

REPORT TO: Urban Renewal Policy and Performance Board

DATE: 23 January 2008

REPORTING OFFICER: Strategic Director, Environment

SUBJECT: Transport Asset Management Plan

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 This report reviews the requirements for the production of a Transport Asset Management Plan (TAMP) and the work carried out to date in its preparation. Subject to the comments from the Urban Renewal and Corporate Services Policy and Performance Boards, the TAMP will be submitted to the Executive Board with a recommendation of adoption and for approval to be granted to embark upon the valuation phase of the Plan.

2.0 RECOMMENDATION: That the Urban Renewal Policy and Performance Board consider and comment upon the TAMP.

3.0 SUPPORTING INFORMATION

3.1 Well maintained local transport assets, including roads, footpaths, streetlights and street furniture are essential to the delivery of better transport and accessibility, and make an important contribution to the quality and liveability of public spaces.

3.2 The following statistics serve to illustrate just some of the assets for which the Council currently hold responsibility.

- There are a total of 543km of roads in the Borough.
- In addition to footways immediately adjacent to the carriageway, we also have a total of 200km of segregated footpaths in the Borough.
- There are over 178 separate Public Rights of Way, a total of 74km in length.
- We have 68 Km of safety fencing.
- In addition to the Silver Jubilee Bridge Halton has maintenance responsibility for a further 294 structures including bridges, sign gantries, retaining walls and culverts.

- Street lighting assets include 19,000 lighting columns, 55 Traffic Signals sites, 24 pedestrian controlled crossings, 3,000 illuminated signs and bollards and over 1,800 other Signs.

3.3 The current Local Transport Plan (LTP) commits the Council to the production of a Transport Asset Management Plan (TAMP), designed to demonstrate that it is managing its transport assets effectively. Extensive guidance on the preparation of asset management plans has been published and the TAMP for Halton presented with this report fully meets this. There are several key areas in the TAMP including sections on assessing levels of service, future network changes, work programmes, risk management, lifecycle plans and future monitoring of the TAMP.

3.4 The TAMP is aligned with the Council's Corporate Plan, its overall aims and objectives and is supported by the various management and operational procedures contained in the Highway Maintenance Strategy. Ultimately, the TAMP will contain the following key information:

- An asset inventory including notes on the characteristics of each asset group
- The levels of service (and associated performance measures) for managing the delivery of maintenance against the key criteria of safety, accessibility, condition and environmental sustainability.
- A forward work programme, funding profile and risk management procedure
- Lifecycle plans for the effective management and maintenance of each asset group.

3.5 Highways are the Council's largest single asset, yet measuring, maintaining and accounting for them presents many challenges. A key principle in accounting is that the consumption of capital assets should be funded throughout their life through revenue budgets, in order to both maintain the quality of the assets and ensure that the users of the services pay for their use. Highways, and their associated transport related assets, depreciate in value over time and this is in part offset against the level of revenue expenditure in maintenance. In 2007, CIPFA (Chartered Institute of Public Finance and Accounting) undertook a review of accounting, management and finance mechanisms in which it noted that currently, unlike other assets, the valuation given in accounts does not reflect the real capital or economic value or the true cost of maintenance of local authority transport infrastructure assets.

3.6 The TAMP will enable us to provide consistent information to support Whole of Government Accounts (WGA), a Government initiative to produce a comprehensive set of accounts for the whole of the public sector, applying best-practice accounting methods. One effect of WGA on local authorities is that each authority will be required to undertake a valuation of their transport asset. The initial valuation of Halton's

transport asset is £1.25Bn, based on Gross Replacement Cost, i.e. what it would cost to replace the asset with a modern equivalent.

- 3.7 The TAMP is designed to identify the true scope of the asset and to quantify both the actual value against a base date, and the rate of depreciation by means of an assessment of condition. This will give the Council the means to gauge the rate of depreciation compared to the level of maintenance expenditure. Historically this has not been possible and the TAMP will provide the means to calculate a realistic level of expenditure to maintain the highway network in a steady state of maintenance.
- 3.8 The TAMP formalises the processes involved in the assembly of condition surveys and provides the basis upon which to build sound valuation so that through proper asset management we can better understand the capital value and revenue cost of the assets under our stewardship. It also enables us to respond to changes to the accounting requirements for local government where accurate information can be compiled and reported. A full appreciation of the rate of change in the value of the asset will only be possible after an annual revaluation has been completed a number of times.
- 3.9 The TAMP is of such scope and complexity that it cannot be addressed in a single year, and the 2007 plan is only the first stage of a much longer development programme. For example, the initial valuation of our asset is based upon a very coarse assessment of our current data. The next edition will further refine our inventory information and its value by means of a more detailed examination of the various elements that make up the highway network. It will also apply the principles of depreciation to allow a clearer understanding of the relationship between our maintenance funding and the changes in the value of the asset as a whole. It is intended that this data will eventually be incorporated into the LTP to underwrite the basis upon which maintenance funding of this vital infrastructure is calculated. The process is wholly compatible with the principles of Best Value.
- 3.10 Future development of the Plan will involve staff input into data collection, the asset valuation process, and the preparation of life cycle plans. It is also likely to require external consultant support to supplement in house resources. Work to date has been carried out with the assistance of E C Harris who specialise in this field.

