

Cabinet

Date of Meeting: 08 May 2018

Report Title: Notice of Motion – Highway Funding

Portfolio Holder: Cllr Don Stockton, Environment

Senior Officer: Frank Jordan, Executive Director of Place

1. Report Summary

- 1.1. On the 22nd February a Notice of Motion was raised at Full Council in relation to highway maintenance funding allocations for road network in the Cheshire East Borough.
- 1.2. The Notice of Motion, detailed in Appendix A, noted concerns in disparity of funding distributions for new roads infrastructure, funded via Central government capital grants, against the funding allocations provided to maintain the Council's local highway network.
- 1.3. The Motion also requested the Council review their current highway maintenance practices of reactive pothole repairs to more preventative programme of structural repairs.
- 1.4. Since the Notice of Motion, the Council has increased the annual highway maintenance allocation with an additional £2 million made available in the capital budget, increasing the additional investment for carriageway and footway maintenance to £7 million for 2018/19.
- 1.5. The Council has formally adopted the use of Evidence Led Asset Management principles for the management and maintenance of its adopted Highway Infrastructure, moving away from reactive methods to a more preventative approach, ensuring maximum value for money is obtained for our residents and businesses.
- 1.6. Adoption of this approach has led to the Council 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. Recommendations

2.1. Cabinet is recommended to:

- 2.1.1. Continue to endorse the Evidence Led Asset Management principles utilising more preventative methods of works for the management and maintenance of the Borough's highway network.
- 2.1.2. Endorse the proposals to undertake an extensive patching programme of structural maintenance across the Council's local highway network this financial year to reduce reactive pothole repairs.
- 2.1.3. Continue to review annually the funding allocations required to maintain the Council's local highway network.

3. Reasons for Recommendations

- 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 funds to deliver best value.
- 3.2. Applying the principles of asset management and preventive programmes will help us achieve a more structured long term approach to maintaining our networks and assist us to resist expensive and impulsive short-term actions which has resulted in years of 'fire-fighting', adopting a reactive maintenance approach that has never achieved the desired outcomes.
- 3.3. Central Government, through the DfT have given clear indication that it expects local highway authorities to embed the use of Asset Management principles and preventive programmes for the future maintenance of their highway infrastructure assets delivered through whole life cycle plans.
- 3.4. If the authority does not adopt a full Asset Management principles and preventative maintenance to its Highway Infrastructure then they will not receive the full level of Incentive funding that could be awarded to the Council
- 3.5. With a highway network evolving and changing annually, successful implementation of asset management and preventive programmes relies on knowledge of the asset, its current and future performance and suitable funding allocations from the council to achieve this.

4. Other Options Considered

- 4.1. It is recommended the Council continue with Asset Management principles and resume with a more preventative programme of works as this ensures

value for money is achieved whilst also maximising the funding available from DfT.

5. Background

- 5.1. The Council has a clear growth agenda which is supported by our Local Plan. The success of this approach requires capital investment in new highway infrastructure to manage and accommodate the anticipated increase in traffic volumes.
- 5.2. The highway network is our 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.
- 5.3. 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.
- 5.4. 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.
- 5.5. The level of funding allocated to local highway authorities is now based on the local authority's record in pursuing efficiencies and asset management and being able to demonstrate the investment through data asset intelligence and a preventive approach.
- 5.6. The Council has, over the last 5 years, continued to invest additional capital funding to augment the national funding allocations in order to improve and maintain our network condition. To date the Council has invested over £50m in additional highway maintenance activities.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. 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.

6.2. Finance Implications

6.2.1. The allocation of Highway funding based on Asset Management principles and preventive programme of works will ensure the Council continues to achieve the highest performance band for Incentive Fund each year:

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

6.2.2. If appropriate funding allocations are not invested into the highway network the authority would expect the revenue to increase in reactive maintenance for pothole repairs.

6.2.3. The Council's Approved Capital Programme for 2018/19 includes the Local Transport Plan grant allocation (Integrated Transport £1.8m; Maintenance £8.4m; Incentive Fund £1.8m) in addition to the £7m of Council investment into the Highways Network.

6.3. Equality Implications

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

6.4. Human Resources Implications

6.4.1. The recommendation does not have any direct human resource implications.

6.5. Risk Management Implications

6.5.1. In order to best manage the highways assets in Cheshire East, valued at over £5.9 billion, it is essential that the Council continues to follow the approved Asset Management Policy and Strategy.

6.5.2. 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.

6.5.3. 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.

6.5.4. 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.

6.6. Rural Communities Implications

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

6.8. Implications for Children & Young People

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

7. Ward Members Affected

7.1. All Wards and Ward Members.

8. Access to Information

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

9. Contact Information

9.1. Any questions relating to this report should be directed to the following officer:

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