



Report to CABINET

Highways Investment Programme – Key Principles

Portfolio Holder:

Cllr Sean Fielding, Leader and Cabinet Member for Economy and Enterprise

Officer Contact:

Helen Lockwood, Deputy Chief Executive – People and Place

Report Author: Carol Brown - Director Environmental Management
Ext. 4452

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Reason for Decision

This report identifies the approach and principles to be applied for delivery of the highways investment programme, based on good practice and ensuring best value for future investment.

Recommendations

Members are recommended to agree approach to a capital investment of £12m on highways over the next 3 years.

Highways Investment Programme – Key Principles

1 Background

- 1.1 Highways Improvement Programme 2018 (HIP18) - An £18m 3 year Programme was originally developed to combine reactive and preventative maintenance using condition data. The Programme was subsequently re-modelled into a £6m one year Programme designed to achieve £5m of savings. This Programme was designed to give maximum return on the investment based on a preventative approach on the classified network.
- 1.2 This approach is in line with Oldham Council's Asset Management Framework, Policy and Strategy. The Strategy was developed to ensure that funding was prioritised to the Classified Network, removing the highest costs and disruption from the revenue Programme. Whilst this approach results in best value for money and a well maintained Classified Network, the unclassified Network continues to deteriorate without additional significant investment.
- 1.3 The criteria that have been used to optimise Programmes to this point have been developed from best practice methods found in "Well Managed Highway Infrastructure – A Code of Practice". The data used to inform the Programme is as follows:
 - Network Hierarchy – Road Classification and vehicle usage
 - Condition Data – The category of Maintenance / Intervention Level
 - Risk – Accident and SCRIM (skid) data
 - Value for Money – Savings available from early intervention
 - Coverage – length of carriageway able to be treated with available funding
 - Network Management – Combining different assets
 - Member Priorities – Local knowledge input / ward spend
 - Customer Complaints – Data logged in the system
 - Works Orders – Defects identified through inspection
- 1.4 A weighting is applied to each priority to ensure that a Programme is developed to meet the current needs of the Council. This results in a Programme designed to match the aspiration of the Council. It is recognised that in some of our more deprived areas there are poorly maintained highways which are not necessarily reflected through the number of customer complaints therefore this will be taken into account in future programming.
- 1.5 Planned Highway Maintenance can be broken down in to two main categories, Reactive and Preventative.
 - 1.5.1 Reactive Maintenance – is maintenance carried out on roads that have failed and contain significant defects. This is generally a road that requires full resurfacing and the cost of repair is its maximum and will not increase if works are delayed within the programme. It removes a high volume of customer complaints and provides a high reduction in revenue costs but has the lowest opportunity for cost saving and results in a high level of disruption.
 - 1.5.2 Preventative Maintenance – is maintenance carried out on roads that are showing signs of failure. This is generally a road that requires surface replacement or surface treatment to extend the residual life of the carriageway. It provides best value for money long term, with high opportunity for cost saving as it delays surface failure to the carriageway with minimal site disruption whilst reducing the likelihood of revenue repairs but if a revenue

backlog exist elsewhere then it provides a low customer satisfaction and low reduction in revenue cost.

- 1.5.3 Good Asset Management techniques will provide an appropriate balance between the two types of maintenance to ensure all priorities are best met.

2 Condition Survey

- 2.1 Work has been commissioned to undertake a full survey of the full Highway Network on completion of HIP18 to provide an accurate status, and costs required for future maintenance. However, there is a need to be clear with regard to the principles as described in Section 1 to be adopted for future investment before this data can be used to build a future Programme, recognising that the state of the highways asset requires investment beyond available funding. Therefore the principles of prioritisation need to be agreed and understood prior to Programme development, in order to inform the programme development itself.
- 2.2 In previous years the survey used to collect the condition data, only provided the condition of the road with a rating and no recommended treatment. This made it difficult to prioritise for a resurfacing Programme as a further visual inspection was required to determine the exact treatment. The 2018 survey will be an Annual Engineering Inspection (AEI), providing a proposed treatment from current condition. This will provide a much more accurate maintenance backlog estimate directly from the survey as it currently has to be calculated using assumed worst case scenario rates.

3 Addressing the Unclassified Network backlog

- 3.1 The existing approach to the Classified Network has been successful in improving condition, reducing revenue repairs, reducing disruption and providing efficiency savings within maintenance. However, the subsequent lack of Capital Investment in the Unclassified Network is now becoming a burden on the revenue budget and a new balance needs to be identified.
- 3.2 To achieve £5m of saving, based on life-cycle costs, within HIP18, the proposed Classified Network Programme for 2019-21 was brought forward planned to be delivered in the 2018-19 financial year. This provides an opportunity to allocate any additional capital investment to the Unclassified Network without compromising approach to maintaining the Classified Network based on the Asset Management Strategy.

