

SLOUGH BOROUGH COUNCIL

REPORT TO Cabinet **DATE:** 19 October 2015

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WARD(S): ALL

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PART I KEY DECISION

HIGHWAY ASSET MANAGEMENT POLICY & STRATEGY

1 Purpose of Report

- 1.1 The purpose of this report is to seek Cabinet approval for the Highway Asset Management Policy and Strategy (HAMP&S) shown in Appendices A&B, which reflects the policy, strategy and operational standards for managing and maintaining the Council's highway assets.

2 Recommendation(s)/Proposed Action

2 Cabinet is requested to resolve:

- (a) That the HAMP & HAMS documents dated September 2015 be approved and allow for them to be published for public access onto the Council's website.
- (b) That highway maintenance budgets be assigned to works in accordance with the principles of the HAMP & HAMS.

3 The Slough Joint Wellbeing Strategy and the JSNA

3a. SJWS Priorities

- ***Regeneration and Environment***

Adoption of the HAMP & HAMS and the principles of asset management will ensure the borough as a whole continues to improve and develop in a sustainable manner promoting efficiency and value for money.

- ***Economy and Skills***

The HAMP & HAMS along with the Local Transport Plan will ensure that the transport system helps Slough sustain its economic competitiveness and retain its position as an economic hub in the South East.

3b. Cross-Cutting themes

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. As Slough formally starts to adopt an asset management approach to the maintenance of its highway assets this will

allow the borough to continue to improve its highway infrastructure and thus continue to improve the image of the town. An asset management approach will promote civic responsibility through engagement with the customer and a more transparent and open approach towards highway maintenance.

3c. Joint Strategic Needs Assessment (JSNA)

- ***Improve the quality and availability of housing and environment for Slough residents***

Adoption of the HAMP & HAMS and the principles of asset management will ensure the borough as a whole continues to improve and develop.

4 Other Implications

(a) Financial

The principles of highway asset management are being applied in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines and International Financial Reporting Standards. The Council's accounts for highway assets should be aligned with these requirements. Failure to do so could affect future government funding. The financial returns form part of the Whole of Government Accounts (WGA) submission to Central Government. It has been confirmed by Central Government through Highways Maintenance Efficiency Programme (HMEP) that future Local Highways Maintenance Funding arrangements will be dependent upon Councils being able to demonstrate that they have explicit regard to highway asset management planning.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	
Property	None	
Human Rights	None	
Health and Safety	None	
Employment Issues	None	
Equalities Issues	None	
Community Support	None	
Communications	None	
Community Safety	None	
Financial		Managing the highways asset using the HAMP&S will ensure the asset is managed in a cost effective manner optimising revenue and capital resources available
Timetable for delivery	None	
Project Capacity	None	
Other	None	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications.

(d) Equalities Impact Assessment

There are no Equality Impact Assessment implications.

5. Supporting Information

5.1 The HAMP&S is a strategic approach that identifies the optimal allocation of assigned resources for the operation, management, preservation and enhancement of highways infrastructure meeting the needs of customers.

5.2 A key theme throughout the HAMP will highlight the transition Slough is making in its approach to highways maintenance, moving away from traditional reactive maintenance and instead adopting a scientific framework that identifies and embraces key themes including:

- Strategic Approach – a systematic process that takes a long term view
- Whole of Life – the whole-life/life-cycle of an asset/treatment is considered
- Optimisation – maximising benefits by balancing competing demands
- Resource Allocation – allocation of assigned resources based on assessed needs
- Customer Focused – explicit consideration of customer expectations

5.3 Central Government Perspective:

5.3.1 There are drivers from Central Government for Council's to adopt and apply the principles of good asset management. The CIPFA and The Highway Maintenance Efficiencies Programme (HMEP) provide regular guidance relating to highway asset management. The main purpose for the HMEP is to provide practical and adaptable efficiency solutions.

5.3.2 In December 2014, the Secretary of State for Transport announced that £6 billion will be made available between 2015/16 and 2020/21 for Local Highways Maintenance funding. Of this, £578 million has been set aside for an incentive fund scheme, to reward Councils who demonstrate they are delivering value for money in carrying out cost effective improvements.

Each Council in England (excluding London) will be invited to complete a self-assessment questionnaire in November 2015, in order to establish the share of the incentive fund they will be eligible for in 2016/17.

