

**CABINET – 15 SEPTEMBER 2017****HIGHWAY INFRASTRUCTURE ASSET MANAGEMENT PLAN (HIAMP)****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 development of the Highway Infrastructure Asset Management Plan (HIAMP) and to seek approval of the final version of the Plan for implementation.

Recommendations

2. It is recommended that:
 - a) The Highway Infrastructure Asset Management Plan (HIAMP) appended to this report, be approved;
 - b) The Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to make minor amendments to the Highway Infrastructure Asset Management Plan as are considered necessary to ensure it remains current and conforms to legislation;
 - c) The Director of Environment and Transport be authorised to develop and implement such operational procedures as are considered necessary to ensure the effective delivery of the HIAMP.

Reasons for Recommendations

3. Authorities have until October 2018 to fully adopt the Government's new Code of Practice titled "Well-Managed Highway Infrastructure". The HIAMP embeds a risk-based approach in operational planning, as required by the latest Code, and it will form the high-level strategic document from which operational procedures will be derived.
4. The Plan supports the delivery of a service that is aligned to the Medium Term Financial Strategy (MTFS) and ensures that the Council, as Highway Authority, continues to meet its statutory duties under the Highways Act 1980.
5. The HIAMP will help the Authority secure the highest band (band 3) under the Government's Department for Transport (DfT) Incentive Fund scheme and it is increasingly being required as part of other funding bids. Its adoption therefore has financial implications for the Authority.

Timetable for Decisions (including Scrutiny)

6. This report was considered by the Environment and Transport Overview and Scrutiny Committee on 7 September 2017. Its comments will be reported to the Cabinet.
7. It is anticipated that the Council will submit a self-assessment to the DfT by the end of November 2017, demonstrating that it has qualified for Band 3 of the DfT's Incentive Fund.

Policy Framework and Previous Decisions

8. In November 2007 Leicestershire County Council's Transport Asset Management Plan (TAMP) was approved and was subsequently updated in 2011. It describes an analytical approach to highway maintenance, current service levels and management processes, providing limited direction to further developing asset management. The TAMP follows guidance that has now been superseded and supports the previous Highway Maintenance Policy and Strategy which have now been replaced (new Highway Asset Management Policy and Strategy approved by the Cabinet on 23 June 2017). The HIAMP has been developed and, subject to the Cabinet's approval, will replace the TAMP.
9. On 13 December 2016 the Cabinet noted the outcome of the 'A-Roads to Zebras' consultation on the Council's approach to highway maintenance and proposed amendments to its plans and policies set out in the TAMP. The Cabinet agreed to consult on the draft Highway Asset Management Policy and draft Highway Asset Management Strategy and subsequently approved these new policies at its meeting in June.

Resource Implications

10. The HIAMP supports the efficiency savings required from the MTFS and the corporate transformation process. It underpins 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 maintenance funding available through the Incentive Fund process.
11. The table below shows the financial impact of the County Council achieving the highest Incentive Fund level. Essentially it makes a difference of £0.715m in 2018/19, £1.19 million in 2019/20 and £1.67 million in 2020/21; meaning an additional £3.6 million for maintenance delivery over this time period.

Year	Needs Based Allocation £000	Incentive Fund Level 2 £000	Additional Incentive Fund if Level 3 £000	Total Possible Funding £000
2017/18	12,642	1,065	118	13,825
2018/19	11,442	1,668	715	13,825
2019/20	11,442	1,192	1,191	13,825
2020/21	11,442	715	1,668	13,825

Table 1: Incentive Fund Grant Levels

12. To support the 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 is being funded as part of the Council's transformation programme.
13. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

National Guidance Promoting the Development of Highway Asset Management

14. On 23 June 2017, the Cabinet approved the Highway Asset Management Policy and Highway Asset Management Strategy. These documents ensure that the County Council follows an approach to asset management that is in accordance with the recommendations of the Highway Maintenance Efficiency Programme (HMEP) guidance document and the new Code of Practice for highway maintenance.
15. Both the Policy and Strategy are designed to promote the development of an integrated asset management approach to highway infrastructure, which is based on the establishment of local levels of service through risk-based assessment. The Policy and Strategy documents are also a requirement of the Incentive Fund and are essential if the Authority is to achieve maximum funding.
16. To support the Highway Asset Management Policy and Highway Asset Management Strategy it has also been necessary to revise the TAMP. The current TAMP is no longer reflective of the approach adopted in the new Policy and Strategy documents, as it does not reflect a risk based approach. The new HIAMP develops the existing TAMP into a document that directs the delivery of the policies and principles set out in the new Policy and Strategy.

