

From: Simon Jones, Interim Corporate Director, Growth, Environment and Transport

To: David Brazier, Cabinet Member, Highways and Transport

Subject: Highways Asset Management Plan 2021/22-2025/26 – an Investment Strategy and Action Plan for the next five years

Key decision 21/00028

Classification: **Unrestricted**

Electoral Division: Affects all divisions

Summary: This report concerns the proposed adoption of a new single Highways Asset Management Plan which replaces several other documents the County Council has published in recent years and sets out our approach to highways asset management over the next five years.

Recommendation(s):

The Cabinet Member for Highways and Transport is asked to agree to adopt and publish a single Highways Asset Management Plan document that sets out our approach to highways asset management over the next five years, as attached at Appendix D.

1. Introduction

- 1.1 This report and associated papers set out our approach to highways asset management over the next five years, including asset condition forecasts, service levels and risk assessments, and a five-year forward works programme based on the continuation of current funding levels. Importantly, they seek to move towards treating highway maintenance as a multi-year endeavour, supported by consistency of approach and an understanding of broad levels of funding.
- 1.2 The new document is an Investment Strategy and Action Plan for the next five years, its vision being to deliver a fully integrated, dynamic, efficient, and effective highways asset management service to provide a safer, more sustainable, and more resilient highway network that supports Kent's recovery from the COVID-19 pandemic and delivers on Kent's longer-term strategic objectives.

2. Discussion

- 2.1 Over the past five years, we have significantly developed and improved our approach to highways asset management enabling KCC to maximise Department for Transport (DfT) funding. As part of this work, KCC has formally adopted various key documents, as below.
 - Our Approach to Asset Management in Highways
 - Implementing Our Approach to Asset Management in Highways

- Developing Our Approach to Asset Management in Highways
- 2.2 We have also introduced various measures to implement the Well-managed Highway Infrastructure (WMHI) code of practice, considered national best practice, again resulting in the adoption and publication of a range of documents, as below.
- Applying the Code of Practice in Kent
 - Implementing the Code of Practice in Kent
 - A Risk Based Approach – Service Level Risk Assessments
- 2.3 As a result, we have been able to demonstrate consistently that we are a Band 3 authority to maximise DfT Incentive Fund resource, make the case for additional funding, and optimise our ability to defend claims. Collectively, these published documents form our existing Highways Asset Management Plan (HAMP).
- 2.4 Despite making significant progress in recent years, we, like other highways authorities, are in an increasingly challenging environment, with deteriorating assets, increasing traffic volumes, uncertainty around future funding and, more recently, facing the impacts of the global pandemic. It is therefore timely to develop a new single and updated HAMP document, to identify a clear investment strategy and associated action plan for the future that is fit for purpose and recognises the challenges and opportunities ahead.
- 2.5 The new document is a forward-looking document covering the next five years which:
- includes a **vision statement** (Part 6)
 - sets out how highways asset management, as a key enabling service, contributes to achieving **strategic outcomes** and delivering Kent's interim strategic plan (Part 1)
 - describes how we go about **asset management** and risk-based decision-making (Part 3)
 - explains what we know about the **condition of our assets** both now and going forward based on various investment levels (Part 4 and Appendix A)
 - sets out our **service levels** in terms of what we do and what we do not, alongside an assessment of associated **risks** (Appendix B)
 - outlines our asset management and WMHI **improvements and achievements** in recent years (Part 5)
 - includes a five-year **forward works programme** for specific asset groups (Appendix C), and
 - lists the **future actions** we will implement to further improve our approach to asset management, maximise asset lifespans, reduce lifecycle cost and improve future maintainability, in order to deliver on our vision and strategic outcomes (Part 6).
- 2.6 In addition to being an asset management plan for highways, the document is an Investment Strategy and Action Plan for the next five years. Crucially, it seeks to move towards treating the management and maintenance of our highway assets as a multi-year endeavour, rather than an annual one. In that respect, the document highlights the importance of consistency of (broad levels

of) funding and approach over that longer period, to enable us to deliver a more efficient service with better condition outcomes.

