

Southend-on-Sea Borough Council

Agenda
Item No.

30

Report of Corporate Director for Place

to
Cabinet
on

22 September 2015

Report prepared by: Paul Mathieson – Group Manager, Major
Projects & Strategic Transport Policy and Zulfi Ali – Group
Manager, Traffic Management & Highways Network

Transport Asset Management Strategy (TAMS) – Guiding principles and draft action plan

Place Scrutiny Committee
Executive Councillor: Councillor Martin Terry
Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To provide Members with an update on progress in developing the Council's Transport Asset Management Strategy (TAMS).
- 1.2 To seek agreement on the draft "Policy Statement" and guiding principles for Transport Asset Management, set out in attached **Appendix 1**.
- 1.3 To inform Members of changes being made by the Department for Transport in how it funds highway maintenance to encourage improvement in local authority performance.
- 1.4 To agree an approach that will assist the development of the TAMS, particularly the long term options and priorities for investment in carriageways and footways in order to guide further modelling and appraisal. This is necessary to enable the authority to meet the new requirements of the Department for Transport.

2. Recommendations

2.1 Members are recommended:

- 2.1.1 **To agree the Policy principles attached as Appendix 1. These will be used to guide the way in which the Council manages its transport assets;**
- 2.1.2 **To agree the cross boundary joint working on asset planning, enabling greater collaborative working, benchmarking and knowledge sharing to support the Management of Assets in Southend.**
- 2.1.3 **To agree to adopt a more comprehensive approach to asset management and service delivery and to prepare a Stakeholder Engagement Plan.**

2.1.4 To agree the proposed draft Resilient Network as Appendix 2.

2.1.5 To note the work undertaken so far on the approach to infrastructure investment.

2.1.6 That Members agree that the TAMS will influence the Council's approach to Highways Maintenance and Management of assets in order to meet the requirement of the Department for Transport.

2.1.7 Members endorse the draft Action Plan set out in Appendix 4.

3. Background

3.1 The TAMS will be the primary transport asset planning tool to ensure that the Council can manage the highway infrastructure and public realm sustainably and in a way that underpins the wider objectives in the Corporate Plan. It is currently under preparation and a timetable for development is set out in the Report in **Appendix 4**.

On 13th July, the Place Scrutiny Committee received a report on TAMS, together with a supporting presentation (**Appendix 5**). The Committee resolved that the draft report and Policy be noted and endorsed for submission to Cabinet for consideration at its meeting on 22nd September 2015.

The main points raised at Scrutiny Committee were:

- There was a general view that the report was complex and would benefit from additional explanation and clarification. The report has been amended to reflect this and an explanatory Highways Maintenance Efficiency Programme (HMEP) note has been added as **Appendix 6**, which makes the case for Asset Management and reference is made in this report to Councillor workshops at various stages to ensure that there is full engagement and improved understanding.
- A desire to see greater evidence of joined up Council budgets to make it clear to residents that funding is being spent in the most efficient way. The purpose of bringing this matter as a pre-scrutiny item was to highlight the issues at the earliest opportunity and the issue of budgets is central to the TAMS approach which is intended to guide maintenance and Investment Strategies.
- Time is needed to consult on the various components of the TAMP. A stakeholder engagement/communications plan will be an integral part of the Action Plan which is at **Appendix 4**. Paragraph 3.4 of the report sets out the context for TAMS in diagrammatic form.
- Ensure that residents' concerns and current maintenance priorities are factored in, together with feedback from surveys and questionnaires.

3.2 A succinct definition of asset management is provided in the recently published BS ISO55000:2014 (Asset Management) as:

“Asset management enables an organisation to realise value from assets in the achievement of its organizational objectives”

3.3 The work being undertaken in preparing the TAMS includes the following key aspects:-

- Information on the current asset, the strategic context, the challenges and opportunities and their implications for the TAMS. The Council has 494km of carriageway and 8474km of footway; 109 bridges, 14,290 streetlights, 3004 illuminated signals, 4,414 non-illuminated signals and 196 traffic signals.
- The key national policies that are driving the way in which the Council will develop the TAMS including the new Government Capital Incentive mechanism this is explained in more details below.
- Progress so far and the context of recent investments.
- Trends in infrastructure performance and the implications for medium and long term investment options. The focus of this section is on the options for carriageways and footways that will be taken forward for further appraisal work and is due for completion in autumn 2015.
- A description of the various elements of the TAMS and how they will interact with each other. It will also outline the approach to prioritisation of investments. (see in Section 3.8 below).
- A summary for the development of the TAMS and associated documents.