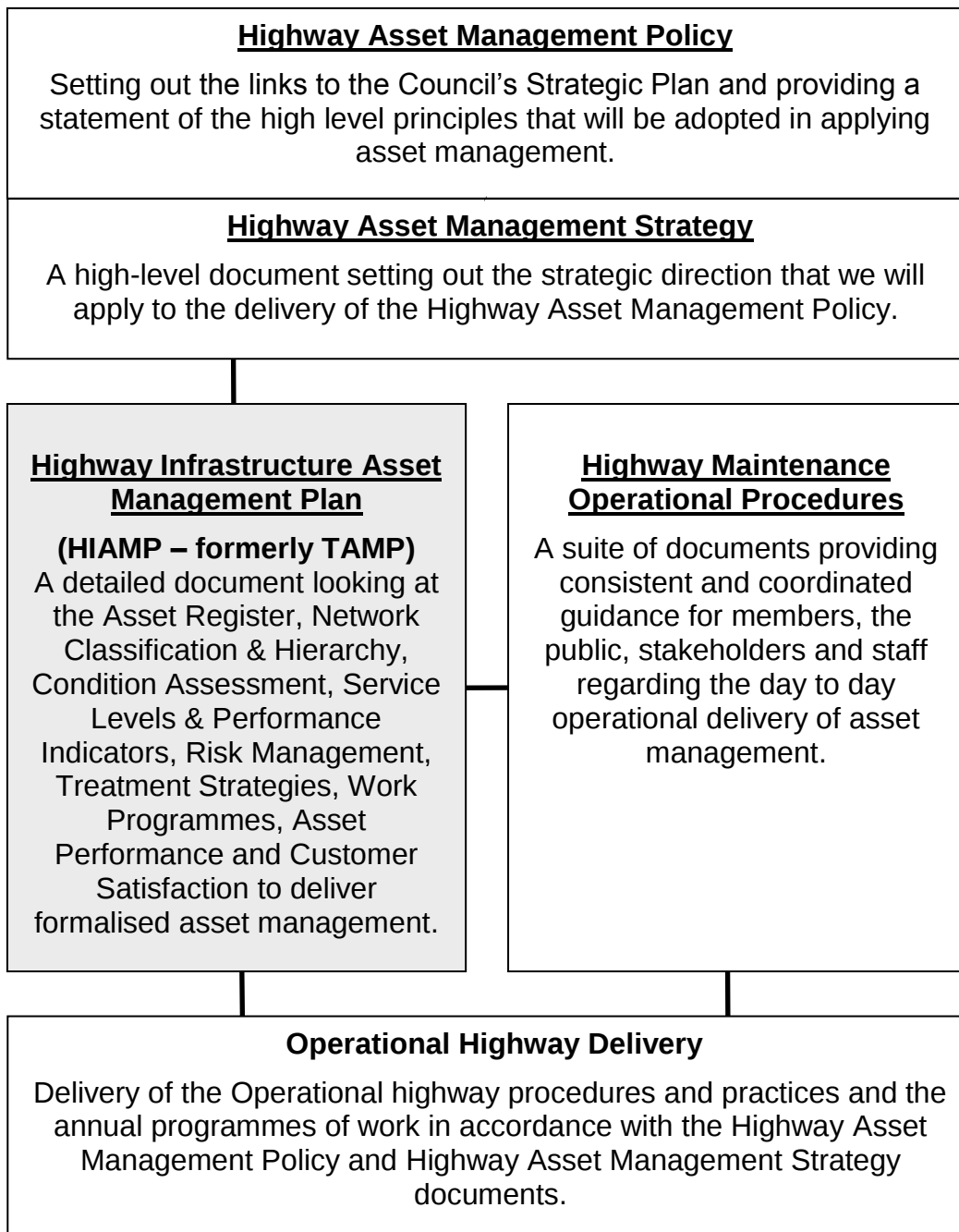
Highway Infrastructure Asset Management Plan (HIAMP)

Purpose

17. The purpose of the HIAMP is:
 - To better understand risk and its impacts on the asset. Assets are defined as items, things or entities that have potential or actual value to an organisation. Examples of highway assets are carriageways, footways, street lighting etc.
 - To provide a document that assists with decisions on maintaining the highway asset, including future levels of funding.
 - To provide information on challenges and the actions to be taken to maintain the highway asset.
 - To set out the asset management requirements in a clear and transparent manner.
 - To provide a reference for staff and contractors on specific aspects of highway maintenance.

