain local highway maintenance services. The fourth was a general stakeholder workshop which, although promoted directly by e-mail and/or letter to a wide range of key stakeholders and to members of the Leicestershire Equalities Challenge Group, only attracted interest from four groups.
41. The online questionnaire received 454 user responses and a further 27 responses from parish councils. The three parish and town council workshops were attended by a total of 62 people and 1 person from a cycling user group attended the general stakeholder workshop. In total, representatives from 40 parish and town councils were engaged through these workshops.
42. Detailed analysis of the online responses is provided in Appendix C (for the Public Consultation) and Appendix D (for the Stakeholder Consultation). The key outcomes from the workshops are summarised in Appendix E.

Summary of Key Points

43. Key points arising from the consultation are summarised below. These have been taken into account when drafting the proposed Highway Asset Management Policy and Strategy documents and will also guide the development of the HIAMP and the operational process documents that will follow.

Importance of Assets and Satisfaction with their Current Condition

44. Users were asked:

- how important they considered the maintenance of various highway assets and specific service areas;
- how satisfied they were with the standard of maintenance that the County Council currently applies.

45. The assets and services that are considered most prominent in terms of importance are roads, pavements, winter gritting, roadside drains and gullies, traffic lights and road markings. Of these items users were most dissatisfied with the current condition of roads and roadside drains. The condition of street lights and pavements were the two assets responders were most satisfied with and these were amongst the items where maintenance was considered to be of a high priority.

46. For all of the items considered there is a higher level of satisfaction than dissatisfaction, which is consistent with the comparatively high level of user satisfaction also reported by the annual National Highways and Transport Network (NHT) customer satisfaction survey conducted by Ipsos Mori on behalf of the Council.
47. Although the standard of maintenance of grass verges was not categorised as being highly important, users did indicate the highest level of dissatisfaction with this service. However it is worth bearing in mind that changes have been made to the approach and frequency of urban grass cutting since 2015 and due to the timing of the consultation it is possible that some of the concerns reflect last season's performance.
48. The assets that are considered least important in terms of maintenance are shrub and flower beds, unsurfaced tracks and lanes, rural laybys and traffic calming features.
49. In terms of satisfaction with the repairs and maintenance undertaken by the County Council, the greatest levels of satisfaction applied to the delivery of winter gritting and the maintenance of street lights, while the lowest levels of satisfaction applied to the cutting back of overhanging vegetation, which may be accentuated by the coincidence of the consultation with the most vigorous period of vegetation growth.

Proposal 1 - To Refine the Approach to Prioritising Defects

50. This proposal aims to develop a rapid response to high risk defects, with a more durable, planned response to all others.
51. There was generally good support amongst respondents for the principle of prioritising the response to critical defects and planned maintenance based on a proper consideration of risk, rather than the current prescribed approach which, for example, delivers the same response to all defects that meet specific dimensions, regardless of the risk that they pose to users. Just over 50% of respondents agreed with the proposal whereas just under 30% disagreed. Some concerns were raised about this proposal, particularly that it would result in rural roads being given less attention, that delaying repairs to lower risk items would unreasonably increase risk and the cost of eventual repair, and that lower risk defects may be overlooked altogether. There were also concerns raised about whether the needs of cyclists and motorcyclists would be taken into consideration. A concern was raised through the workshops that the Council should take account of the ageing population and increasing mobility and sight issues and ensure that maintenance reduction does not have equalities impacts.
52. The proposed Strategy recognises these concerns and makes no distinction between rural and urban roads, basing risk on an assessment of the strategic importance, the frequency of use, the likelihood of further deterioration and the location and characteristics of the defect, including the likelihood that cyclists might be affected. Lower risk defects which could eventually present a significant hazard would be scheduled into programmes of durable and lower cost repair. Further engagement with a number of stakeholder groups is proposed, including those representing elderly and disabled people, to ensure that the policy and strategy take proper account of their needs.
53. Respondents were asked how important they considered it to prioritise routine maintenance and the response to defects across different categories of highway,

ranging from the public rights of way network to “high use” urban and rural roads. More than 90% of respondents indicated that it was important to prioritise maintenance on the high use roads, with no distinction between urban and rural. The next most important network categories were “average” use roads and town centre/shopping area pavements.

