

## Report to the Cabinet

Meeting to be held on Thursday, 3 December 2020

### Report of the Head of Service - Asset Management

#### Part I

Electoral Division affected:  
(All Divisions);

### Transport Asset Management Plan - Phase 2 2020/21 - 2024/25

(Appendices 'A' and 'B' refer)

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#### Executive Summary

Phase 2 of the Transport Asset Management Plan started in April 2020 and runs until March 2025. Using the condition of the assets at the end of Phase 1, along with results of Lifecycle Modelling, the original Transport Asset Management Plan assumptions have been reviewed and have been used to produce revised standards and funding proposals for the period 2020/21 to 2024/25. This report sets out the revised standards and recommended approach for the apportionment of future highway funding.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

#### Recommendation

Cabinet is asked to:

- (i) Approve the approach to funding of Phase 2 of the Transport Asset Management Plan, as laid out in this report and in Appendix 'A'.
- (ii) Approve the revised standards for Phase 2 of the Transport Asset Management Plan, as laid out in this report and in Appendix 'B'.
- (iii) Authorise the Director of Strategy & Performance to approve and publish the Transport Asset Management Plan - Phase 2 2020/21 - 2024/25 in consultation with the Deputy Leader and Cabinet Member for Highways and Transport.

## **Background and Advice**

Phase 2 of the Transport Asset Management Plan started in April 2020 and runs until March 2025. The purpose of the document was to move away from the 'worst first' approach and embed an asset management lead approach to maintaining assets to utilise funds in the most cost effective way. Using the condition of the assets at the end of Phase 1, along with results of Lifecycle Modelling, the original plan assumptions have been reviewed and have been used to produce revised standards and funding proposals for the period 2020/21 to 2024/25.

The Transport Asset Management Plan End of Phase 1 Review report, presented to Cabinet in November 2020, showed that the preventative maintenance approach has delivered an improvement in the condition of the A, B, C road network, whilst the condition of the other asset groups has remained approximately static.

It is suggested that the county council will continue with the risk based approach to managing highway assets based on the principles set out in the 'Well Managed Highways Infrastructure: Code of Practice' produced by the UK Roads Liaison Group, which all Highway Authorities have had to adhere to since October 2018 but with the revisions outlined below.

### Transport Asset Management Plan Phase 2 approach:

In line with the original Transport Asset Management Plan it is proposed that the focus of Phase 2 of the plan be to improve the condition of the urban unclassified (residential) and rural unclassified roads through increased investment, whilst maintaining the current condition of the A, B, C road network. Lifecycle modelling has shown that rural unclassified roads do not require the original level of funding assumed but that the A, B, C roads require more investment; it is proposed to adjust the apportionment of funds accordingly.

The original Transport Asset Management Plan assumed that the condition of bridges and street lights would remain static with traffic signals improving with relatively low levels of investment. Introduction of the national Well Managed Highway Infrastructure: A Code of Practice in 2016 put the emphasis on Highway Authorities to develop a risk based approach to managing assets; these have been developed for a number of asset types, including street lighting, traffic signals, vehicle restraint barriers and also the management of inspections and resilience assessment for bridges. It is proposed that these approaches continue into phase 2 of the plan in order to manage risk until Phase 3 of the plan when investment may be able to be directed to improving these assets.

### Target Condition Standards:

Appendix 'B' refers.

The original Transport Asset Management Plan set standards for each of the main asset groups in order to measure progress and set targets for the end of each plan phase.

It is proposed to review the standards for the different road classes and set new ones that reflect national changes in how asset condition data is gathered and to reflect national benchmarking data. Appendix 'B' sets out the original Transport Asset Management Plan standards and the proposed revised standards for Phase 2.

For A, B & C roads it is proposed to use the comparative SCANNER condition data through the county council benchmarking networks to set the standards.

Detailed Video Inspections are used to determine condition for the unclassified network and the footway network. As this approach is relatively new no nationally recognised way of expressing condition is available. Lancashire is leading the work through various benchmarking groups to determine an acceptable standard. These figures will be published in the Transport Asset Management Plan refresh document at the end of the first year of Phase 2. In the meantime it is proposed to continue measuring defects as one of the measures of condition for footways.

At present the condition standards for bridges uses one score for all bridges. It is proposed to have separate scores for the 3 maintenance categories (Planned Targeted, Planned Preventative, Planned Do Minimum) in the bridges lifecycle plan to put greater emphasis on the more strategic bridges which will support the investment strategy going forwards.

The Transport Asset Management Plan set the street lighting service standard based on the Institute of Lighting Professionals Technical Report 22 and places the column in a number of risk bands which are then grouped into one of the three risk categories of low, medium or higher. Whilst there are no plans to change the service standard in Phase 2, it is proposed to change how the standard of service is determined. The condition of lighting assets will continue to be assessed and to ensure that columns do not reach too great an age the new methodology will proactively consider the number of columns that are aged over 40 years old. It is felt that changing to this methodology will make it not only easier to calculate and easier to understand but will give a better indication as to the actual condition of our aging street lighting assets.

It is proposed that Traffic Signal condition will now measure the number of obsolete and vulnerable traffic signal sites that are older than their 20 year design life and that have obsolete controllers.

### Revised funding proposals

Appendix 'A' sets out the proposed funding for each asset group for 2021/22 based on the revised approach. £22.4m per annum Department for Transport Funding which the county council has been receiving over the last few years is considered likely to continue but is not yet clear as explained below. Should additional funding be made available the funding will be apportioned to the various assets using the Capital Strategy acceptable risk approach, lifecycle modelling and condition assessment. Should less money be available the priorities will need to be reassessed.

The Government has recently announced that the delayed Spending Review will only cover one year and will be announced shortly. There is currently no indication from the Department for Transport of level of funds that would be available for 2021/22 and beyond. The original Transport Asset Management Plan capital allocations were designed with the expected Department for Transport grant settlement of £25m per annum. Actual Maintenance Block and Incentive Fund allocations fell short of this at around £22.4m per annum. In recent years Cabinet has provided additional funds to support the Transport Asset Management Plan approach and additional funds have also been available from the Department for Transport in the form of Pothole Action Fund and Challenge Fund monies.

## **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

### Financial Risks

Not considering the impact of current condition and funding scenarios on asset condition and reviewing Phase 2 assumptions, would lead to inefficiencies in the allocation of capital funds, increased costs due to preventative maintenance not being undertaken at the correct life cycle of the asset and anticipated asset condition deterioration.

The Transport Asset Management Plan phase 2 document is also supporting evidence for the Department for Transport Self-Assessment which is carried out annually. The use of outdated condition information could result in the county council failing to achieve a band 3 ranking which in turn would reduce the level of funding received from the Department for Transport by approximately £2.707m.

Phase 2 of the Transport Asset Management Plan will need to link with the Capital Strategy 2020 and subsequent updates and fit within the financial envelopes available, to ensure the overall capital strategy is deliverable and sustainable.

### Legal

The Transport Asset Management Plan is an important document explaining and justifying work done and expectations. That it is reviewed and updated is important and it informs the authority's position vis a vis challenges and priorities.

## List of Background Papers

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate		
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