- 2.7 For the first time, in March, we published a multi-year forward works programme, based on broad levels of current funding continuing. This programme is an integral part of the proposed HAMP document. It includes details of the planned maintenance we intend carrying out during at least the next two years and in some cases, this is extended to five years. This programme will be reviewed annually and will be expanded upon in the coming years. It provides members and the public with some certainty of future maintenance.
- 2.8 The forward works programme for roads includes around 7.5 million square metres of surfacing over the next five years. In addition, it will deliver around 275,000 square metres of footway improvement in the next two years and around 100 drainage improvements. This programme, together with our annual Pothole Blitz campaigns, will significantly reduce pothole formation in the coming years.

Maintenance Hierarchies

- 2.9 The document also proposes new maintenance hierarchies for our roads (pages 43-44) and footways (pages 60-61), following detailed work during the last year in which we examined a number of options. The preferred hierarchies are based on those recommended in WMHI, as these provide sufficient granularity for our use given the scale and varied make-up of Kent's network. For roads, we have adjusted the WMHI hierarchy to include our Resilient Highway Network as a new top category. The proposed hierarchies also enable us to dynamically adjust our future inspection and maintenance approach, for example to move some resource away from little used or impassable country tracks so that higher risks can be targeted.

Funding

- 2.10 Funding of highway maintenance comes from three sources - capital grant funding from the Department for Transport, along with the Council's revenue budget and capital borrowing.
- 2.11 During the six years to 2020/21, with the exception of the Pothole Fund award of £15m in 2020/21, DfT capital funding has largely remain static, and is insufficient to maintain a multi-asset highway network as large and complex as that in Kent. In addition, funding has not increased with inflation, nor to reflect traffic and network growth. This has in turn led to the rate at which local roads, footways and other highway assets deteriorate exceeding the rate of investment. KCC has regularly lobbied the DfT on this matter.
- 2.12 Given the impacts of the coronavirus pandemic, the Government announced in October 2020 that it would be conducting a one-year spending review to prioritise its response to the pandemic. Following that, in mid-February, the DfT wrote to local authorities to say that there would be a single year capital settlement for 2021/22. The table below shows the amounts awarded to Kent compared to the last two financial years. These allocations are, in real terms, around 20% lower than in 2020/21. KCC was able to maintain existing budget

levels overall in 2021/22 using one-off funding from a variety of sources but decisions will need to be made for 2022/23 and beyond if this diminution in funding is confirmed as permanent.

£millions	2019/20	2020/21	2021/22
Maintenance Block Grant	21.949	21.949	15.137
Incentive Fund	4.571	4.571	3.784
Integrated Transport Block	6.681	6.681	6.934
Pothole Funds	1.464	16.434	15.137
TOTAL	34.665	49.815	40.972

- 2.13 The DfT has not provided details of capital funding levels beyond 2021/22 nor of any regime it may follow to allocate that resource, though it is thought that if the pandemic and economic recovery allows it, a multi-year allocation will be adopted, most likely based on a developed and expanded Incentive Fund mechanism. We are aware that the DfT is developing an evidence-based business case for HM Treasury, and we intend to lobby for more investment, for medium term certainty and for funding to be based on network and traffic growth.
- 2.14 In the past few years, KCC has recognised the challenge of highway maintenance and has significantly increased annual highway maintenance investment by £30m, largely through borrowing. This, on top of additional capital to address high-risk problem sites, has already had a positive effect and slowed down deterioration, particularly in respect of road assets, but significant challenges remain. The modelling used to inform the HAMP document assumes that this broad level of additional capital funding will continue.
- 2.15 The HAMP document sets out in detail what the continuation of current funding levels would buy in terms of highway asset condition, the services we provide (and equally those we do not), and the level of risk associated with that balance. It also illustrates how changes in our budgets would affect future asset condition.
- 2.16 In the event that available DfT and KCC capital resource over the next five years is considerably different from the broad levels of funding assumed in our analyses, the HAMP document provides detailed information to enable informed decisions to be made about how we prioritise investment going forward, and how we may adjust the services we provide given an understanding of the associated risks. The HAMP document confirms our approach to asset management and how funding is allocated, which is particularly important in the event that funding reduces.

