

# Cheshire East Council

## Cabinet

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<b>Date of Meeting:</b>	13 <sup>th</sup> March 2018
<b>Report of:</b>	Frank Jordan, Executive Director of Place
<b>Subject/Title:</b>	Notice of Motion - Maintenance of Highways in Crewe
<b>Portfolio Holder:</b>	Cllr Don Stockton, Environment

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### 1. Report Summary

- 1.1. On the 14<sup>th</sup> December a Notice of Motion was raised at Full Council in relation to the maintenance of highways in Crewe.
- 1.2. The Notice of Motion, detailed in Appendix A, requested the Council review its asset led approach to highway maintenance, specifically in Crewe.
- 1.3. The Council has formally adopted the use of Asset Management principles for the future management and maintenance of its adopted Highway Infrastructure, ensuring maximum value for money is obtained for Cheshire East residents and businesses.
- 1.4. Since the adoption of the Asset Management approach the Council has been successful in attaining the highest banding level for the Department for Transport's (DfT) Incentivised funding element, which in 2018/19 is worth over £1.75m.

### 2. Recommendation

- 2.1. Cabinet is recommended to:
  - 2.1.1. Continue to endorse the Asset Management approach for the management and maintenance of the Borough's highway network.
  - 2.1.2. Note the Council's performance in achieving the highest banding for the Department of Transport's Incentivised Funding element.
  - 2.1.3. Support the proposals to share the annual highway programmes of work on the Council's website, together with the guidance and factsheets explaining the Council's Asset Management approach.

### 3. Reasons for Recommendation

- 3.1. The approach to asset management in the highways sector has become more sophisticated over the last few years, linking costs to asset deterioration, and how best to spend the available fund to deliver best value.
- 3.2. The intuitive approach before this was to spend the funds allocated to highways on the obvious visual defects. This has resulted in years of 'fire-fighting' adopting a reactive maintenance approach that has never achieved the desired outcomes.
- 3.3. The asset management approach has therefore shifted to favour a more preventative approach to highway maintenance.
- 3.4. Central Government, through the DfT have given clear indication that it expects local highway authorities to embed the use of Asset Management principles for the future maintenance of their highway infrastructure assets delivered through whole life cycle plans.
- 3.5. If the authority does not adopt a full Asset Management approach to its Highway Infrastructure then they will not receive the full level of Incentive funding that could be awarded to the Council. This would place the authority in the lowest band level thereby reducing its funding and also limiting the Councils ability to bid for future funding. This could result in a total loss of £5.25m between now and 2021.
- 3.6. The current process of budget allocation for the Highway Investment Programme provides a logical, transparent and fair approach. The annual investment is split based on 7 borough Areas using the following prioritisation principles:
  - % Road Length of each Area
  - % Condition of each Area based on annual independent survey assessments
  - % Road Classification of each Area (Classified Network vs Unclassified Network)
- 3.7. The methodology has now being developed further to allow a % split for Urban and Rural regions for each Area.
- 3.8. Going against the above robust methodology and just dealing with funding based on road length is against asset management principles as requested by the DfT as we would not be including information such as the condition of the network.
- 3.9. The Council is looking to further develop the Council's Highway Investment Web Page ready for the 18/19 programmes of work, providing information on:
  - The above methodology and the % percentage breakdown for each area for that financial year.
  - Explanation with diagrams on how the highway network is assessed

- Continue to display the Managing and Maintaining the Highway Network Investment Programme on the website in a table format, providing approximate dates when the work will be undertaken, in addition to a brief overview for the selection of schemes for that particular year (Condition, Reactive Repairs, Engineer, assessment, etc )
  - Guides and factsheets about Asset Management will be made available for the residents of Cheshire East to understand the principles behind asset management
  - The Incentive Funding Allocation and why it is important to following an asset management approach to secure additional funding year on year for the highway service from the DfT.
- 3.10. All finalised Carriageway and Footway Programmes will continue to be emailed to all Councillors annually so that they are aware of what is happening in their Area Highway Group.
- 3.11. Due to the condition of network and funding for highways changing year on year, the network needs to be assessed and reviewed annually, using an independent condition survey company, to deliver data intelligence on the network.
- 3.12. Presenting a full indicative list of schemes of repair for Crewe would only be at snap shot of the current year priorities, the list will change year on year which could result in schemes being allocated for that year dropping below the budget cut off.
- 3.13. In addition to the 18/19 programmes of work, the Council will also provide the reserve list of schemes for each area. This will help give an indication of what road and footway schemes are likely to come forward over the next 3 years.
- 3.14. We will also provide a list of annual works for our Level 2 Patching Programme which will be made available annually on the website from April 2018.
- 3.15. Ad-hoc reactive repairs such as potholes, etc cannot be listed as this is determined based on the various factors such as weather, network deterioration and traffic usage.

