

CABINET

7 FEBRUARY 2023

HIGHWAY ASSET MANAGEMENT POLICY AND STRATEGY

Portfolio Holder: Councillor Phil Filmer, Portfolio Holder for Front Line Services

Report from: Richard Hicks, Director of Regeneration, Culture and Environment and Deputy Chief Executive

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Summary

This report seeks approval for the adoption of a new Highway Asset Management Policy and supporting Strategy. This will provide the Department for Transport (DfT) the necessary evidence of the Council's commitment to asset management, in order to receive Incentive Funding.

The report was previously considered by the Regeneration, Culture and Environment Overview and Scrutiny Committee on 17 January 2023 and its comments are set out at section 5 to the report.

1. Budget and policy framework

- 1.1. There is a DfT requirement to adopt a Policy and Strategy in how we manage and maintain our network assets. This report presents our Highway Asset Management Policy and Strategy, which aligns to Council strategic goals and visions, as well as other Council policies and plans, including the Local Transport Plan (2011-2026).
- 1.2. The Policy details how we deliver our commitments and provides a strategic framework for how we maintain our assets to align with operational delivery throughout the business. The Strategy defines these activities and processes necessary to develop, document, implement and continually improve asset management over the short, medium, and long term.

2. Background

- 2.1. Medway's highways network is the most visible, used and valuable physical asset for which the Council is responsible, with a gross replacement value of £2 billion. It is an essential communication link that serves everyone every

day, connecting communities and businesses and encouraging economic growth by being accessible for all modes of transport.

- 2.2. In order to receive Incentive Funding, the Department for Transport (DfT) require evidence that Local Highway Authorities have made a commitment to asset management and adopted a Highway Asset Management Policy and supporting Strategy.
- 2.3. The two current documents that define how Highways plan, develop, and continually improve the performance of their assets to deliver value for money and help drive improved service delivery to achieve efficiency gains are known as the Highway Asset Management Plan (HAMP) and Transport Asset Management Policy (TAMP); of which the Highway Asset Management Policy and supporting Strategy will supersede.

3. Options

- 3.1. There are two options for consideration by Cabinet:
 - A. Cabinet approves the Highway Asset Management Strategy and Policy.
 - B. Cabinet rejects the Highway Asset Management Strategy and Policy
- 3.2. Under Option A, the agreement of the Highway Asset Management Strategy and Policy will help maintain a Band 3 Self-Assessment Score which will continue to maximise the 100% level of capital funding we currently secure through the Department for Transport Incentive Fund. Under Option B, this would not be possible and would leave the Council without the necessary evidence of the Council's commitment to asset management, that is required to receive Incentive Funding.

4. Advice and analysis

- 4.1. Asset management is a strategic approach to optimize the value of assets over their whole lifecycle. This approach allows investment decisions to be led by desired outcomes; managing risk and saving money with well-timed maintenance to maximize value for money.
- 4.2. The HAMP and TAMP were fit for purpose at the time of their adoption in 2015, but with the industry constantly evolving, the new Highway Asset Management Policy and Strategy will embed our commitment to using good asset management practice to manage and maintain our assets based on the fundamental principles of lifecycle planning.
- 4.3. Our long-term approach to investment considers safety, serviceability, sustainability, and affordability to deliver the best value for money, both effectively and efficiently to ensure the highway network remains fit for purpose both now and in the future.

5. Regeneration, Culture and Environment Overview and Scrutiny Committee

5.1. The Committee considered the report at its meeting on 17 January 2023 and its comments are set out below:

5.2. **Discussion:**

This report set out a new Highway Asset Management Policy and supporting Strategy. This would provide the Department for Transport (DfT) the necessary evidence of the Council's commitment to asset management, in order to receive Incentive Funding. It was noted that the Policy and Strategy would replace existing documents.

5.3. A Committee Member acknowledged the need to produce such documents in order to receive funding, which he considered to be a tick box exercise. He expressed concern regarding the condition of some of the assets described in the Strategy and emphasised the need for increased funding. In relation to the major fault that had resulted in the closure of the Medway Tunnel, the Member questioned whether this could happen again and the viability of Medway Council continuing to manage operation of the Tunnel.

5.4. In response, the Assistant Director, Frontline Services said that the Tunnel closure had lasted for 36 hours and had been necessary on safety grounds due to a failure of the system that managed fans, pumps and CCTV. This had been caused by an IT issue. A temporary repair had been made and following a recent planned closure, a permanent repair had been completed. This was the first time that such a closure had been necessary.

5.5. Going forward, £4.9 million of Department for Transport Challenge Fund had been secured to replace infrastructure in the Tunnel and additional funding had been secured in the last six months. The system that had caused the closure would be replaced. There was ongoing dialogue between the Council and the Department for Transport and the Department was aware of the importance of the Tunnel to Medway and the wider region.

5.6. The Roads and Highways Consultant said that the development of the Highway Asset Management Strategy was not intended to be a simple tick box exercise. Implementation of the Strategy would help ensure that Medway complies with best practice. Medway would be committing itself to planning ahead and making a transparent commitment upon which it could be held to account.

5.7. It was asked whether additional funding for Medway was being requested from the DfT. The Strategic Lead Frontline Services said the DfT was well aware of the funding challenges and condition of the highway network across the country and that it had set aside the Incentive Fund to seek to address the issue.

5.8. **Decision:**

The Committee supported the adoption of the new Highway Asset Management Strategy and Policy to help maintain a Band 3 Self-Assessment Score, which would continue to maximise the 100% level of capital funding that was currently secured through the DfT Incentive Fund.

6. Risk management

- 6.1. In order to maximise full funding potential, the DfT score authorities over 3 bands, with Band 3 attracting 100% Incentive Funding. To not support the adoption of the new Highway Asset Management Policy and Strategy, will risk Medway Council not securing a Band 3 Self-Assessment score, resulting in reduced capital funding through the Incentive Fund.

7. Consultation

- 7.1. Stakeholder consultation is not required to produce the Highway Asset Management Policy and Strategy as they align to current service provision and funding.
- 7.2. The Portfolio Holder of Frontline Services has been issued with both documents.

8. Financial implications

- 8.1. There are no direct financial implications, on existing budgets, for the adoption of the Highway Asset Management Policy and supporting Strategy which align with current budget provision.
- 8.2. The creation of a Highway Asset Management Strategy is necessary to support Medway Council maintaining a Band 3 Self-Assessment score, which will result in 100% of the available Incentive Fund Award being achieved, in future years, for the length of the award.

9. Legal implications

- 9.1. There are no identified legal obligations in respect of producing a Highway Asset Management Policy or Strategy.

10. Recommendation

- 10.1. It is recommended that Cabinet agrees the adoption of the new Highway Asset Management Strategy and Policy, as set out at Appendix 1 and Appendix 2 of the report.

11. Suggested reason for decision

- 11.1. Agreement of the Highway Asset Management Strategy and Policy will help maintain a Band 3 Self-Assessment Score which will continue to maximise the 100% level of capital funding we currently secure through the Department for Transport Incentive Fund.

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Appendices

Appendix 1 – Highway Asset Management Policy
Appendix 2 – Highway Asset Management Strategy