

# Report to Deputy Leader & Cabinet Member for Transportation

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**Decision to be taken on or after 01/03/2019**

**Decision can normally be implemented at least  
3 working days after decision has been signed.**

**Cabinet Member Report No. T06.19**

**Title:** Asset Management Strategy 2019

**Date:** 21/02/19

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**Local members affected:** ALL

*For press enquiries concerning this report, please contact the media office on 01296 382444*

## **Summary**

In November 2015 the County Council adopted its first Highway Infrastructure Asset Management Policy and Strategy. These documents described how all highway infrastructure assets are managed in a coordinated and strategic fashion by Transport for Buckinghamshire.

This Strategy was produced with clear intent to contribute to achieving the objectives outlined in the Strategic Plan and was revised in 2017 to align with the new strategic plan. The Strategy is regularly reviewed and this revision adopts several amendments required to keep the strategy live and up to date. The revision also references the accreditation of the Asset management Framework under ISO 55001 and clarifies the scope of the strategy.

## **Recommendation**

**The Cabinet Member for Transportation endorses this revision to the Highway Infrastructure Asset Management Strategy as the ongoing basis for management of the Authority's highway assets.**

## A. Narrative setting out the reasons for the decision

1. The Strategy continues to place our Highway Infrastructure assets at the heart of Council decision making – acknowledging their financial value and their value in support of transportation services provided for the residents and businesses of Buckinghamshire.
2. The Asset Management Policy and this Strategy maintain a clear line of sight from the objectives outlined in the Strategic Plan to the works programmes implemented and delivered each year as part of the Business Planning and delivery processes. The Strategy sets out how the Policy is achieved by taking a systematic approach that delivers the service most efficiently and effectively over the long term. It covers all maintenance activities and informs decision making in the Business Planning Process and in the Medium Term Financial Plan budget setting.
3. The Policy and this Strategy form part of the Highway Infrastructure Asset Management Framework that is accredited to ISO55001 the International Standard for Asset Management. The Framework describes how the activities, processes and documents of TfB interact. The Framework has been expressed diagrammatically has been communicated to staff and stakeholders to raise awareness and understanding as part of ongoing training.

4. The scope of this strategy covers the five main highway infrastructure assets (carriageways, footways, structures, street lighting and Intelligent Transport Systems) with individual asset plans contributing to an overall framework. The scope of this strategy does not include day to day operational management and reactive maintenance of the highway network which is set out in the Highway Services Policy as seen in the diagram to the right.



5. The Strategy serves as a basis for the development of detailed asset management planning and its implementation. This includes enabling the organisation, its technology and its processes, to adapt to change. It embeds a continuous improvement approach to highway asset management including how national developments and good practice are taken into consideration.
6. The policy identifies five asset management objectives which align to the three aims of the new Strategic Plan (2017-20):
  - a. Maintain a safe network
  - b. Manage highways effectively and efficiently
  - c. Maximise network availability
  - d. Optimise the use of and protect the availability of natural resources
  - e. Improve accessibility for all
7. The Strategy includes Performance Management Framework (PMF) of indicators. The PMF provides a clear line of sight from the Council's Strategic Objectives contained within BCC's Strategic Plan 2017-20 to the implementation of works programmes. The Asset Management Objectives are used to assess levels of service against which performance of the assets can be measured.
8. Delivery of this Strategy is monitored and periodically reviewed and an implementation action plan put in place to drive improvements to the delivery of the strategy. An Asset Management Board including the Cabinet Member for Transport has been established

for some time and monitors the delivery of the strategy. The governance and review processes defined within the Strategy ensure that Asset Management is at the heart of decision making.

9. Risk is at the heart of the framework. Risks at all levels are identified, mitigated and escalated as needed so that they are well managed and impacts are minimized. The Strategy also includes a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis to help determine its ability to deliver the Asset Management Objectives.
10. The main changes to this strategy include:
  - a. Reference to the ISO 55001 Certification and associated auditing,
  - b. Reference to the Highway Services Policy
  - c. Clarification of the scope of the strategy as identified in the ISO assessment
  - d. Full integration of the risk based approach and Well Managed Highway Infrastructure Code of Practice,
  - e. Addition of a section on innovation,
  - f. Inclusion of the revised governance arrangements (Strategic Transport Infrastructure Board etc).
  - g. Reference to the importance of Historic Value and maintenance of consistency of character.
  - h. Footway condition survey regime amended.
11. The Asset Management Framework includes a Communication Plan that details how we engage with Members, District, Town, Parish Councils, the public, businesses and other stakeholders in communicating our approach to asset management. This engagement includes information on budget setting, the service levels and performance targets. It also sets out how direct engagement takes place with Members to provide them with information and the opportunity to inform and influence our plans.

