

REPORT FOR DECISION



DECISION OF:	CABINET
DATE:	
SUBJECT:	DRAFT Highway Asset Management Policy, DRAFT Strategy and DRAFT Communications Strategy Including Implications for Department for Transport Funding
REPORT FROM:	Cabinet members for:- Strategic Housing & Support Services, Environment
CONTACT OFFICER:	David Giblin Head of Engineering
TYPE OF DECISION:	EXECUTIVE (KEY DECISION)
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain.
SUMMARY:	This report presents the draft Highway Asset Management Policy, draft Highway Asset Management Strategy and the draft Communications Strategy for approval. It seeks approval to consult with stakeholders with a view to returning to Cabinet with a final set of documents for endorsement and adoption.
OPTIONS & RECOMMENDED OPTION	<p>Option 1: approve the recommendations set out in paragraphs 3.1 – 3.5 of this report.</p> <p>Option 2: members reject the recommendations set out in paragraphs 3.1 – 3.5 of the report and instruct officers NOT to follow DfT/HMEP guidelines.</p> <p>Members are recommended to approve option 1.</p>
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes No
Statement by the S151 Officer: Financial Implications and Risk Considerations:	Failure to have an approved HAMP in place will mean reduced Government Capital Allocations in the future.
Health and Safety Implications	None

Statement by Executive Director of Resources (including Health and Safety Implications)	The HAMP is critical in identifying the future investment needs in Highways infrastructure. An effective HAMP is essential to support the future growth plans of the Borough
Equality/Diversity implications:	Yes No
Considered by Monitoring Officer:	Yes Comments
Wards Affected:	ALL WARDS
Scrutiny Interest:	

TRACKING/PROCESS

DIRECTOR: INTERIM EXECUTIVE DIRECTOR – Resources & Regulation

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
18 July 2016	Briefings provided for Cabinet members for Strategic Housing & Support Services and Environment		
Scrutiny Committee	Cabinet/Committee	Council	

1.0 BACKGROUND

1.1 Bury Council recognises the vital importance of the local highway network and the role that its maintenance and management plays in supporting the Council's vision, purpose and values.

A Highway Asset Management Plan (HAMP) sets out how the Council will best manage the highway network whilst taking into account asset condition, users' needs, local priorities, growth and financial pressures.

The HAMP is essentially an operational document containing a vast amount of detail and statistical information. In contrast to the full HAMP, Policy and Strategy documents show the much higher level approach that Bury will adopt in its stewardship of the highway network in order to deliver the maximum benefit to local communities and businesses within the constraints mentioned above.

It is the draft versions of the HAMP Policy, Strategy and Communications Strategy that elected members are being asked to consider.

1.2 Highway Asset Management is a strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and

enhancement of the highway infrastructure to meet the needs of current and future customers.

A Highway Asset Management Plan (HAMP) seeks to achieve the following;-

- Document the activities and processes of the Asset Management Framework.
- Provide detailed information to senior decision makers to support investment decisions and enable longer term planning.
- Allocate resources for asset management.
- Inform all staff involved in asset management about how the highway infrastructure is to be managed and their responsibilities.
- Provide information to support the procurement of maintenance activities.
- Facilitate communication with stakeholders.

It is a way of providing information and evidence on how the asset management process is applied in order to meet the wider objectives of the authority over the short, medium and long term. Typically, it sets out the agreed levels of service, performance targets, how these are met through lifecycle planning, and a forward and annual programme of work. It sets out how overall performance is monitored and any lessons learnt that have been captured.

- 1.3 A HAMP can have many supporting documents but there is no standard list of requirements and, consequently, every HAMP is different in this respect. Three documents that are supporting Bury's HAMP and are the subject of this report are;-

a) The HAMP Policy

The HAMP Policy is a short and concise document that describes the principles adopted in applying asset management to achieve the authority's strategic objectives. It is a high-level document.

b) The HAMP Strategy

The HAMP Strategy sets out the long term objectives for the highway asset and how they are met, including statutory obligations, stakeholder needs and the overall performance of highway infrastructure within the context of any constraints such as funding.

c) The HAMP Communications Strategy

The HAMP Communication Strategy lays out how the iterative process of initial consultation takes place allowing for a final set of documents to be compiled that have had stakeholder involvement.

The draft HAMP Policy, the draft HAMP Strategy and the draft HAMP Communications Strategy are attached as appendices to this report.

- 1.4 Relevant information associated with asset management should be actively communicated through engagement with stakeholders in setting requirements, making decisions and reporting performance. The Communications Strategy should provide clarity and transparency in how the Council will make decisions in the identification, assessment and repair of highway assets and how the public are involved in the decision making process.

This will enable greater public understanding of how the strategy is delivered in practice.

- 1.5 The document "Highways - Maintaining a vital asset (What should Councillors know about Asset Management)" published by Highways Maintenance Efficiency Programme (HMEP) is targeted at elected members and explains how asset management can help councils to improve highway maintenance, by ensuring best use of available funds and demonstrating need for investment. It is attached as an appendix to this report. [*HMEP is a £6million, Department for Transport funded and sector led transformation programme.*]
- 1.6 All HAMP documents are live, dynamic documents and have to be updated on a regular basis. For that reason, the HAMP documentation will be put before Cabinet on a biennial basis unless there are significant political, financial or technical changes that warrant a more immediate consideration by Cabinet.