In 2015/16, all Councils have received their share of the £578 million based on their network size. However from 2016/17 only Councils in Bands 2 and 3 will receive 100% funding, whilst Council's in Band 1 will receive 90%. These percentages for Bands 1 and 2 decreases in each subsequent year, with only Councils in Band 3 being awarded full funding from 2017/18 as per table outlined below:

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%

Slough has actively taken part in HMEP local authority surveys and are keen on reaping the rewards through improved efficiencies and effective highways asset management. In order for Slough to become a Band 3 authority, it is crucial for us to implement the HAMS

and have its objectives monitored through appropriate measures ensuring outcomes have been achieved.

5.3.3 How the HAMP&S will deliver the outcomes of the 5 Year Plan: The highway network is arguably the biggest and most valuable piece of infrastructure asset in the Borough, the latest valuation done on the highway asset inclusive of highway land is estimated in the region of £2.14billion. It is at the core of our local transport system linking our communities together, a well managed and maintained highway network would ensure commuters make it to work every day, provide business with the means to get its products and services to their customers, gives access to labour markets and suppliers and encourage trade and new investment, therefore it is essential to the growth, wellbeing and balance of our local economy as well as helping our residents and visitors reach their different destinations in the Borough, all of which are enshrined in the outcomes of the 5 year plan.

Outcomes	Actions
Changing, retaining and growing – Outcome 1	2. Ensure a fit for business transport Infrastructure 7. Ensure that the gateways to the town, prominent places and green spaces are clean and well-maintained
Changing, retaining and growing – Outcome 2	3. Utilise land and resources in and outside of our direct control to develop new homes across all tenures to meet local need
Changing, retaining and growing – Outcome 3	1. Define and establish the Centre of the Town as a destination
Enabling and preventing – Outcome 4	1. Build on success in making Slough safer 2. Build on success in tackling anti-social behaviour
Enabling and preventing – Outcome 5	3. Ensure vulnerable children and young people are safe and feel safe
Enabling and preventing – Outcome 6	1. Encourage all residents to manage and improve their health 2. Target those individuals most at risk of poor health and wellbeing outcomes to become more active, more often
Using resources wisely – Outcome 7	2. Maximise the use of its capital resources to increase revenue savings and make the capital strategy affordable 7. Maximise savings from procurement, commissioning and contract management

5.4 The Council manages the following key highway assets:

- 324 km of roads.
- 647 km of footways/cycleways
- 318,000 m2 of green space including grass, planting and trees
- Town Centre public realm including high quality paving, lighting and street furniture
- 56 bridges and structures
- 11,400 street lights & 1,850 illuminated signs and bollards
- 130 traffic signals

5.5 As part of the “Whole of Government Accounts” submission Highways Engineering submit annual asset valuation figures to HM Treasury. This form of accounting is known as “Resource Accounting and Budgeting” and under these requirements local authorities are required to value their highway asset in accordance with guidance from Central Government. The Gross Replacement Cost valuation (GRC) was last calculated in July 2015 at **£2.12Billion** inclusive of all highway land. We are also required to submit Depreciated Replacement Cost (DRC) valuation as part of the submission which is the

current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration, which was calculated to be **£2.05Billion**.

The Benefits of Adopting a HAMP

- 5.6 Working within the principles of the draft HAMP&S has already led to significant improvements relating to the highway asset inventory. The draft HAMP&S has also allowed the Council to benefit from highway maintenance efficiency improvements include trials and adoption of new highway maintenance materials and techniques, changes to cyclic maintenance regimes/programmes and efficiency improvements with partners including our term consultants and contractors. It is imperative the Council adopts a robust TAMP&S that continually evolves, aligned with best national and local practice, ensuring the Council is maintaining the highway asset in the most cost efficient manner available, while maximising future highway maintenance funding opportunities from Central Government.

6 Conclusion

- 6.1 By adopting the HAMP&S and allowing its evolution promoting continual improvement, the Council will be ensuring the highway asset is maintained in the most cost efficient manner available, while maximising future highway maintenance funding opportunities from Central Government.

7 Appendices Attached

Appendix A Highway Asset Management Policy.
Appendix B Highway Asset Management Strategy.

8 Background Papers

None.