

REPORT FOR DECISION



DECISION OF:	The Cabinet
DATE:	29 July 2020
SUBJECT:	Highway Investment Strategy - Tranche 2 (HIS2)
REPORT FROM:	Cabinet Member for Transport and Infrastructure
CONTACT OFFICER:	David Giblin, Head of Engineering
TYPE OF DECISION:	Key decision
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain.
SUMMARY:	Details of the HIS2 approach to highway maintenance.
OPTIONS & RECOMMENDED OPTION	Approval to proceed with the investment of the £10 million made available by Council for highway maintenance for the period 2020//21 to 2022/23 in line with the recommendations set out in this report.
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:	Provision for structural maintenance works has been made available in the Council's capital programme and includes funding from DfT. Regular monitoring will be undertaken to ensure that the funds are not over committed and progress will be reported as part of the quarterly monitoring reports to Cabinet.
Equality/Diversity implications:	No There are no equality and diversity issues at large as the highway is accessible by all members of the public.

Considered by Monitoring Officer:	Yes	Comments
		The report asks for authority to undertake highway maintenance in accordance with the Council's statutory duty as highway authority. Highway authorities have a legal duty to maintain their respective sections of the road network under section 41 of the Highways Act 1980 and are liable to compensation claims in the event of a failure to do so. They are required to take reasonable care of the highway to ensure that it is not dangerous to traffic including pedestrians and to have procedures laid down for inspection and repair.
Wards Affected:	All Wards.	
Scrutiny Interest:		

1.0 BACKGROUND

- 1.1 The highway network is the single most valuable asset that the Council owns. Without it, none of the Council's priorities, values and visions can be realised.
- 1.2 Its 660 kilometres of carriageway, 1,200 kilometres footway, 300 kilometres of footpaths, 228 structures, 19,000 street lighting columns, 36,500 road gullies (and their associated many kilometres of drainage), 15 kilometres of guardrail, signs and street furniture total almost £1 billion in Whole of Government Accounts (WGA) replacement value.
- 1.3 Generally, the greater the age of the highway, the rate of deterioration increases until functional failure sets in and expensive reactive maintenance repairs are required to keep the highway safe for the public. This deterioration for Bury has previously been calculated at approximately £5 million per year. Highway funding from the Department for Transport (DfT) was such that the Council spent, on average, only around £1.2 million per annum in planned maintenance leading to an annual shortfall in the region of £4 million.
- 1.4 The outcome of such a level of funding was that the network could not be maintained in a steady state condition (i.e. no improvement or no decline) and, inevitably, would lead to an ever accumulating highway maintenance backlog which increases year-on-year together with an accelerating rate of deterioration.
- 1.5 As a consequence of this, the Council made £10 million available to invest in the borough's highway network over the financial years 2017/18, 2018/19 and 2019/20. This became known as the Highway Investment Strategy - Tranche 1 (HIS1).
- 1.6 The £10m was split into two elements; reactive maintenance and planned maintenance. The reactive maintenance element accounted for £1.5m and was planned to be expended at the rate of £0.5m per year of the three years of HIS1.

- 1.7 The planned element of £8.5m was further split across the strategic and local networks as £5.7m and £2.8m respectively. The strategic network consists of the A, B and C road classifications with the local network being everything else. The ratio between them is 1:4 inasmuch as the local network is 4 times the size of the strategic one.
- 1.8 The profiling of the HIS1 £10 million is indicated below in figure 1.

