

Executive Summary

The Nottinghamshire Highway Infrastructure Asset Management Plan

In May 2013 the UK Roads Liaison Group produced the Highway Infrastructure Asset Management Guidance Document. This set out 14 recommendations that all local Highway Authorities should employ to demonstrate that they are following Asset Management principles in all aspects of Highway Maintenance Management.

The Highway Infrastructure Asset Management Guidance Document identifies the requirement for the production of a Highway Infrastructure Asset Management Plan (HIAMP) in order for Authorities to embed the required principles in their working practices.

During development of the framework for Nottinghamshire's HIAMP, it was decided to link the plan directly to the 14 recommendations in the UK Roads Liaison Group guidance document as these were seen as the cornerstone to good asset management practice.

Also key, was the principle of Policy, Strategy & Plan, whereby the HIAMP follows a clear line of sight from the local and national policies that shape the future direction of the County Council, via the strategies we will employ to meet these policies and what this means for specific assets and their corresponding performance data.

- **Policy** - Local policies such as NCC's Strategic Plan, Service Plan, the Local Transport Plan, and the Highway Network Management Plan plus national legislation and policies such as The Highways Act 1980 and the Code of Practice documents, Well Maintained Highways, Well Lit Highways and Management of Highway Structures. The County Council's Highway Asset Management Policy is available as a stand-alone document on the County Councils public website and is also embedded within the HIAMP itself in Chapter 7.
- **Strategy** - This is the bulk of the document and demonstrates the steps being taken in Nottinghamshire to meet the 14 recommendations in the Highway Infrastructure Asset Management Guidance Document produced by the UK Roads Liaison Group. The HIAMP is structured so that the recommendations are the Chapter headings, with an extract from the guidance document, followed by 'The Nottinghamshire Approach' which outlines what we are doing to meet them.
- **Plan** - Chapters 19 to 23 contain the Asset Management Plans for specific assets namely: Carriageways, Footways & Cycleways, Structures, Highway Lighting & Traffic Management Systems and Drainage. These final chapters show in greater detail how we will manage these assets to not only meet the 14 recommendations in the HMEP guidance but also to make best use of the resources available to provide a safe and efficient working highway network for those who travel within or through the county.

The document is bespoke for Nottinghamshire rather than a generic template with our own figures inserted. In this way we have ensured that the development work we have done thus far in the adoption of asset management principles is recognised and helps outline the way forward in bridging the gap between current and desired practice.

In autumn 2015 a new over-arching Code of Practice for Highway Maintenance Management is due for publication. It is a national guidance document created by the UK Roads Liaison Group, together with Atkins and endorsed by the Department for Transport. This document will draw together the linked elements of the three existing codes, Well Maintained Highways, Well Lit Highways and Management of Highway Structures to create a code which advocates a 'Risk-Based' approach to the maintenance management of highway assets. The HIAMP is written with these principles in mind and addresses the issues of network hierarchy and inspection frequency to build in the principles of this new code.

Future Funding Models - Background

Spring 2015 saw the culmination of over five years development work by the Department for Transport to create a new set of funding models for highways maintenance across the country. A history of these developments is listed below:

- During summer 2010, consultation took place on changes to Department for Transport Block Funding Formula.
- In May 2013 the UK Roads Liaison Group produces the **Highway Infrastructure Asset Management Guidance Document**. www.ukroadsliaisongroup.org
- At the same time a summary document was published called **Highways - Maintaining a vital asset. What should Councillors know about asset management?**
- In January 2014 the DfT consultation document **Gearing up for efficient highway delivery and funding** is produced, setting out ideas on how funding could be distributed from 2015 onwards to maximise benefits.
- In April 2014 the DfT Pothole Fund was announced. The 2014 Budget made £200 million available for the fund of which £168 million was allocated to local highway authorities in England. This included guidance and a bid application form for Councils to submit for a share of this money. Whilst the fund was for pothole repairs, and indeed each authority had to publish a 'Pothole Pledge' on their respective public websites, the questions in the application form were heavily leaning towards the adoption of '**Asset Management Principles**' in highway maintenance. Nottinghamshire's allocation was £2.78m
- In the spring of 2015, the new funding models for local authority highway maintenance were announced. It consists of three key elements:
 - The Incentive Fund
 - A revised 'Needs-Based' Funding Formula.
 - The Challenge Fund.

The Incentive Fund

The purpose of the incentive funding is to promote the adoption of good practice across all local authorities to ensure value for money.

Time is being given to allow highway authorities to adopt efficiency measures, to gain buy-in from their senior leaders and to make the necessary transformational changes to the full adoption of '**Asset Management Principles**'.

In year one, each local authority receives all of its funding. However, for each subsequent year there will be an expectation that continuous improvement in efficiencies of delivery will take place. This level of improvement will be reflected in the funding awarded through the size of the funding received.