3.4 It is important that Members have the opportunity to influence the development of the TAMS through its production. The Resilient Network is defined as the network of infrastructure that is crucial to ensure that the town remains resilient to events of extreme weather. A robust TAMS is fundamental to ensuring the Council has a resilient network. Member's agreement is sought to further develop this piece of work. This includes impact criteria, preventative interventions and monitoring (**Appendix 2**).

The TAMS will be fundamental to the prioritisation of investment and will include a prioritisation framework that will detail criteria for assessing risk on footways and highways and the thresholds at which maintenance is required. Member's agreement is also sought to further develop this work. This report provides Members with a snap shot of progress on this work to date which is at its initial stages. This is an on-going process, but it is important to gather Members' initial views. The TAMS will be developed through a series of Member workshops that coincide with the Action Plan set out in **Appendix 4**. A Communication Plan will also be developed that will have a structured stakeholder engagement plan included to ensure that the TAMS is customer focussed. An officer working group has been established that comprises the relevant expertise and Council Departments. This will oversee the preparation of the relevant documents and support Members during the role out of the Action Plan.

In 2013, the Council commissioned a full condition survey of the carriageway network across the entire borough to provide critical information in developing the TAMS.

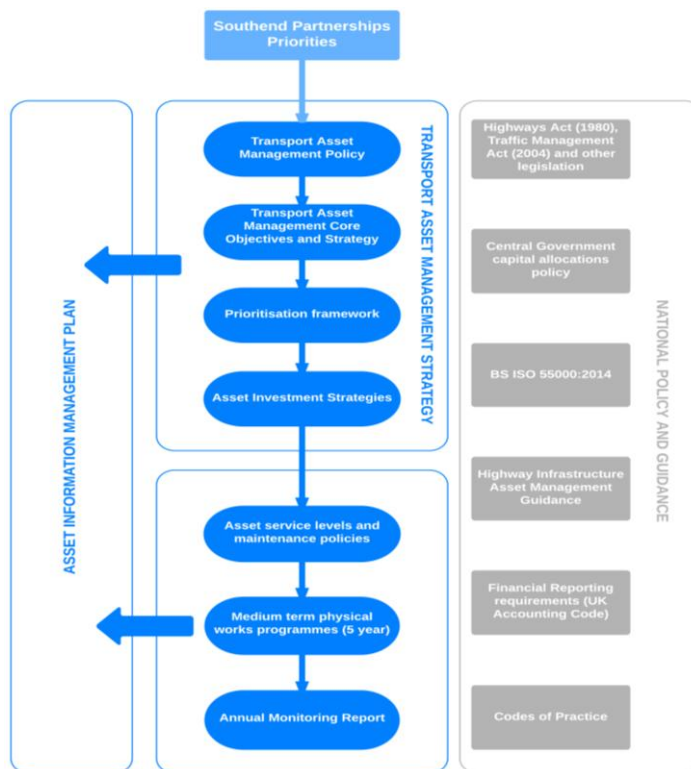
This survey demonstrated that the general condition of the network was good by comparison with other Councils and this reflects investments that have been made over the previous 5 years. (some of the results of this survey were reported to Scrutiny in July and can be found in the presentation at **Appendix 5**).

The survey demonstrates that the condition of the network has remained relatively stable since 2013/14. However, there has been a small decline in the condition of principal roads recently (increase of 1%). These roads carry a heavy traffic burden and as such play an important role in the resilience of the borough (see below). The TAMS will enable the Council (and Councillors) to make decisions about future investment in its infrastructure (including roads) and how resilient it wishes the infrastructure network to be. The diagram at 3.8 shows this in the context of local priorities and natural policy guidance.

The TAMS and process of preparing such a strategy will enable the Council to achieve Band 3 status within the DfT incentive scheme which is described in paragraphs 3.5 to 3.7 below.