#### **4. Other Options Considered**

- 4.1. It is recommended the Council continue with the Asset Management approach as this ensures value for money is achieved whilst maximising the funding available from DfT.

#### **5. Background**

- 5.1. The highway network is the largest and most visible publicly owned asset. It is used daily by the majority of the travelling public for commuting, business, social and leisure activities.

- 5.2. At a national level our economic prosperity relies on reliable movement of goods and people around the highway network. At a local level the highway network helps to shape the character and quality of local areas and makes an important contribution to wider local authority priorities, including regeneration, social inclusion, community safety, education and health.
- 5.3. Like any physical asset, the highway network requires maintenance and renewal to counter deterioration. New infrastructure, once built, also needs to be maintained over its useful life in order to deliver expected benefits. Poor quality roads can create congestion through road works and delays, which costs businesses and individuals through reduced productivity, increased fuel consumption, delayed deliveries and damage to vehicles.
- 5.4. The level of funding allocated to local highway authorities is now based on the local authority's record in pursuing efficiencies and asset management.

## **6. Wards Affected and Local Ward Members**

- 6.1. All Crewe Wards and Ward Members

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. The Council formally adopted the Asset Management Policy and Strategy in December 2015. The Policy and Strategy are reviewed annually and updated in line with the latest guidance.
- 7.1.2. An effective Asset Management approach will ensure that the highway infrastructure assets support the delivery of services and the local economy, taking into account the long term performance of the asset.

### **7.2. Legal Implications**

- 7.2.1. The Highway Asset Management Policy and Strategy supports the Council's role as the Highway Authority for Cheshire East in meeting its statutory duty for maintenance, under the Highways Act 1980.

### **7.3. Financial Implications**

- 7.3.1. The allocation of Highway funding based on Asset Management principles will ensure the Council continues to achieve the highest performance band for Incentive Fund each year:

<b>Year</b>	<b>Maximum Potential Needs Based Funding</b>	<b>Incentive Fund Element</b>
<b>2017/18</b>	£9,290,000	£870,000
<b>2018/19</b>	£8,409,000	£1,751,000
<b>2019/20</b>	£8,409,000	£1,751,000
<b>2020/21</b>	£8,409,000	£1,751,000

#### **7.4. Equality Implications**

- 7.4.1. The recommendation to follow asset management principles will allow the service to continue the consideration of mobility issues as part of the prioritisation process.

#### **7.5. Rural Community Implications**

- 7.5.1. The recommendation does not have any unique implications for rural communities as the asset management approach is a borough wide approach.

#### **7.6. Human Resources Implications**

- 7.6.1. The recommendation does not have any direct human resource implications.

#### **7.7. Health and Wellbeing Implications**

- 7.7.1. The highway network is fundamental to the economic, social and environmental wellbeing of our local communities and to the prosperity of the Borough.

#### **7.8. Implications for Children and Young People**

- 7.8.1. The recommendation does not have any direct implications for children and young people.

#### **7.9. Overview and Scrutiny Committee Implications**

- 7.9.1. Environment and Regeneration Overview and Scrutiny Committee have reviewed and assessed the asset management approach through the Policy and Strategy development.

#### **7.10. Other Implications (Please Specify)**

- 7.10.1. None.

### **8. Risk Management**

- 8.1. In order to best manage the Highways assets in Cheshire East, valued at approximately £4.97billion, it is essential that the proposed Asset Management Policy and Strategy is approved by Council.
- 8.2. If the use of Asset Management principles is not fully embedded for all highway infrastructure assets, they will not be managed and maintained effectively. This will result in further deterioration in their condition that will lead to an increased risk to the safety of highway users and an increased

risk of third party claims against the Council. This could be both costly and damaging to the Councils current good reputation.

- 8.3. Additionally, the Council will not be awarded the highest banding for performance which will limit the level of Incentive funding and also limit the Councils ability to bid for future Challenge funding.
- 8.4. The risk of the Highways Service not following approved policies and strategies is that development of programmes could become fragmented and may not follow best practice guidance to provide best value. This could result in financial, operational and reputational risks to Cheshire East Council.

## **9. Access to Information**

- 9.1. The background papers relating to this report can be inspected by contacting the report writer.

## **10. Contact Information**

Contact details for this report are as follows:

<b>Name:</b>	Paul Traynor
<b>Designation:</b>	Head of Highways & Parking
<b>Tel. No.:</b>	01260 371055
<b>Email:</b>	<a href="mailto:paul.traynor@cheshireeast.gov.uk">paul.traynor@cheshireeast.gov.uk</a>