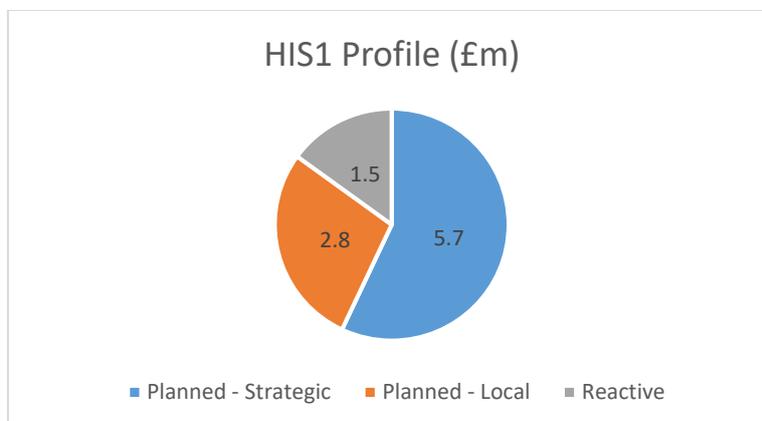


Figure 1

- 1.9 The total length of highway resurfaced as part of the HIS1 initiative exceeds 21 kilometres (13 miles) - this equates to around 3% of the total highway network in Bury.
- 1.10 Tranche 2 of the Highway Investment Strategy (HIS2) is also a £10 million, three year investment programme (2020/21 to 2022/23) to continue to improve the state of the highway network in Bury and follows on from the HIS1 initiative but with a different investment profile.
- 1.11 HIS2 is profiled differently to HIS1 in order to incorporate an element of preventative maintenance. Consequently, out of the £10 million of HIS2, £4.5 million will be allocated to structural maintenance (e.g. resurfacing) with candidate sites selected using the same principles as HIS1, £3.0 million to preventative maintenance (e.g. surface dressing) leaving £2.5 million for reactive maintenance (e.g. pothole, patching etc.).
- 1.12 The £4.5 million structural maintenance will be delivered by Engineering Services whilst the £5.5 million for preventative and reactive maintenance will be delivered separately by the StreetScene Maintenance Service. This report sets out the proposals for the structural maintenance element of the funding.
- 1.13 Figure 2 below gives the indicative values proposed for the profiling of the HIS2 £10 million.

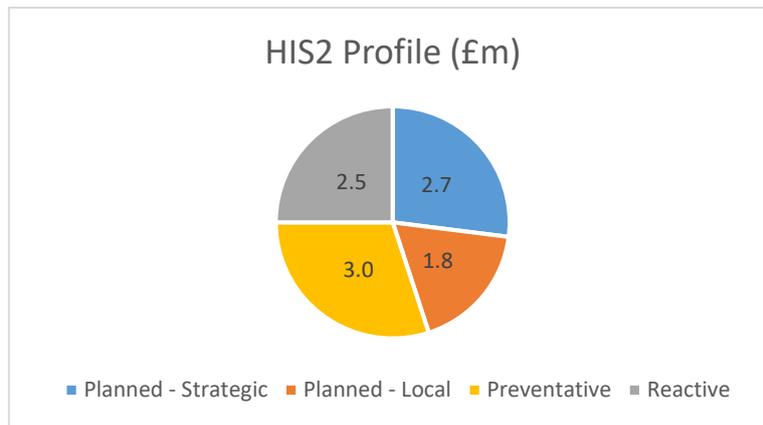


Figure 2

- 1.14 The Council also receive funding for planned highway maintenance from the Department for Transport (DfT). The value of DfT funding is linked to the highway asset management maturity of local highway authorities. The purpose of this mechanism is promote the embedding of asset management principles into everyday working processes. Currently, all Greater Manchester authorities receive the maximum amount from this fund as a result of the existence of the Combined Authority. This may change in the future.
- 1.15 Currently, the Council is allocated around £2 million per annum of DfT funding for capital highway maintenance of which £1m is allocated to structural maintenance.
- 1.16 This DfT allocation over this 3-year HIS2 period has been rolled together with the HIS2 funding (as it was with HIS1) as they are, in principle, delivering the same kind of schemes. £1.75 million of DfT slippage from previous years is also being incorporated into the programme. The table below sets out the funding allocations, although it should be noted that the DfT allocations for future years have not been confirmed and will be subject to review as part of the capital programme for future years.