Framework

18. The framework for the Highway Asset Management Policy, Strategy, Plan and operational procedures is set out below:



Content

19. The HIAMP covers the following areas:

- Current State of Assets – How the Council looks after its assets and their current state
 - Historical Investment Summary – Funding for the highway infrastructure is in the form of either capital or revenue and can come from a variety of sources.
 - Network Hierarchies – The network hierarchy has been re-defined in order to optimise both the safety inspection regime but also the highway maintenance strategy. For example, the Resilient Network and the Major Road Network.
 - Condition Assessment & Asset Performance – The performance of our asset is assessed using a variety of inspections, for example, Safety Inspection, Service Inspection, Condition Surveys
 - The Condition of our Asset – The condition of our key assets are shown over a

six year period.

- Service Aspirations
 - Stakeholder Aspirations – The Council monitors stakeholder expectations using the National Highways and Transport (NHT) customer satisfaction survey and through ad-hoc consultation exercises.
 - Levels of Service – The levels of service have been formed to explain how the Council is making progress to deliver its asset management goals.
 - Life Cycle Planning – Life cycle planning is used to appraise the viability of asset aspirations in the future.
- Delivery of the HIAMP
 - Communication – The Authority needs to ensure that stakeholders are informed about work on its highways, its services and any changes to them.
 - Data Management – Need to understand what data the Authority has/needs.
 - Customer Feedback – Vital that stakeholders can contact the County Council to request a service to deal with current issues and to register priorities for future work.
 - Competencies & Training – A competency framework for all key asset management staff is used to identify the individual competency requirements and then use as the basis for training.
 - Principles of a Risk Based Approach – The new code of practice “well managed highway infrastructure” states that a “risk based approach” should be adopted for all aspects of highway maintenance.
 - Developing a works programme – There are many stages to developing a works programme; this includes identifying work (Candidate Schemes), prioritising the work identified, developing the work into a 3 year plan (Forward Plan) and finally the annual works programme.
 - Investment Aspirations – It is vital to address the investment aspirations in order to obtain the appropriate funding.
 - Milestones – A number of key actions have been set down as milestones. For example, revision of operating procedures to comply with the risk based approach by October 2018 as defined in the new Code.
- Risks
 - Managing Risk – To manage risk the County Council maintains and reviews a number of risk registers in a multi-level risk management framework.
 - Protecting the environment and dealing with climate change – The County Council needs to take account of extreme weather events which are becoming more frequent to either reduce or mitigate their impact.
 - Network resilience – The County Council must consider the resilience of the highway network. It will do this by defining a Resilient Network, taking a risk based approach and maintaining its winter service.
 - Growth in demand – The demand on the network is growing.
- Governance
 - The delivery of the HIAMP will be overseen by the Asset Management Programme Board. The remit of the Board is to implement the new HIAMP and the revised maintenance Policy and Strategy in order to encourage and manage the effective and efficient delivery of Highways Asset Management

operations. The Board meets monthly and membership comprises the Council's Highway Asset Manager in the Senior Responsible Officer role, Highway Operations representatives in the Senior Supplier role and Senior Users from within the Highways Policy and Asset Management teams.

Highway Maintenance Operational Procedures

20. The HIAMP will inform the review and development of all highway maintenance operational procedures. These procedures will shape the way the Council will develop and deliver its highway maintenance service, which aims to deliver a safer highway network with improved traveling conditions for all users and to take greater care of the environment.
21. These procedures will enable the delivery of the HIAMP, Highway Asset Management Policy and Highway Asset Management Strategy and will:
 - List the Council's maintenance and management processes, such as grass cutting and carriageway defects.
 - Explain its maintenance and management strategies across all highway activities.
 - Provide general information to illustrate the Council's role in managing the highway network.
 - Provide general information on minimum service standards, such as when and where they apply.
 - Provide advice on consents and licences for activities on the highway (what is allowed on the highway network), such as skip licences.
 - Identify constraints and enforcement measures (what is not allowed on the highway network), such as stones in the highway.
22. In order to meet the requirements of the new Code of Practice these procedures will be reviewed, following adoption of HIAMP, and implemented incrementally by October 2018.

