

BRIEFING PAPER

SUBJECT: HIGHWAYS TRANSPORT ASSET MANAGEMENT PLAN (TAMP)
DATE: 13 JULY 2017
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

This paper sets out the coverage of a proposed Transport Asset Management Plan 2016-20 (TAMP) for the Council. This TAMP was completed during 2016 following Cabinet approval of the City's Highway Infrastructure Asset Management Policy and Strategy during October 2015. This matter is scheduled for review at the 18 July 2017 Cabinet meeting, whereupon Cabinet will be recommended to endorse the continued highways industry best practice work by the Council and its partners to maximise value for money by investing in the most suitable way, on the most suitable highway assets and at the most suitable time. In this way a long term sustainable future for highway infrastructure, for transport users and for residents will be secured.

BACKGROUND and BRIEFING DETAILS:

1. The Cabinet paper for 18 July 2017 contains the following recommendations:-
 - (i) To endorse the TAMP and so permit its operational, strategic and decision making approach of managing highways and transport related assets.
 - (ii) To implement the relevant systems and processes to maintain Southampton's highway transport network as prescribed by the TAMP.
 - (iii) To recognise the implications of the limited financial resources available to deliver the TAMP.
 - (iv) To note the process for identifying and prioritising schemes for funding.
 - (v) To delegate authority to Service Lead – Supplier Experience, following consultation with the Cabinet Member for Environment and Transport, to approve the prioritisation of schemes arising from the TAMP.
2. The TAMP is a non-statutory document that sits under the City's Local Transport Plan. It sets out the Council's approach to optimal allocation of resources for management, operation, preservation and enhancement of the highway infrastructure to meet the needs of residents, business and the travelling public. The TAMP:
 - Provides a documented outcome of the asset management process.
 - Records and communicates the approach to asset management.
 - Informs relevant staff and stakeholders how different assets are managed over a period of time.

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3. Asset management is a tool to identify the optimal allocation of resources for the management, operation, preservation and enhancement of, in this case, the highway infrastructure of the City. Given the importance of the highway network to the economic, social and environmental well-being of the community, the DfT continues to encourage highway authorities to develop an asset management approach to managing that network. Highway Authorities are expected to introduce and embed asset management principles in their organisations to ensure that budgets are based on clearly identified service standards and spending is need and outcome-based.
4. Adopting a TAMP-based way of operating will help towards overcoming the considerable challenges associated with highway infrastructure management including dealing with severe financial constraints, managing the impact of traffic growth, handling the effects of climate change / sustainability and meeting stakeholder expectations (especially in the areas of availability of the highway and reliability of journey times).
5. Asset management is structured around a core set of principles:
 - A strategic approach - A systematic process that takes a long-term view.
 - Whole of life - The complete life / life-cycle of each asset is considered.
 - Optimisation - Maximising benefits of when to intervene by balancing competing demands.
 - Resource allocation - Continual /cyclical allocation based on assessed needs.
 - Customer focussed - An explicit consideration and engagement with customers.
6. The TAMP has sought to pull together all elements / assets comprising the highway network and is therefore the prime management document linking roads, drainage, bridges, structures and street lighting. Ongoing development of the TAMP aspires to the culture of a finite, 'single' investment source that requires prioritisation across these and other asset groups.
7. The Council has provided enhanced highway maintenance funding (on an ad-hoc bid basis) over the period of the HSP. This has allowed a measure of stability in the condition of highway assets, particularly carriageways and footways. However, bearing in mind the current financial situation, it is clear that the Council has not been able to fund all desired schemes and decisions will need to be taken about where to focus limited resources in the future.
8. There are a variety of reasons for this reports recommendations:
 - (i) To ensure that the Council adopts a methodology for maintaining highways assets that will ensure that they provide the longest, most cost effective service.
 - (ii) To follow best practice methodology as recommended by the Department for Transport through its Highways Maintenance Efficiency Programme (HMEP) and 2016 publication *Well Managed Highway Infrastructure: A Code of Practice*.
 - (iii) The TAMP is the key highways operational document that guides delivery of commitments made under our statutory Local Transport Plan (LTP4), together with

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the City's Highway Infrastructure Asset Management Policy and Strategy.

(iv) To facilitate better decision making by supporting engineering judgement with financial, economic and technical analysis.

(v) To improve understanding and management of the relationship between whole life cost of an asset and its ongoing performance and function.

(vi) Being able to take asset investment decisions based on sound financial condition related data.

(vii) To minimise expensive short-term, reactive repairs to highways assets by adopting a long-term forecasting approach to both their deterioration and enhancement.

RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

9. Asset management investment planning during 2016 demonstrated that highway maintenance needs, despite welcome additional funding of £1.55M for 2017/18 over and above LTP capital grant and Direct Revenue Funding, is still considerably less than needed to maintain the asset in a standstill condition. Therefore unless additional funding is secured, it will continue to deteriorate.
10. In the current financial situation, the Council is not able to fund all desired highway schemes; decisions will need to be taken about where to focus limited resources and trade-offs will have to be made.
11. By adopting a TAMP methodology, the Council is able to maximise the benefit of our existing assets and focus resources on those schemes which produce the greatest whole life costed value benefit.
12. Localism Act 2011 (s.1) and Highways Act 1980. The management of the Council's highways in accordance with published policy and guidelines on repairs and maintenance is essential in defending claims arising from vehicular collisions or accidents involving both people (trips, slips and falls) and vehicles occurring on the highways network. Failing to maintain the highway to the required standards can result in increased claims against the council and / or increase in insurable and uninsurable risks and / or action for breach of statutory duty.
13. All Highways related schemes are required to be carried out in accordance with the Equalities Act 2010 and the need to ensure public infrastructure is accessible to all.
14. The TAMP links the Council priorities and wider transportation priorities within the Local Transport Plan (LTP4).
15. The TAMP would be at the centre of all funding decisions around highways and will ensure that a comprehensive and transparent approach to the management of these assets is sustained.

OPTIONS and TIMESCALES:

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16. Alternative options considered and rejected include:-

The existing Highways Asset Management Plan (HAMP) was approved in 2008 and predates the Highways Service Partnership (HSP). Government advice and industry guidance has changed significantly over the last 5 years and the Council's existing document does not reflect the current best practice approach to whole life asset management. The existing HAMP could be kept as the Council's guidance, but to do so would prevent achievement of value for money improvements in this area and not provide any consistency or reliable prioritisation of highway related investment. Furthermore, to not adopt the principles set out in the TAMP would in-turn mean we would be classed as a 'Band 1' highway authority (according to the DfT's Incentive Fund self-assessment criteria) and so consequently receive the following projected reduction in funding over coming years compared to a top performing 'Band 3' authority (which Southampton is planning to declare itself as, by the end of 2017):

	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 years
Difference between Band 3 and Band 1 funding	£9,000	£57,000	£200,000	£257,000	£286,000	£809,000

Appendices/Supporting Information:

- None

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