- 3.5 A new incentive scheme is being introduced by the Department for Transport (DfT), as part of the calculation of capital allocations for highway maintenance over the 6 year spending review period from 2015/16-2020/21. The incentive mechanism is designed to encourage continuous improvement in five areas:
- asset management
 - resilience
 - customer focus
 - benchmarking and efficiency
 - operational delivery
- 3.6 Incentives will be applied to authorities in three bands reflecting their performance in the five areas. Authorities in Band 3 will receive their full incentive allowance throughout the six year period. Authorities in Band 2 will receive 100% of their allowance in 2015/16 and 2016/17 after which they will receive 90% in 2017/18 and this will reduce to 30% in 2020/21. The lowest performing authorities in Band 1 will receive 90% of their incentive allowance in 2016/17 and this will reduce to 0% in 2020/21.
- 3.7 Therefore, which band the authority sits in does have a significant impact on the funding it receives for highway maintenance. The Council is aiming for Band 3, the top band and the strategy set out in the TAMS is fundamental to achieving this. Currently the Council is a Band 1 authority, but with further work should achieve Band 2 status by the Autumn of 2015.

3.8 The diagram below sets out the context for the TAMS:



4 Other Options

4.1 The preparation of the TAMS is a requirement to achieve a Band 3 Status and will result in a level of funding over and above Bands 1 and 2 (this relates to the self-evaluation process expected by the DfT). One option would be to do nothing or settle for a lower band score, however this would mean that the Council has no credible strategy for investing in assets and resulting in a significant loss of external funding for maintenance. This is not a viable position to take.

5 Reasons for Recommendations

5.1 The preparation of the TAMS will benefit from Member involvement and guide the preparation of the associated policies, plans and supporting documents. This report provides an overview of the work being undertaken thus far.

6. Corporate Implications

6.1 Contribution to Council's Vision & Corporate Priorities.

6.1.1 The TAMS and the "Policy Statement" will be fully aligned to deliver the Vision and Corporate Priorities.

6.2 Financial Implications

6.2.1 The key financial implication is the risk that the Council will lose significant level of grant funding from the Department for Transport if it does not implement a

TAMS that achieves Band 3. If the Council does not have a clear strategy in place it also runs the risk of being unsuccessful in bids for future funding. There is a requirement to submit asset management information as part of the Whole Government Account process. The valuation and accounting for Transport Infrastructure Assets (TIA) changes on 1st April 2016. Therefore, the Action Plan will be aligned with the need to comply with the TIA Code.

6.3 Legal Implications

6.3.1 The Council has statutory obligations to maintain the highway and the TAMS is an integral part of delivering this obligation.

6.4 People Implications

6.4.1 The level of resources to ensure that the Transport Asset can be maintained will emerge during the preparation of the TAMS.

6.5 Property Implications

6.5.1 The Council has an obligation to ensure it maintains its assets.

6.6 Consultation

6.6.1 There will be a Stakeholder Engagement Plan prepared and the TAMS and various aspects of the policies and strategies will be consulted upon.

6.7 Equalities and Diversity Implications

6.7.1 Different user groups have different needs and part of the development of the final TAMS will be subject of a full equality analysis as part of the Stakeholder Engagement Plan. It is important that the Council's assets are maintained in a condition that meets the needs of all its residents and the TAMS will assist in this.

6.8 Risk Assessment

6.8.1 This will form part of the TAMS and Resilient Network which is an integral part of the risk based approach. The key risk is that the Council will lose a significant level of grant funding from the Department for Transport if it does not achieve a TAMS at Band 3.

6.9 Value for Money

6.9.1 This will be assessed in the financial analysis and business case preparation. The purpose the TAMS is to ensure the highway infrastructure is efficiently maintained and that investment is targeted to ensure the assets are maintained in their optimum condition.

6.10 Community Safety Implications

6.10.1 Understanding the Community Safety impacts and maintaining the highway efficiently is a key part of the TAMS, particularly in respect of the developing investment plans and managing reactive maintenance.

6.11 Environmental Impact

6.11.1 This will be considered in the effective re-use of materials, sustainability of the supply chain, flood risk and managing surface water systems, low energy lighting systems and ensuring that corporate policies are considered alongside the TAMS.

6. Background Papers

6.1 Report to Place Scrutiny on 13th July 2015, report number 15/066

7. Appendices

7.1 Appendix 1 - Proposed Policy and Principles

7.2 Appendix 2 - Draft Resilient Network

7.3 Appendix 3 - High level Options for Investment

7.4 Appendix 4 - Draft Action Plan

7.5 Appendix 5 – TAMS Presentation

7.6 Appendix 6 – HMEP Note: Highways – Maintaining a Vital Asset