4.0 POLICY IMPLICATIONS

- 4.1 The Council is required to have in place a suitable TAMP and has already given a commitment to its production in the LTP. Failure to do so would leave the authority open to litigation and also breach its duty as Highway Authority.

- 4.2 The TAMP will enable a clearer identification of the relationship between maintenance expenditure and the depreciating value of the highway asset. Without this information representations to Government on the basis by which levels of highway maintenance funding are calculated will be far less effective.
- 4.3 The TAMP is a vital part of a documentary framework for the maintenance of Highways in Halton. The Council adopted a Highway Maintenance Strategy Document on 1998 that complements the TAMP and a Skidding Resistance Policy in 2006. These policy documents underpin the basis upon which the Council discharges its obligations as Highway Authority

5.0 OTHER IMPLICATIONS

- 5.1 The TAMP is an overarching document with wide ranging affects. To some degree, its outcomes will affect both residents and the wider traveling public from outside Halton and to this degree, it will impinge, either directly or indirectly, on all of the Council's strategic priorities.

5.2 Children and Young People in Halton

Access to schools and the provision of facilities to encourage extended education cannot be provided without an efficient transport network.

5.3 Employment, Learning and Skills in Halton

As with education, the access to places of work and training establishments automatically requires transport and communications.

5.4 A Safer Halton

Without continued investment in a well-maintained and correctly designed highway infrastructure it will not be possible to create safe and secure movement for highway users in Halton.

5.5 Halton's Urban Renewal

Effective planning of the needs of, and changes to the built environment and infrastructure of Halton can only be undertaken with a clear understanding of the transport network within the Borough and of Halton's links with its neighbours. This process will be substantially more effective with the assurance that maintenance of highway links and communications will be adequately funded. This process is supported through aims and maintenance programmes arising out of the TAMP.

5.6 Sustainability

Highway Maintenance is a fundamental part of the ethos of sustainability. Understanding of the whole life costs of the network and the correct use

and management of its resources will ensure that the Council receives the best possible return on its investment.

Essentially, whole life costing is aimed at answering the question “What is the total cost of an asset?” rather than the more limited question “What is the initial cost of buying the item?” This question will be relevant at many stages throughout the procurement process – from consideration of the initial business case to evaluation of tenders.

The capital cost is not the only cost incurred as a result of procurement. A more holistic view of the cost of an asset over its service life is essential to arriving at the most economic way of procuring and retaining an asset in a usable form. The cheapest initial purchase price is not necessarily the best overall procurement route. Valuation of the highway infrastructure in the TAMP is a vital step in evaluating whole life costs of the network.

5.7 Legal Implications

Highway Maintenance is a process underpinned by law. The TAMP however only makes reference to existing legislation. To this degree there are no new direct legal implications to its adoption.

5.8 Social Inclusion

Transportation Links are vital to maintaining a cohesive society. Failure to carry out this duty would have major negative effects on residents and substantially inhibit social inclusion.

5.9 Crime and Disorder

Management of the levels of crime and disorder relies heavily on good communication and effective transport linkages. The TAMP is an essential tool in ensuring that this process is efficiently delivered.

6.0 RISK ANALYSIS

6.1 The introduction of a TAMP that documents current policy is fundamental to the Council’s duty to maintain the Highway Network. Without its implementation there would be significant risk of litigation in the event of road traffic accidents citing a failure of correct procedure and current good practice.

6.2 The Council has an obligation to carry out its duties to nationally agreed standards. This cannot be met under the current policy framework.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The TAMP is applicable to all the residents of Halton and those passing through the Borough equally. All derive a benefit to some degree from

the maintenance of good and well resourced highways. There are thus no negative Equality and Diversity implications arising as a result of adoption of the TAMP.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Framework for Highway Asset Management, CSS, (2004)

Framework for Highway Maintenance Management Plan, Technical Advisors Group (TAG), 2005

Full Guidance on Local Transport Plans: Second Edition, Department for Transport, 2004

Guidance Document for Highway Infrastructure Asset Valuation, County Surveyors Society (CSS)/TAG Asset Management Working Group, 2005

Halton Borough Council Highway Maintenance Strategy Document, 1998

Halton Borough Council Skidding Resistance Policy, 2006

Halton Borough Council Transport Asset Management Plan, 2007

Halton Borough Council Winter Maintenance Plan 2007-2008

Highways Act 1980

Local Authority Transport Infrastructure Assets, Review of Accounting Management and Finance Mechanisms, CIPFA, 2007

Maintaining a Vital Asset, UK Roads Liaison Group, 2005

Management of Highway Structures, A Code of Practice, UK Bridges Board, TSO, 2005

The Traffic Management Act 2004

Well Lit Highways, Code of Practice for Highway Lighting Management, UK Lighting Board, TSO, 2004.

Well Maintained Roads, Code of Practice for Highway Maintenance, UK Roads Board, TSO, 2005.

Place of Inspection: Rutland House

Contact Officer: C Dutton