

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Economic Scrutiny Committee
Date:	20 October 2015
Subject:	Economic Infrastructure Commissioning Strategy

Summary:

This report describes the activity which supports the Infrastructure Commissioning Strategy - sustaining and developing prosperity through infrastructure.

The Commissioning Strategy facilitates growth and prosperity through encouraging investment and enhancing the economic potential of the County.

This is achieved by:-

- (a) Commissioning and encouraging a reliable and accessible transport service
- (b) Managing and maintaining a high quality highway network
- (c) Encouraging new investment, including transport and economic development projects, by supporting business and working with the Greater Lincolnshire Local Enterprise Partnership and other funding bodies
- (d) Managing our other assets such as farms, property and heritage sites to encourage prosperity

This report focuses on managing and maintaining a high quality highway network and encouraging new investment, including transport and economic development projects, by supporting business and working with the Greater Lincolnshire Local Enterprise Partnership.

Actions Required:

The Committee is asked to note and make comment on the report.

1. Background

The two main areas of activity in infrastructure terms are the management of our existing infrastructure and the commissioning of new infrastructure.

Managing our Existing Infrastructure

Our main infrastructure asset is the County's highway network with 8741 km's of highway to manage, both in network and asset terms.

Network Management

Our aim is to ensure the effective and efficient use of the current highway network and to provide improved traffic flow and reduced congestion for residents, businesses and visitors. Our strategy is set out in our Network Management Plan.

We manage the network by a range of interventions including:

- (a) The control of third party activity on the highway through the application of the New Roads and Street Works Act (NRSWA). We currently operate a notice system which allows third parties to notify us of the activity they carry out on the highway. These notices can be issued after the activity has taken place, which offers us little opportunity to control the impact on the network. We have started work on the introduction of a Permit Scheme for Lincolnshire which will only allow activity to happen once we have granted a permit. This will give a greater opportunity to control the activity and minimise the impact on the network.
- (b) We have 307 traffic signal installations throughout the County. Those in the major urban centres of Lincoln, Grantham and Boston are linked together through an Urban Traffic Control System to optimise their operation.
- (c) Civil Parking Enforcement seeks to minimise the disruption caused by unauthorised parking, with the additional benefit of freeing up limited waiting areas to encourage short duration stays.
- (d) Traffic Regulation Orders allow the introduction of limited waiting restrictions and speed limits to encourage the safe and efficient movement of traffic around the County.

Asset Management

We manage a 8741 km highway network with a value of £9,735 m which is the Council's largest asset in value terms. Our capital maintenance grant is £32 m and our revenue budget is £25 m. Whole Government Accounting calculations suggest that we need between £10 m and £14 m more, simply to maintain the current standard of the highway asset. Highways England (HE) roads receive 2.7 times as much maintenance spend per km as local authority managed A roads and motorways, and 15.9 times as much as local authority unclassified roads. Where HE roads receive around £111k per kilometre, local authority A roads receive only £41k and the secondary network only £7k.

There is emerging evidence of the importance of highway maintenance activity and its link to the economic vitality of an area. The West Midlands Road Condition

Study suggested that each £1 invested in the maintenance of the highway network would generate economic returns of £6.50 for the local economy. The Road Maintenance Review for Transport Scotland by the Transport Research Laboratory indicates that a £1 cut in highway maintenance budgets would result in wider costs to the economy of between £1.50 and £2. Work by the RAC Foundation and ADEPT suggest that the equivalent figure for England would be much higher. The World Bank estimates that poorly maintained roads double the operating costs of a bus with a similar increase for heavy goods vehicles.

We manage the highway asset in accordance with our Highway Asset Management Policy, Strategy and Plan which were originally introduced in 2006, refreshed in 2012 and is currently being reviewed. The main aim of the Asset Management Policy is to deliver a preventative maintenance strategy which will treat each asset with the most cost-effective treatment to restore its service life. For our carriageways this will be to surface dress, at the cost of £2-3 per square metres, before the asset deteriorates and requires structural repair at the cost of £20 - £30 per square metres.

We carry out a range of machine based surveys including deflectograph, scrim and scanner coupled with manual course visual inspections to provide consistent, quality asset condition data. This is used in conjunction with deterioration modelling and whole life costing to inform our decision making on treatment types and priorities. We are beginning to see an improvement in the surface condition of our roads with only 2% of principal roads (mainly A and some B class roads) requiring maintenance, 12% of non-principal (mainly B and C class) and 29% of unclassified.

Most of our asset management work is delivered through a combination of the Lincolnshire Highways Alliance and tenders delivered through our Select List Framework for highway works. The Alliance combines three of our main term contracts through the innovative use of contractual clauses, incentives, performance management and payment terms to deliver effective and efficient highway services. The Alliance delivers around £35 m of our highway service through the Highway Works Term Contract, Traffic Signals Term Contract and Professional Services Contract. When first introduced, the Alliance delivered a 20% efficiency gain over our previous delivery methods. It is structured to continue to deliver efficiency gains which have allowed us to continue to offer a consistent level of service, even though the impact of construction price inflation should have resulted in a reduction of nearly 30% in delivery. A recent Value for Money assessment by Cranfield University has confirmed that the Alliance delivers class leading value for money against industry comparators.

Regular benchmarking of prices across the Midlands Authorities also confirms that our contracts are delivering one of the lowest unit cost services in the region without compromising the quality of works.

Commissioning New Infrastructure

Historically highway infrastructure has usually been delivered with a combination of Government grant and the use of the Council's own capital funds. Government grant was allocated to specific schemes, or as blocks, to support Local Transport

Plan aims and objectives. Block support has been substantially reduced over recent years with the money released being reallocated to a variety of growth funds administered through the Local Enterprise Partnerships.

The last few years has seen the funding of schemes more closely aligned to development with the most recent emphasis being on the ability to help deliver the growth agenda. All of our existing major capital schemes are critical to the delivery of substantial growth and the delivery of Local Plans. The Council's four current priority schemes are:

- Lincoln Eastern Bypass
- Lincoln East West Link
- Grantham Southern Relief Road
- Spalding Western Relief Road

In addition to these four priority schemes we are pursuing a number of other schemes across the County with an update on the progress of these contained in Appendix A.

2. Conclusion

Both the provision and the maintenance of infrastructure deliver quantifiable benefits to the wider community. Lincolnshire County Council works with a range of partners to deliver new, vital pieces of infrastructure whilst maintaining its existing infrastructure assets in an effective and efficient way.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Major Schemes Update

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Paul Rusted, who can be contacted on 01522 553071 or paul.rusted@lincolnshire.gov.uk .

This page is intentionally left blank