54. Respondents were asked how important it was for the Council to prioritise resources on various different categories of road and pavement. High-use rural roads were considered marginally higher in priority than high-use urban roads, followed by average use urban and rural roads and pavements in town centre shopping areas.

Proposal 2 - To Rationalise the Number of Items that the Authority Maintains Directly

55. This proposal aims to reduce maintenance, sharing the task with others or removing items.
56. There was a general acceptance of this proposal during the consultation, with many respondents highlighting the view that specific items of street furniture are surplus to requirements including multiple references to lighting, road signs, speed humps, bollards and fencing. Whilst these comments showed a broad acceptance of proposals, they were often caveated with conditions, for example “provided that safety is maintained”.
57. However, the stakeholder groups were less welcoming of this proposal, with only 27% in agreement and 50% disagreeing. The concerns focused on safety but it is also possible that this response reflects an anxiety amongst parish councils that they will be obliged to undertake the maintenance instead.
58. If this proposal is to proceed it will require an approach that carefully considers costs and safety on a case by case basis and where appropriate, involves local communities in the decision. The draft Policy and Strategy documents have been developed on this basis.
59. Respondents were asked whether they would support reduced coverage in certain service areas, subject to an assessment of risk. Rural grass cutting was the service area that received most support for reduction, with 38% of respondents saying that it could be reduced “to some extent”. There was very limited support for reducing the area of grass cutting in urban areas and very strong opposition to any reduction in the coverage of winter gritting.
60. When asked which features could receive a lower frequency of maintenance, shrub beds and traffic calming features and rural laybys were the items where most respondents felt most strongly that there was scope for reduction. It should be noted that traffic calming features appear in a number of responses as an asset that people would like to see reduced in number and in terms of maintenance. This probably reflects the fact that the main supporters of these features will be local residents who benefit directly from their presence, in contrast with the majority of road users who see no direct benefit.

61. Items that were considered most suitable for sharing or devolving were shrub and flower beds, urban grass cutting, dealing with overhanging vegetation, other environmental work and rural grass cutting.

Proposal 3 - To Develop Opportunities for Involving Communities Directly in Some Areas of Local Maintenance (including the option to develop a Parish Council Highway Warden/Lengthsman scheme)

62. Responses to this proposal were very mixed and amongst parish councils this was understandably the issue of most interest. There was moderate support for the proposal from the Public Consultation, with 48.8% of respondents in agreement and 35.9% disagreeing. Of the parish council respondents, 50% disagreed with the proposal with 32% indicating agreement. The concerns raised by parish councils related to their ability to generate the funding necessary to operate the service, anxiety about liability, and a lack of suitable skills and a general view that highway maintenance is a matter for the County Council.
63. There were strong views expressed at the workshops and through the online questionnaire, both for and against developing a flexible Highway Warden/Lengthsman type of scheme. Some parish councils were very interested and others completely opposed.
64. The benefits of this type of arrangement are not clear but are unlikely to result in any significant cost savings. However, this type of arrangement could result in improved local levels of service, improved response times and better identification of priorities based on local knowledge, stronger relationships between the parish council and the County Council and local ownership of some highway maintenance issues.
65. It is therefore proposed that further work is carried out to investigate how a draft scheme could operate with the view to undertaking an 18-month pilot arrangement with a small number of willing parish councils. This further work would need to establish what the staff inputs and benefits would be for both parish councils and the County Council in supporting this scheme and would have at a minimum, the objective of being cost neutral to the County Council.