Incentive Fund and Sustainability

- 2.17 For the first time since its introduction, the questionnaire we were required to submit to determine the amount of Incentive Fund resource Kent is allocated for 2021/22 included a number of additional questions relating to sustainability and climate change challenges. For 2021/22 these questions did not affect funding levels; however, in our view it is likely that this will change going forward. In recognition of this, and given Kent's environmental commitments, the HAMP document includes a number of actions to meet our climate change and sustainability aims.

3. Financial Implications

- 3.1 Adopting this plan does not have direct financial implications. However, the document does include an assessment of the effect of current funding levels in terms of the services we provide, associated risks levels, and also forecast trends in asset condition. In the event that funding over the next five years were to be significantly different, it would be necessary for the Executive to understand, record and accept the effect on service levels, risks, and future asset condition.

4. Legal implications

- 4.1 Whilst there is no specific legal obligation for KCC to publish a highways asset management plan, adoption of this document, setting out our carefully considered approach to highway maintenance, helps us demonstrate we are a competent highway authority and are fulfilling our duty under the Highways Act 1980 to maintain a safe network. As the document also includes a detailed risk assessment of our services, it also makes the authority better prepared to defend claims.

5. Equalities implications

- 5.1 An Equality Impact Assessment screening has been carried out and it is judged that the proposals do not disproportionately affect protected groups. Indeed, the approach outlined in the document better enables KCC to target resource, for example on footway maintenance in areas with higher populations of older and disabled residents.

6. Other corporate implications

- 6.1 The adoption of the HAMP document enables Kent County Council to demonstrate how its approach to highways asset management supports Kent's recovery from the COVID-19 pandemic and delivers on Kent's longer-term strategic objectives including environmental, active travel and road safety priorities.

7. Governance

- 7.1 Not applicable

8. Conclusions

- 8.1 Kent has made significant progress in its approach to highways asset management in recent years, and this has enabled us to maximise DfT maintenance funding, secure additional DfT and KCC resource and defend claims. This has also led to some positive signs of a slowing down in asset deterioration, particularly in respect of our roads. However, given the considerable challenges that remain around funding uncertainty, deteriorating assets, increasing traffic volumes, sustainability, active travel, road safety and, more recently, the COVID-19 pandemic and its aftermath, we need a robust,

multi-year asset management strategy and action plan that is fit for purpose and recognises the challenges and opportunities ahead.

9. Recommendation(s):

The Cabinet Member for Highways and Transport is asked to agree to adopt and publish a single Highways Asset Management Plan document that sets out our approach to highways asset management over the next five years, as attached at Appendix D

10. Appendices and Background Documents

- Appendix A Summary of Asset Condition
- Appendix B Service Levels
- Appendix C Five-year forward works programme
- Appendix D Record of Decision

- Equality Impact Assessment:
<https://democracy.kent.gov.uk/documents/s104088/HAMPEqIA.doc.pdf>

- Our Approach to Asset Management in Highways
- Implementing Our Approach to Asset Management in Highways
- Developing Our Approach to Asset Management in Highways
- Applying the Code of Practice in Kent
- Implementing the Code of Practice in Kent
- A Risk Based Approach – Service Level Risk Assessments.

These documents can be found via the following link - <https://www.kent.gov.uk/about-the-council/strategies-and-policies/transport-and-highways-policies/managing-highway-infrastructure>.

11. Contact details

Report Author:
Alan Casson, Strategic Asset Manager
03000 413563
alan.casson@kent.gov.uk

Relevant Director:
Simon Jones, Director – Highways,
Transportation and Waste
03000 411683
simon.jones@kent.gov.uk