Future Levels of Service

23. The operational procedures will, as appropriate, detail inspection regimes and frequency, maintenance cycles (e.g. for grass cutting) and response times to issues raised concerning defects (e.g. potholes in the road or damaged road signs). However, by adopting a risk based approach in accordance with the new Highway Asset Management Policy and Highway Asset Management Strategy documents, it has become far less straightforward to be overly prescriptive about how quickly something might be dealt with given a particular set of circumstances.
24. However, overall, something that is likely to pose a greater risk to road safety will be dealt with more urgently, regardless of the nature or class of the road (e.g. rural, urban, A, B, C road). Conversely, other types of defects will be dealt with over a relatively greater period of time.

Highway Asset Management Support for the Medium Term Financial Strategy

25. By 2019/20 £4.4 million of ongoing savings will need to have been made from highway maintenance activity to meet the Council's MTFS. This is being delivered through a revised approach to highways maintenance which consists of a

combination of efficiencies and service reductions. This involves 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.

26. 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. In the future it will be necessary to sustain the network condition over longer periods through more extensive use of localised patching.
27. The HIAMP framework 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 delivering a more evidence based approach, rather than a subjective judgement based approach, when making maintenance decisions. It will also ensure that the Council can more confidently consider initiatives designed to deliver efficiencies and can be more flexible in adapting to changes in future budgets.

Consultations

28. The development of the HIAMP has been steered by the extensive consultations undertaken during the development of the Highway Asset Management Policy and the Highway Asset Management Strategy. As the HIAMP is an operational document, which delivers the Highway Asset Management Policy and Strategy, no separate consultation is required.

Conclusion

29. Following on from the Cabinet's approval of the Highway Asset Management Policy and the Highway Asset Management Strategy documents in June, development of the HIAMP will ensure that the Council continues to meet its statutory duties under the Highways Act 1980.
30. It takes into account the ongoing financial pressures on the Authority, supports delivery of the Council's MTFS and provides the opportunity for the council to take advantage of additional funding available from the DfT.
31. The HIAMP will establish the detailed direction of operational practice and procedures, to underpin delivery of the Highway Asset Management Policy and Strategy. Subject to the approval of the HIAMP, the development and implementation of operational procedures to deliver the Plan will be implemented incrementally by October 2018.

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 – 23 June 2017 - Highway Asset Management Policy and Highway Asset Management Strategy:

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5120&Ver=4>

Report to the Cabinet – 13 December 2016 – Highway Maintenance Policy and Strategy Review:

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4608&Ver=4>

Report to the Cabinet – 19 April 2016 – Highway Maintenance Strategy and Policy Review:

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4601&Ver=4>

Appendix

Appendix - Draft Highway Infrastructure Asset Management Plan (HIAMP)

Equality and Human Rights Implications (EHRIA)

32. The HIAMP aims to maintain the highway network in the best overall condition, appropriate to its use and taking account of customer expectations and the available budget. Effective maintenance of the network will benefit all users.
33. The HIMAP is an operational document, which delivers the Highway Asset Management Policy and Strategy. An EHRIA has previously been completed for the Policy and Strategy and a number of mitigations have been developed to respond to concerns. The EHRIA will continue to be reviewed.

Environmental Implications

34. The draft HIAMP supports 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. The Plan directs the service to consider deploying preventative treatment strategies to reduce deterioration in the asset, using recycled materials or the use of low temperature asphalt to minimise carbon emission, collaborating with the supply chain to reduce emissions arising from the transport of materials and scheduling work to minimise congestion as a result of maintenance interventions.
35. In addition the HIAMP identifies the need for resilience in dealing with climate change. This is tackled through the adoption of a resilient network and taking a risk-based approach to delivery which accounts for the environment.
36. The County Council's Environmental Implications Tool has been used to identify the impact of this project on the environment and to consider ways of reducing that impact, supporting the delivery of the Council's environmental objectives.

Risk Assessment

37. A risk assessment has been completed for this project.
38. The HIAMP supports 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 highway. Insurable risks identified in the proposals will be fully considered.

39. The new Government Code of Practice for highway maintenance ('Well Managed Highway Infrastructure') sets out the principle of applying a locally appropriate risk-based approach to the inspection, prioritisation and treatment of the highway network. This new approach will ensure that those areas with the greatest risk will be given priority. The HIAMP sets out the key actions required and types of risk to be considered when applying a risk-based approach.