The Proposed Consultation – Draft Highway Asset Management Policy and Draft Highway Asset Management Strategy

66. The initial consultation ("A" Roads to Zebras) has provided comprehensive customer feedback about the current satisfaction with maintenance standards, the priorities that apply to particular assets, opinions about the application of a risk based approach to dealing with critical defects, opinions about the options for rationalising particular highway assets as well as the challenges and level of support for the develop of further opportunities for community involvement.
67. The views of stakeholders have been taken into account in developing the draft policy and strategy documents and in due course will also provide the basis for further development of the detailed HIAMP and operational procedures

68. It is proposed that the resulting draft Highway Asset Management Policy and Strategy documents, attached as Appendices A and B, are made available on the Council's website for a further three-month period of consultation to allow the previous stakeholder groups, including parish councils and the general public to comment on the outcome.
69. The initial consultation did not generate sufficient engagement with particular groups (elderly and disabled people) to allow a full Equality and Human Rights Impact Assessment to be completed. It is therefore proposed to undertake additional consultation with these specific groups
70. The outcomes of these consultations would be submitted to the Cabinet with appropriate recommendations regarding final approval of the policy and strategy.

Equality and Human Rights Implications

71. These proposals are aimed at maintaining the highway network in the best overall condition appropriate to its use and taking account of customer expectations and the available budget. Maintenance of the network will benefit all users.
72. An initial EHRIA assessment has been completed but further work is required to take account of the impacts on particular protected groups, specifically around age and disability. More specific analysis of the recent consultation is required and further engagement with these specific groups is proposed before a full EHRIA assessment is completed. The intention will be to report this assessment to the Environment and Transport Overview Scrutiny and Committee and the Cabinet in summer 2017, along with the outcome of the proposed consultation on the draft Highway Asset Management Policy and Strategy documents.

Environmental Impact

73. A detailed environmental impact assessment has not been undertaken. However, the draft Asset Management Policy and Strategy sets out principles that will support more efficient maintenance of highway assets. In turn, this will support a number of environmental benefits including preserving natural resources as a consequence of extending the serviceable life of highway assets before renewal, reducing the impact of congestion on communities and reducing carbon emissions by supporting the expedient use of the network and by encouraging walking, cycling and bus travel.
74. The revision of the TAMP and specific operational policies and processes will provide an opportunity to consider the impact of highway maintenance strategy on climate change, carbon emissions, congestion, street-scene, flood and water management and recycling opportunities. An environmental impact assessment will be completed as part of the revision of the TAMP.

Partnership Working and Associated Issues

75. The proposal to develop a pilot scheme to explore options for working together with parish councils is consistent with the Communities Strategy which sets out how the

Council will work differently with communities and organisations to help deliver the most important services and protect the most vulnerable people and communities.

Legal Considerations

76. The draft Highway Asset Management Policy and Strategy 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 inspection and maintenance appropriate to the character of the route. Insurable risks identified in the proposals will be fully considered.

Background Papers

Leicestershire County Council Highway Maintenance Policy and Strategy document
<http://ow.ly/jsQY306JYaJ>

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

Report to the Cabinet on 19 April 2016 – Highway Maintenance Strategy and Policy Review and Appendix
<http://ow.ly/9h2J306JYjb>
<http://ow.ly/SzqG306JYm3>

Report to the Cabinet on 11 October 2011 - Changes to Highway Maintenance Policy and Strategy
<http://ow.ly/iBej306JYrw>

Report to the Cabinet on 26 July 2011 - Street Lighting Policy
<http://ow.ly/Flls306JYuD>

Report to the Cabinet on 12 October 2010 - Changes to Highway Maintenance Policy and Strategy
<http://ow.ly/P9aw306JYxq>

Report to the Cabinet on 23 November 2007 - Leicestershire's first Transport Asset Management Plan
<http://ow.ly/pflg306JYAK>

Appendices

Appendix A - Draft Highway Asset Management Policy
 Appendix B - Draft Highway Asset Management Strategy
 Appendix C - Public Consultation Survey Results
 Appendix D - Stakeholder Consultation Survey Results
 Appendix E - Workshop Consultation Summary

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