

From: Mike Whiting - Cabinet Member for Planning, Highways, Transport & Waste

Barbara Cooper - Corporate Director, Growth, Environment and Transport

To: Environment & Transport Cabinet Committee – 17 January 2019

Decision No: 18/00068

Subject: Managing Kent's Highway Infrastructure

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All

Summary:

This report updates the Cabinet Committee on improvements to our highways asset management approach and provides updated asset management strategy documents to evidence a continued Band 3 rating and secure the Department for Transport Incentive Fund allocation.

Proposed Service Level Risk Assessments have been provided for the installation, management and maintenance of highway assets. These also include details of the services that presently are not provided. These have been prepared as part of work to implement a new Code of Practice - Well-managed Highway Infrastructure - which came into effect October 2018.

Recommendation(s):

The Cabinet Committee is asked to comment and endorse or make recommendations to the Cabinet Member for Planning, Highways, Transport and Waste on :

(i) the Asset Management strategy documents that, once formally adopted and published, will form the basis of evidencing a Band 3 Incentive Fund rating and secure Department for Transport capital funding of £4.6m in 2019/20;

(ii) the proposed Service Level Risk Assessments which record our current approach to highway maintenance and associated risks which, once formally adopted and published, will complete our initial implementation of the new Code of Practice. In turn this supports KCC ability to put forward a special defence in accordance with S58 of the Highways Act.

As attached at Appendix A.

1. Introduction

- 1.1 In 2016 the Department of Transport (DfT) identified that local authorities should adopt better principles of highways asset management. An incentive fund was created to encourage improvements in how highway assets are managed and maintained.
- 1.2 We have been evolving our approach in line with a Well Managed Highways standard, with the objective of satisfying the criteria for the top category of asset management. This Band 3 rating would provide the maximum Incentive Fund allocation. For 2019/20 this is £4.6m.
- 1.3 We have also analysed the potential implementation risks/requirements (Service Level Risk Assessments) to ensure that we continue to maintain the highway to the standard necessary to support a special defence in accordance with S58 of the Highways Act.

2. Financial Implications

- 2.1 The new Code of Practice does not require changes to existing service standards.
- 2.2 There are no significant financial implications in the immediate future.
- 2.3 In the event of budget changes, a service level risk assessment would be undertaken to highlight any impact upon the service delivered.

3. Policy Framework

- 3.1 Adopting and publishing revised asset management strategy documents will enable us to evidence a Band 3 Incentive Fund rating and maximise DfT capital funding in 2019/20.
- 3.2 Retaining this funding and implementing our highway asset management strategy supports our day-to-day management of highway maintenance. The strategy documents "*Implementing Our Approach to Asset Management in Highways*" and "*Developing our Approach to Asset Management in Highways*" are included at Appendices B and C.
- 3.3 Adopting and publishing Service Level Risk Assessments about our highway asset maintenance approach will complete our initial implementation of the new Code of Practice.
- 3.4 Whilst this will not change our ability to defend claims, it will allow us to review our asset management approach and tailor our activities to reflect the asset risk. This will ensure that we provide the most efficient and effective programme of work. "*A Risk Based Approach – Service Level Risk Assessments*" can be found at appendix D.
- 3.5 All three documents play a vital part in delivering Kent County Council's Strategic Statement *Increasing Opportunities, Improving Outcomes*.

4. Background

Our Approach to Asset Management in Highways

- 4.1 In 2015, DfT introduced new rules for funding highway maintenance through its Incentive Fund to encourage local authorities to embed the use of asset management techniques into their management of highway maintenance and decision making around funding and priorities. The main aim of the asset management approach being encouraged by DfT is to ensure that decision makers clearly link investment decisions with an understanding of what that means in terms of asset condition outcomes.
- 4.2 In January 2016, we evidenced a Band 1 rating, this being the lowest rating. If we failed to evidence that we had fully adopted the use of asset management methodology (Band 3 - the highest rating), we would receive £4.6m less capital funding per year up to 2020/21.
- 4.3 We were able to evidence Band 3 in February 2018.
- 4.4 The measures implemented included the introduction of lifecycle planning, and the adoption and publication of three key documents. They are:
 - *Our Approach to Asset Management in Highways* - which describes the key principles adopted in applying asset management to achieve the authority's strategic outcomes;
 - *Implementing our Approach to Asset Management in Highways* - a detailed complementary strategy document which outlines the work to fully embed asset management principles into highway maintenance decision-making; and
 - *Developing Our Approach to Asset Management in Highways – 2018/19 to 2020/21* – a strategy document which includes a summary of highway asset condition, a forecast of future asset performance based on typical investment and an assessment of resource needed to maintain assets and service levels at current levels.
- 4.5 DfT has confirmed that it is not making any changes to the Incentive Fund mechanism.
- 4.6 Our completed self-assessment questionnaire for 2019/20 will need to be submitted to DfT by Friday 1 February 2019. During 2018, we have further developed our approach to asset management. This has been around improving data collection and analyses, and developing our approach to lifecycle analyses, a key component of asset management.
- 4.7 We remain on course to retain our Band 3 rating but this requires this update of our asset management documentation.
- 4.8 The main change to *Implementing our Approach to Asset Management in Highways* is that we have simplified and streamlined the document and amended so that it does not need to be reissued/revised annually.