2.0 ISSUES

- 2.1 Local Highways Maintenance Capital Funding has traditionally been a "needs-based" allocation from the Department for Transport (DfT) i.e. the level of funding is related to the total length of road, number of bridges, number of street lighting columns etc. that were maintained at the public expense by a Local Highway Authority (LHA).
- 2.2 In December 2014, the Secretary of State for Transport announced that £6 billion will be made available between 2015/16 and 2020/21 of which £578 million has been set aside for an Incentive Fund scheme, to reward councils who demonstrate they're delivering value for money in carrying out cost effective improvements.
- 2.3 Each LHA in England (excluding London) is invited to complete an annual Self-Assessment Questionnaire (SAQ), in order to establish their share of the Incentive fund they will be eligible for between 2015/16 and 2020/21.

Authorities, therefore, have to demonstrate that efficiency measures are being pursued in order to receive their full share of the funding.

The incentive funding awarded to each LHA will be based on their score in this questionnaire, and will be relative to the amount currently received through the needs-based funding formula.

In 2016/17, only authorities in Bands 2 and 3 will receive their full share of the £578 million, whilst authorities in Band 1 will receive 90% of their share. These percentages for Bands 1 and 2 decrease in each subsequent year, with only authorities in Band 3 being awarded their full share of the funding.

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Band 1	100%	90%	60%	30%	10%	0%
Band 2	100%	100%	90%	70%	50%	30%
Band 3	100%	100%	100%	100%	100%	100%

The questions are designed to enable authorities to assess their progress on the journey to the implementation of good practice, which will create an environment for effective and efficient delivery and enable capital funding to maximise its return. Underpinning this are the needs of stakeholders and the

communication of the importance of the highway service and the needs for well-maintained highways.

2.4 The SAQ contains 22 questions used to identify the level of asset management maturity of the LHA and available funding is dependent upon this score. The DfT also requires that the submission must have S151 officer sign-off.

2.5 Risk Management

There are potentially negative financial implications for the Council. For Bury Council, over the 6 year DfT funding period 2015/16 to 2020/21, the difference between a Band 1 LHA and a Band 3 LHA equates to just over £1m. Bury currently stands at Band 1 in line with its SAQ submission for 2016/17. In order to achieve better scores and progress to higher Bands, a politically endorsed highway asset management strategy which has also been published on our website is a prerequisite.

2.6 As part of the Greater Manchester Combined Authority devolution deal, all 10 LHAs within Greater Manchester have been awarded a "virtual" Band 3 status and, as a consequence, none have experienced a loss of funding for 2016/17. It is not clear what the longevity of such a concession will be and it is understood that this arrangement is a source of tension between Central Government and the DfT. Consequently, this should be seen as a "windfall" but must not interfere with the asset management momentum Bury Council now have in developing systems, improving processes and seeking out collaboration where possible. A "Northern Cluster" has been established where Bolton, Bury, Oldham and Rochdale meet to discuss asset management principles and exchange ideas and information resulting in improved working practices for all and an ambition to attain Band 3 status within the next 2 years.

2.7 Resources are also a key restricting factor. Staff numbers within Engineering Services are extremely limited and a significant investment in staff time will be required to attain Band 3 status. However, an "invest-to-save" business case almost writes itself when considering expenditure now to assist in securing £1m over the 6 year funding period.

2.8 Equality and Diversity
There are no equality and diversity issues.

3.0 CONCLUSION

3.1 It is recommended that Cabinet demonstrate their commitment to highway asset management principles in line with the DfT SAQ and their support for officers in their continuing efforts to attain their ambition of asset management maturity commensurate with Band 3 status.

3.2 It is recommended that Cabinet endorse the ambition to attain Band 3 status as quickly as possible and empower officers to utilise existing Local Highways Maintenance Capital Funding to secure this goal where necessary via business case submissions to SLT for them to consider and approve if deemed appropriate.

3.3 It is recommended that Cabinet approve the draft Highway Asset Management Policy.

- 3.4 It is recommended that Cabinet approve the draft Highway Asset Management Strategy.
- 3.5 It is recommended that Cabinet approve the draft Communications Strategy and authorise officers to begin the consultation exercise.
- 3.6 It is recommended that Cabinet delegate authority to the Cabinet Member for Strategic Housing & Support Services and the Cabinet Member for Environment to either endorse future papers (spawned through the HAMP as an overarching document) or have them brought before full Cabinet.

List of Background Papers:-

Appendices

Appendix A	Draft Highway Asset Management Policy
Appendix B	Draft Highway Asset Management Strategy
Appendix C	Draft Highway Asset Management Communications Strategy
Appendix D	Highways - Maintaining A Vital Asset, HMEP, 2013
Appendix E	Highway Infrastructure Asset Management Guidance, HMEP / UKRLG, 2013
Appendix F	Highways Maintenance Capital Funding Self-Assessment Questionnaire for the Incentive Fund

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