## **B. Other options available, and their pros and cons**

12. We could ignore the Strategy which would have the following disadvantages:
  - a. We are unable to take an overview of our approach to managing highway assets leading to lack of forward planning and poor value for money.
  - b. We miss opportunities to realise maximum value from our assets for our residents and businesses.
  - c. We expend more resource on poor value solutions such as reactive maintenance.
  - d. We miss the opportunity for collaborative working across our own activities and those of third parties, such as developers.
  - e. The true value of the asset is not understood and the budget setting process is not sufficiently informed to protect that value.
  - f. We risk not achieving full funding from the DfT incentive fund.

## **C. Resource implications**

13. The delivery of the new HIAM Strategy and its recommendations is the responsibility of Transport for Buckinghamshire as the Council's integrated service provider. The ultimate statutory responsibility rests with the Council as the Highway Authority. The current strategy is being delivered and staff resources are accounted for within the existing structure to progress it. Additional resources are not considered necessary.
14. The Department for Transport has been engaging with the industry for the last few years and continues to encourage all Highway Authorities to embrace asset management principles. Guidance is intended to promote good and consistent practice across the country and covers all aspects of highway maintenance from procurement and contract types to policies and communications.
15. As part of this, and to actively encourage take-up, the DfT continues to assess the efficiency of each highway authority by requiring them to complete a self-assessment questionnaire each January. The assessment is made against a range of questions and will determine levels of funding for future years by placing authorities in one of three bands. Initially the proportion of funding lost was relatively low, but losses will increase to around £1.5M per annum by 2020/21. The DfT intends to continue this approach and to revise the requirements encouraging increasing development of asset management maturity.
16. The AM Framework, including the overarching Policy and this Strategy, become an essential prerequisite for maximising Buckinghamshire's share of DfT funding.

## **D. Value for Money (VfM) Self Assessment**

17. The main benefit of the HIAM Strategy is that it promotes efficient use of the available budget and help to inform decision makers to secure best value from that budget by taking a long term, systematic approach. Notwithstanding the potential incentive element resulting from possible funding reductions from the DfT, it should be recognised that this approach does represent good practice and is supported by centrally published guidance. The intention of the strategy is to align delivery to the corporate objectives to ensure that what is important to the County Council's long term goals is best matched by the works programmes we deliver on the ground.
18. Highway infrastructure asset management is an established and widely recommended approach both in the UK and internationally. Where it has been adopted for highways, savings of at least 5% on budget have been reported. It also supports decision-makers in reconciling short-term problems with long-term priorities. In other public service sectors such as the water industry, asset management has been well established for some years, and has produced savings of up to 15%.

## **E. Legal implications**

19. There are no legal implications of adopting this revised strategy.

## **F. Property implications**

20. There are no property implications of adopting this revised strategy

## **G. Unitary Council**

21. The Asset Management Strategy is an essential element of the County Council's approach to managing its highway assets. Having a longer term strategy is essential in maintaining its asset management maturity. The strategy is reviewed regularly and will be reviewed specifically when the implications of a Unitary Authority is clearer. This will include consideration of revised governance arrangements, consultation and engagement with elected members.

## **H. Other implications/issues**

22. This revision builds on the existing strategy and ensures that it remains current by aligning it to the latest Strategic Plan. There are no new implications to this revision.

## **I. Feedback from consultation, Local Area Forums and Local Member views**

23. As this revision does not introduce any new concepts, no specific consultation has taken place. However, the Asset Management Framework includes a Communication Strategy which outlines how Members are informed of and engaged with Asset Management.

## **J. Communication issues**

24. A Communications Strategy ensures relevant information is provided to key stakeholders to inform the setting of performance targets, budgets and in making key decisions. The strategy outlines how TfB promotes communication both in providing information to key stakeholders and receiving feedback. It covers communication inside the service, across the authority and with external stakeholders such as the public and parish councils. The Communications Strategy lists the key Stakeholders, the channels of communication used, and contains an annual communications action plan.

## **K. Progress Monitoring**

25. Progress in the delivery of the HIAM Strategy will be monitored by the Asset Management Board (AMB) whose membership includes the Cabinet Member for Transportation and the Cabinet Member for Resources. The AMB provides updates to the Strategic Transport Infrastructure Board and to TfB's Strategic Board. In addition, individual areas of interest or concern will be subject to regular updates with the Cabinet Members for Transportation and for Resources. A key part of this monitoring is the quarterly review of the Performance Management Framework.

26. Delivery of this Strategy is the responsibility of the Highway Infrastructure Asset Manager supported by Senior Management.

## **L. Review**

27. This Strategy will be reviewed regularly (at least annually) to allow informed decisions to be made in order to accommodate any changes in funding and priorities within the longer-term forecasts. This revision is part of the that ongoing review process. It is anticipated that significant changes to the Strategy will not need to be made even if major changes in available budget occur.

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### **Background Papers**

A copy of the revised Highways Infrastructure Asset Management Strategy is attached to this report.

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### ***Your questions and views***

*If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.*

*If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 28/02/19. This can be done by telephone (to 01296 382343), or e-mail to [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk)*