

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

Report to:	Highways and Transport Scrutiny Committee
Date:	14 December 2015
Subject:	Highways Asset Management Policy

Summary:

In March 2015 a "Peer Review" of the Lincolnshire Highways Service was undertaken as part of the Highways Maintenance Efficiency Programme (HMEP). One of the recommendations from this review was to produce a policy for Highways Asset Management prior to the development of our next Highways Asset Management Strategy.

This report outlines the proposed policy for members to consider. Subject to the agreement of the Committee, the policy will be submitted to the Executive Councillor for Highways, Transport and IT for his consideration and approval. Any comments made by the Scrutiny Committee will be presented to the Executive Councillor for his consideration when taking the decision.

Actions Required:

- (1) Members of the Highways and Transport Scrutiny Committee are invited to consider and comment on the report.
- (2) To agree that the policy be submitted to the Executive Councillor for Highways, Transport and IT for his approval.

1. Background

- 1.1 Lincolnshire County Council is responsible for managing 8,741km of highway network and associated assets with a Gross Replacement Cost of approximately £10bn. This is the Council's largest asset in value terms.

In recent years the Government has encouraged Highways Authorities to develop an "Asset Management" approach to managing and maintaining their highways networks. This resulted from national concerns that budget constraints and the increasing costs of highways maintenance works had resulted in a focus on short term repairs to address legal responsibilities rather than long term planning and maintenance. This had led to a

progressive deterioration in the national network and will ultimately increase the eventual cost of repairs.

- 1.2 Asset Management is defined as “a structured, long term approach to planning, optimal maintenance and eventual renewal of our infrastructure.”

Lincolnshire County Council has embraced this approach and our Highways Assets are managed in accordance with our Highways Asset Management Strategy and Plan which was originally introduced in 2006, refreshed in 2012 and is currently being reviewed.

- 1.3 In December 2014 the Government announced the capital maintenance settlement for local highways authorities for the period from 2015-2021. This settlement provides some stability in the funding for local highway authorities and assists in the implementation of an Asset Management approach to maintenance works.

As part of this settlement the Government also introduced an "incentive" element to the funding whereby authorities are assessed as being in one of three bands which will determine the level of funding they will receive.

Below is a table which shows the potential impact of the incentive funding on the County Council.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total Funding Available	£31.0m	£31.0m	£31.0m	£31.0m	£31.0m	£31.0m
Basic Grant	£31.0m	£28.4m	£27.6m	£25.0m	£25.0m	£25.0m
Incentive Funding Level 1	£31.0m	£30.7m	£29.6m	£26.8m	£25.6m	£25.0m
Incentive Funding Level 2	£31.0m	£31.0m	£30.6m	£29.2m	£28.0m	£26.8m
Incentive Funding Level 3	£31.0m	£31.0m	£31.0m	£31.0m	£31.0m	£31.0m

- 1.4 The banding level achieved by authorities is dependent on a self-assessment questionnaire and supporting evidence which is heavily focused on the implementation of an asset management approach to highways maintenance and the adoption of the national guidance produced by the HMEP (Highways Maintenance Efficiency Programme).

- 1.5 Lincolnshire County Council is in a good position to obtain the maximum level of award from the incentive fund. Our initial assessment is that we are a strong Band 2 authority with good prospects of achieving Band 3 within the next 12 to 18 months.
- 1.6 In March 2015 a "Peer Review" of the Highways Service was undertaken. Feedback from the Peer Review and HMEP guidance advises that a separate Highways Asset Policy, Strategy and Plan should be produced which supports the County Council's long term vision and commissioning outcomes.
- 1.7 A draft Highways Asset Management Policy document has been produced and is appended for member consideration and comment. Following approval of the new policy a new Asset Management Strategy will be developed for the period 2016-2021 to align with the funding from the capitalised maintenance grant. This strategy document will be brought to a future Highways and Transport Scrutiny Committee.

2. Conclusion

- 2.1 The Highways Service is in a good position to meet the guidance of the HMEP and achieve the highest "Band 3" level of capital maintenance grant funding. This Asset Management Policy is part of a programme of work to ensure that the current level of funding for Highways is maintained and the network is maintained in accordance with the principles of good asset management practice.

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	Highways Asset Management Policy

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 Mike Coates, who can be contacted on 01522 555231 or mike.coates@lincolnshire.gov.uk .