Year	HIS2 Funding (£k)	DfT Funding (£k)	Totals (£k)
2020/21	1500	1000	2500
2021/22	1500	1000	2500
2022/23	1500	1000	2500
Slippage		1750	1750
Totals	4500	4750	9250

- 1.17 The list of proposed candidate sites and projects for planned maintenance is listed in Appendix 1. Schemes are listed in order of priority scoring for the Strategic Network and the Local Network. These candidate schemes represent around 3% of the highway network and, as a consequence, the HIS2 programme is similar in size to the work undertaken in HIS1.
- 1.18 The final cost of a scheme is seldom the same as its original estimate and, therefore, the actual cumulative value of completed schemes will vary. If the programme starts to overspend (due to site issues - finding unexpected problems etc.) less schemes would be undertaken. However, if there is an underspend

forming, more schemes can be accommodated and there are reserve schemes available which could be brought into the programme.

2.0 ISSUES

- 2.1 Without any investment in the existing highway network, its rate of deterioration has been estimated to be in the region of £5 million per annum: that is to say that this much annual expenditure is required just to maintain current highway condition.
- 2.2 Should this investment not go ahead, there is a risk that some highways will approach functional failure, which then require more expensive localised reactive maintenance repairs, such as pothole repairs, to keep the highway safe for public use. This could also increase the Council's exposure to compensation claims.
- 2.3 The HIS1, HIS2 and DfT monies combined are able to reduce this rate of decline but not halt or reverse it. However, on its own the DfT annual allocation cannot hopefully make any meaningful long-term impact on the condition of the 650 km of Bury's highway network.
- 2.4 Due to the Covid-19 lockdown, there has been disruption to progress of the final HIS1 schemes and the process of arranging contracts for HIS2. That may result in problems getting the HIS2 proposals completed in the three year period. However, if the GM framework alliance contract is approved by council, the possibility of programme acceleration can be discussed with the appointed contractors.
- 2.5 There are no equality and diversity issues at large as the highway is accessible by all members of the public.
- 2.6 The programme is and always will be an ambition. It is not possible to guarantee that all the schemes listed will be undertaken in the 3-year programme as many issue can impact on it delivery such as utility companies' works (we would not resurface knowing another body would excavate our new surfaces), new developments (residential & commercial), urgent work where rapid deterioration has taken place elsewhere on the borough's network and requires immediate intervention to maintain highway safety etc.
- 2.7 Furthermore, the Council reassesses the priority listing on an annual basis. The list of proposed schemes in Appendix 1 is based on the current evaluation. The Council acknowledges that it needs to be able to respond in a dynamic and flexible way to changes in the network in terms of factors like traffic flows and asset condition in order to target the correct sites and maintain the network in a safe state. Consequently, should newly identified sites not in the HIS2 programme require more immediate attention, it may be necessary to drop some of the schemes listed in Appendix 1 in order to release the required funding to address the issue. This being the case, whilst the schemes listed in Appendix 1 cannot be committed to or guaranteed to be completed within the HIS2 programme, nevertheless, the programme strongly indicates the Council's trajectory and aspirations.

3.0 FINANCIAL IMPLICATIONS

3.1 Funding for the proposals is set out in the council's capital programme. Indicative costs for the proposed schemes have been calculated however the deliverability of all of the schemes will be dependent upon the availability of funding at that time. The programme will therefore be kept under regular review to ensure the funds are not over committed. Regular reports will be presented to cabinet as part of the quarterly monitoring reports for revenue and capital.

4.0 CONCLUSION

4.1 It is recommended that the proposed list of candidate schemes in Appendix 1 be approved and worked into a three year programme to facilitate the planned maintenance of the strategic and local highway network.

4.2 It is recommended that delegated authority be given to the Cabinet Member for Transport and Infrastructure to approve expenditure of all works procured in order to deliver the HIS2 programme as set out in this report.

List of Background Papers:-

Contact Details:-

David Giblin
Head of Engineering Services
d.r.giblin@bury.gov.uk