

Name of meeting: **Cabinet**
 Date: **13th December 2016**

Title of report: **Carriageway Asset Management**

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the Council's Forward Plan ?	Yes
Is it eligible for "call in" by Scrutiny ?	Yes
Date signed off by <u>Director</u> & name	Jacqui Gedman – 02/12/16
Is it signed off by the Assistant Director Resources - Financial Management, Risk, IT and Performance	Debbie Hogg – 02/12/16
Is it signed off by the Assistant Director - Legal Governance and Monitoring?	Julie Muscroft – 02/12/16
Cabinet member portfolio	Cllr Musarrat Khan - Highways and Neighbourhoods

Electoral [wards](#) affected: **All**
 Ward councillors consulted: **N/A**

Public or private: **Public**

1. Purpose of report

For Cabinet to consider the Highways Network priorities, in the context of reducing funding and a need to adhere to an asset management methodology.

2. Key points

2.1 DFT (Department for Transport) funding for Highway maintenance composes 3 elements:

i. Needs

Grant award that simply reflects the length of carriageway. It does not reflect condition. This element is approximately 80% of the total funding.

ii. Incentive

This is top-sliced (at a regional level) which has reduced the available grant. Authorities must demonstrate best practice of Asset Management in order to access this funding.

Kirklees has achieved band 2 status in Asset Management and is working towards band 3 to maximise our incentive allocation.

Achievement of band 3 increases the grant as follows:

Year	2017/18	2018/19	2019/20
	£51,000	£307,000	£512,000

Achievement of band 3 this year will be difficult and the results will not be known until March 2017.

iii. Challenge Fund

Kirklees was one of only 31 successful bids in the initial tranche (2015/16) securing £1.6m of funding from the top-sliced grant.

A second tranche is programmed for submission this year 2017/18; details are awaited of the bid criteria.

2.2 Additional Funding

Grant Funding

A pothole grant of £452,000 was previously awarded to local authorities which is anticipated to continue for the next 4 years.

Borrowing

In addition to the grant, Kirklees allocates c£1.8m (ave.) of capital borrowing to Highways.

Note: Proposed budget reductions may see this fall.

Investment totals currently therefore (excluding roll over):

	2017/18	2018/19	2019/20
Needs level 2	£5,895,000	£5,639,000	£5,434,000
Potholes Grant	£452,000	£452,000	£452,000
Borrowing (Kirklees)	£1,967,000	£1,707,000	£1,912,000
	£8,314,000	£7,798,000	£7,798,000

So the level of investment £8.3m needs to be set in context of the HMEP methodology:

- Current backlog :- £76.7m
- Estimated time to clear back-log:- 10yrs
- Annual average budget shortfall :- £8m
- The resulting frequency of road surfacing:- 185yrs on unclassified roads

Kirklees must ensure that all monies invested in the Asset reflect the best practice methodologies included in the Highway Maintenance Asset Plan, this is audited via the questionnaire and has to be authorised by the Section 151.

It is clear that as funding resources reduce pressure will increase on the network and road condition will deteriorate further.

2.3 Performance

Funding and Asset Management decisions are reflected in road conditions, these are measured at a regional level. The Appendix attached illustrates the % of roads requiring urgent maintenance, rated as “red” by assessment of the 5 West Yorkshire Districts.

Over the 9 year period, Kirklees A, B & C roads are in slightly poorer condition compared to West Yorkshire. Unclassified roads are consistently measured as being in better condition.

Investment decisions should ensure that our A B+C road condition improves.

2.4 Repair of potholes

The Council is clear that our residents are concerned about the condition of the roads in Kirklees. In particular the time it takes for potholes to be repaired and the perception of the quality of the repair that takes place.

In response, we have looked at the way that the pothole repair service is organised. We have been undertaking testing of different innovative techniques and approaches in repairing the potholes, in line with the HMEP guidelines, to provide a high quality longer lasting repair. As a result of this work we have changed the way we operate and focused our resources on finding and fixing potholes in geographical areas at the same time as we are repairing those which the public have informed us about.

We are now testing the longevity of the repairs over the winter period to see which last and will then make decisions about which techniques to use in the future.

2.5 Future

Investment at current levels is likely to lead to an increased backlog. Therefore the Council needs to target DFT capital at A, B & C roads to mitigate against deterioration in order to support economic resilience and transportation through the district.

U road investment will therefore move to an early intervention approach, repairing roads rated “amber” to avoid more roads falling into “red”. A smaller number of “red” roads will be re-surfaced and others patched and potholed to maintain safety.

A footway/pavement program will be developed informed by surveys and safety inspections

All these approaches reflect Asset Management principles and viewed as a collective keeps as much of the network as practicable in acceptable condition.

2.6 Proposal:

- That the current investment strategy continues targeting DFT grants predominately at A, B & C roads and borrowing at U road maintenance
- Reactive maintenance revenue funding and pot-hole grant be targeted at localised repairs, to mitigate deterioration which must increase reflecting reducing capital roads funding
- The pothole test to be evaluated following Winter to identify most effective reactive repair techniques.
- Report to Cabinet each year of the works programme; roads to be repaired in the following financial year, identified from application of HMEP best practice, and indicative programme for the following 2 years (Asset Management principal)
- That a sum of £250,000 will be set aside within the Unclassified Roads budget for spending on pavements where the condition presents a risk to the Council in terms of the potential for accidents and subsequent claims
- The unclassified roads budget will only be used for adopted highway roads and footways

3. Implications for the Council:

The proposed methodology will target available resources to maintain acceptable road conditions.

4. Consultees and their opinions:

None.

5. Next steps:

Subject to Cabinet approval the proposal will be implemented for April 2017.

6. Officer recommendations and reasons:

That Cabinet approve officers to prepare programs of work to reflect Asset Management principles and maximise grant funding and so contributes to/ complements the Council's corporate plan and Council priorities of early intervention or economic resilience.

7. Cabinet portfolio holder recommendation:

The portfolio holder, Councillor Musarrat Khan is fully supportive of the officer recommendations and would ask, that Cabinet approve officers to

prepare programs of work, to reflect Asset Management principles and maximise grant funding.

8. Contact officer and relevant papers:

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9. Assistant Director responsible:

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Appendix