Local highway authorities will be categorised based upon where they are on the efficiency curve as follows:

- **Band 1: Early stage authority** - Has a basic understanding of key areas and is in the process of taking it forward.
- **Band 2: Mid stage authority** - Can demonstrate that outputs have been produced that support the implementation of key areas that will lead towards improvement.
- **Band 3: Final stage authority** - Can demonstrate that outcomes have been achieved in key areas as part of a continuous improvement process.

A local authority's category will be based on the responses to a self-assessment exercise on efficiency. This will be collected annually via the Single Data List Item 129-000 in relation to highway data. Each local authority return will require a Section 151 Officer declaration to confirm that it is accurate.

The self-assessment questionnaire has 22 questions in total, divided into five categories:

- **Asset Management**
- **Resilience**
- **Customer**
- **Benchmarking & Efficiency**
- **Operational Delivery**

A local authority's Band will be based on its score in this self-assessment questionnaire:

- **Band 1:** Does not reach Level 2 or Level 3 in at least 15 of the 22 questions.
- **Band 2:** Must reach Level 2 or Level 3 in at least 15 of the 22 questions.
- **Band 3:** Must reach Level 3 in at least 18 of the 22 questions.

The figures associated with Incentive Fund allocations are detailed in the table below:

| Year | 2015 / 16 | 2016 / 17 | 2017 / 18 | 2018 / 19 | 2019 / 20 | 2020 / 21 |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Band 1 | 100% | 90% | 60% | 30% | 10% | 0% |
| Band 2 | 100% | 100% | 90% | 70% | 50% | 30% |
| Band 3 | 100% | 100% | 100% | 100% | 100% | 100% |

The DfT Incentive Fund places the need for a robust HIAMP at the heart of its self-assessment methodology. In order for Nottinghamshire to progress to Band 3, and hence

retain our full level of funding at least until 2021, we will ensure that our HIAMP is fit for purpose not only at the time of its publication but for the foreseeable future and able to adapt to the constantly changing landscape of highway maintenance.

It is an essential requirement of the Incentive Fund that all highway authorities must outline the steps they are taking and the strategies they will employ to demonstrate their commitment to the adoption of asset management principles in all highway maintenance activities. In Nottinghamshire, the HIAMP is the document we will use to achieve this.

The publication of this HIAMP will help to place Nottinghamshire County Council into Band 2 when the first full self-assessment exercise is completed at the end of November 2015. Our target is to move into Band 3 by 2017 in order to maintain our full funding allocation.

| Year | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-------------------|---------|---------|---------|---------|---------|---------|
| Block Allocation* | £14,921 | £13,679 | £13,265 | £12,006 | £12,006 | £12,006 |
| Band 1* | N/A | £745 | £745 | £750 | £250 | £0 |
| Band 2* | N/A | £828 | £1,118 | £1,750 | £1,250 | £750 |
| Band 3* | N/A | £828 | £1,242 | £2,501 | £2,501 | £2,501 |

(* Allocation values from DfT's initial consultation)

| | | | | | | | |
|---|---------------|-----|-------|-------|---------|---------|---------|
| Difference in allocation based on 2015/16 | Band 2 Result | N/A | -£414 | -£538 | -£1,165 | -£1,665 | -£2,165 |
| | Band 3 Result | | | -£414 | -£414 | -£414 | -£414 |

Needs-Based Funding & the Challenge Fund

From 2015/16 to 2020/21 the needs-based funding formula will be calculated as follows:

There will be a total of £4.7 billion across the six year period, and excludes the funding for the Incentive element and the Challenge Fund; the total funding available over this period amounts to just under £6 billion nationally.

As a result of the consultation on highways maintenance funding, the DfT has allocated a proportion of the total funding to four elements in varying proportions, derived from the Whole of Government Accounts:

The table below left shows the percentage split from 2015/16 to 2017/18. In order for the Department for Transport to specify what the data requirements will be for Cycleways & Footways, there will be no specific allocation for these until 2018/19 onwards. The anticipated allocation for 2018/19 onwards is shown in the table on the right.

| 2015/16 to 2017/18 | | 2018/19 onwards | |
|---------------------------------|--------|---------------------------------|-----|
| Roads | 82.42% | Roads | 75% |
| Split evenly between: | | Split evenly between: | |
| A roads | 27.47% | A roads | 25% |
| B & C roads | 27.47% | B & C roads | 25% |
| Unclassified roads | 27.47% | Unclassified roads | 25% |
| Bridges | 15.38% | Bridges | 14% |
| Lighting | 2.2% | Lighting | 2% |
| Cycleways & Footways | 0% | Cycleways & Footways | 9% |

Part of the government's 2014 Autumn Statement assigned a proportion of the highways maintenance budget to a Local Highways Maintenance Challenge Fund. The purpose of the Fund is to enable local highway authorities in England to bid for major maintenance projects that are otherwise difficult to fund through the normal needs element allocations they receive.