- 4.9 The revised *Developing Our Approach to Asset Management in Highways* document contains our current asset condition forecasts, based on latest asset condition and deterioration data and improved lifecycle modelling. The document reflects typical core capital budget levels (largely derived from DfT funding sources). Additional scenarios have been included based on potential additional resource/funding.
- 4.10 DfT has announced that additional information about data collection and use, and Well-managed Highway Infrastructure implementation, will be circulated in due course with a view to adding further criteria to the 2020/21 questionnaire.

Well-Managed Highway Infrastructure

- 4.11 Well-Managed Highway Infrastructure was published in October 2016, replacing Well-Maintained Highways, Management of Highway Structures and Well-lit Highways.
- 4.12 Well-managed Highway Infrastructure is a national, non-statutory code of practice which sets out a series of general principles for highway maintenance. It is endorsed and recommended by DfT and its production has been overseen by the UK Roads Liaison Group (UKRLG) and its Roads, Bridges and Lighting Boards.
- 4.13 We must demonstrate that we comply with the principles of Well-managed Highway Infrastructure. We must also demonstrate a robust decision-making process, an understanding of the consequences of those decisions, and how the associated risks are managed to ensure highway safety.
- 4.14 Cabinet Committee considered these matters in July 2018 and KCC subsequently adopted and published two key documents:
- Well-managed Highway Infrastructure: Applying the Code of Practice in Kent;
 - Well-managed Highway Infrastructure: Implementing the Code of Practice in Kent
- 4.15 These documents illustrate our approach to delivering our strategic outcomes and describes our strategy for delivering a risk-based approach.
- 4.16 The latter included an intention to document our highway maintenance service standards plus associated risk assessments and to adopt a risk-based approach for all aspects for highway infrastructure maintenance, including setting levels of service, inspections, response, resilience, priorities and programmes.
- 4.17 Many of our existing inspection regimes and methodologies for prioritising work on the highway already include a consideration of risk.
- 4.18 We have adopted a highway infrastructure maintenance risk management approach which is detailed in the *Risk Management Policy & Strategy 2018-21*. At a strategic level, the management of current and future risks will be

embedded into our approach to asset management. At an operational level, a risk-based approach would be used to determine intervention levels, inspection frequencies, response times and investment priorities across all highway assets.

- 4.19 The Service Definitions and Service Level Risk Assessments have been completed to document the current highway services we provide, and this is attached at Appendix D. The service scopes demonstrate what we do as part of our statutory duty and lists what is not included within the current services. Significant risks that we face have been identified and displayed within the risk assessment. Mitigating actions are shown against each risk to demonstrate the steps taken to reduce or eliminate the risk. Risks have then been reassessed and rescored to leave the residual risks.
- 4.20 As this stage, we are not proposing any changes to Service Levels, nor do we need to in order to be compliant with the new Code of Practice. However, we do need to document our current service levels and associated risks. Moving forward, it will be necessary to further review the balance of risks outlined to consider whether some risks need to be further mitigated and whether additional risk would be appropriate in specific areas.

5. Conclusions

- 5.1 We remain on course to achieve a Band 3 rating providing that our updated Strategy documents *Implementing our Approach to Asset Management in Highways* and *Developing our Approach to Asset Management in Highways* are formally adopted.
- 5.2 *Service Level Risk Assessments* for highway asset services, which outline the services we currently provide, associated risks, mitigating actions and residual risks, have been developed. Once formally adopted and published, we will be compliant with the new Code of Practice and be well placed to continue to defend claims.

6. Recommendation(s)

This report updates the Cabinet Committee on improvements to our highways asset management approach and provides updated asset management strategy documents to evidence a continued Band 3 rating and secure the Department for Transport Incentive Fund allocation.

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Recommendation(s):

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As attached at Appendix A.

7. Appendices

Appendix A – Proposed Record of Decision

Appendix B - Implementing Our Approach to Asset Management in Highways

Appendix C - Developing Our Approach to Asset Management in Highways

Appendix D - A Risk Based Approach – Service Level Risk Assessments

Appendix E1 and E2 - Equality Impact Assessments

8. Background Documents

[Our Approach to Asset Management in Highways](#)

[Implementing Our Approach to Asset Management in Highways](#)

[Developing our Approach to Asset Management in Highways - 2018/19 – 2020/21](#)

[Well-managed Highway Infrastructure](#)

[Well-managed Highway Infrastructure - Applying the Code of Practice in Kent](#)

[Well-managed Highway Infrastructure - Implementing the Code of Practice in Kent 2018 – 2020](#)

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