4 Allocating budget

- 4.1 Building on a proposed investment over the next three years of £4m each year totaling £12m, it is suggested that a proportion of the budget be allocated to local schemes enabling a programme informed by condition survey results and local Member knowledge.
- 4.2 Until the condition survey results are returned, exact condition figures are not available and due to the size difference of each District and the difference in numbers of wards, allocating a fixed figure to each would severely unbalance the road condition boroughwide.
- 4.5 Allocating funding using condition data alone is a simplistic approach which takes no account of need and accessibility.
- 4.6 It is therefore proposed that an informed view is taken on the allocation of resource to each District following receipt of the survey results and using information as identified in paragraph 1.3 above.

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- 4.6 This approach is also designed to leave £1.5m of funding per annum to invest in strategic schemes and projects designed to attract additional external funding.

5 Local Member Involvement

- 5.1 To further inform the position the views of local Members will be sought to understand local priorities. Subsequently this will enable the programme to be built based on a full understanding of both the localised impact and future condition of the network in each District
- 5.2 The proposed approach optimises opportunities for cost savings and use of economy of scale and larger coverage.
- 5.3 A more informed approach to local asset management, maintenance and materials will result in a Programme that aligns with the current strategy but also helps reduce localised pressures.
- 5.4 It is proposed that where Members fail to engage with the process then schemes in that District will be chosen based on condition data obtained via the survey.

6 Preferred Option

- 6.1 The preferred option of how to allocate the potential funding should be chosen following the return of the AEI survey return. The exact programme then to be finalised following consultation with local Members ensuring a balance between existing strategy and local knowledge.

7 Consultation

- 7.1 The proposed approach is predicated on local Member consultation

8 Financial Implications

Capital

- 8.1 This report is seeking to identify a preferred approach for the delivery and management of the Highways Investment Programme over the next 3 years.
- 8.2 The 2018 Annual Engineering Inspection (AEI) commissioned this year will provide a report both on current road condition and recommended treatments.
- 8.3 This report is proposing an approach based on the existing provision of £12m in the Capital Programme for Highways Investment currently showing as follows:

2019/20 £6m
2021/20 £6m

And re-allocates this funding over a three year period as follows:

2019/20 £4m
2020/21 £4m
2021/22 £4m

- 8.4 The report proposes an allocation of £2.5m per annum for local schemes enabling a programme informed by condition survey results and local Member knowledge and £1.5m of funding per annum to invest in strategic schemes and projects based on priorities
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- 8.5 Budgets will be held within the Transport Capital Programme on the following capital cost centres: -
- M0941 – REP Secondary Corridor Schemes
 - M0942 – REP Unclassified Network Schemes
 - M0943 – REP Accident Reduction Schemes
 - M0944 – REP Gateway Corridor Schemes
- 8.6 The proposal is for the local Members to be more actively involved in identifying priority schemes for their districts in collaboration with the Highways Team.
- 8.7 The method of allocation of funds to individual Districts is to be based on a combination of network length and condition data. Condition surveys are still outstanding. It is therefore not possible to calculate the impact of using condition surveys to inform detailed allocations at this point in time.
- 8.8 As this report is proposing to re-allocate funding within the existing capital programme there will be no additional call on resources.

Revenue

- 8.9 There are no additional revenue implications. (Sadrul Alam / Cath Conlon)

9 Legal Services Comments

- 9.1 Under section 41 of the Highways Act 1980, the Council has a duty to maintain all highways which are maintainable at the public expense for which it is the highway authority. Consequently the Council will be liable in respect of damage resulting from its failure to maintain a highway maintainable at the public expense, unless the Council can rely on the special defence in section 58 of the Act and prove that it had taken such care as in all the circumstances was reasonably required to secure that the part of the highway to which the action relates was not dangerous for traffic. It is therefore necessary for the Council to continue to invest in appropriate reactive and preventative highway maintenance to reduce its liability for damage claims. (Alan Evans)

10 Co-operative Agenda

- 10.1 The maintenance of safe highways can now be informed by the inclusion of defect repair service requests. Resident reports form an important part of maintaining the highway and they are encouraged to do so.

11 Human Resources Comments

- 11.1 None

12 Risk Assessments

- 12.1 None required at this stage

13 IT Implications

- 13.1 None

14 Property Implications

14.1 None

15 Procurement Implications

15.1 N/A

16 Environmental and Health & Safety Implications

16.1 This work is designed to support an improved safe highway network.

17 Equality, Community Cohesion and Crime Implications

17.1 Improved highway condition is of value to all our communities.

18 Equality Impact Assessment completed?

18.1 N/A

19 Key Decision

19.1 Yes

20 Key Decision Reference

20.1 NEI-05-18

21 Background Papers

None

22 Appendices

None
