



meeting	HIGHWAYS SELECT COMMITTEE	
date	9 OCTOBER 2006	agenda item number

Report of the Group Manager (Services and Safety)

HIGHWAYS ASSET MANAGEMENT

Purpose of the report

1. To inform Members of the current status and future development work required with regard to Highway Asset Management.

Background

2. *“Asset management is a strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure to meet the needs of current and future customers”*

To introduce the concept of asset management to elected Members of local highway authorities; the UK Roads Group has produced an explanatory document on the importance of well maintained highways. It is entitled “Maintaining a Vital Asset” and a copy is **attached** to this report for information.

3. Following the County Council’s Best Value Review of Highway Services in 2002/03, it was determined that the Authority needed to refocus its key objectives and actions. One of the main priorities identified was to purchase an Asset Management System to significantly assist in establishing the full quantum and condition of our highway assets and thereby enable the Authority to meet the recommendations of the Best Value Code of Practice for Highway Maintenance (2001, updated 2005).
4. The Code sets out the foundations for a highway maintenance strategy, which are hinged around a detailed inventory of all relevant components of the asset, a defined hierarchy for elements of the network and a robust framework of policies and objectives for the services. This effectively forms the basis of Asset Management Planning and in 2004, the County Surveyor’s Society published a

framework for highway asset management to guide local authorities in the production of their Transport Asset Management Plans (TAMPs). To produce a TAMP is now a specific requirement of each Authority's Local Transport Plan 2 (2006 – 2011). This is in order to demonstrate to the Department for Transport that the local highway network is being managed in the most efficient and effective way from the funds made available by central government.

5. In July 2004, Environment Department set up a Project Board to manage the introduction of a formal asset management approach on highways into the Authority across two main strands of work:-
 - i) Procurement and implementation of an electronic Highway Asset Management System (HAMS).
 - ii) Development and maintenance of a Transport Asset Management Plan (TAMP).

HAMS – Current Position

6. Following the submission of a detailed Business Case, funding of £0.5m was secured from ICT Executive to procure a computerised Highway Asset Management System. Tendering was through OJEU procedures and following a detailed selection process, a contract was signed with MapInfo Business Applications in November 2005 for installation of their "CONFIRM" asset management software. The main three components of the system are a Customer Relation Module, an Inventory Module and Inspection Module. In addition there are Bridges, Streetworks and Pavement Management Modules. Further consideration is still ongoing whether to purchase two other optional modules within the contract. These being Street Lighting (to replace the existing SLIMS inventory) and a Works Ordering/Management Module.
7. It is a fairly lengthy process to install the various modules and configure them to NCC's way of working and train staff in their operation. As at 20 September 2006, both the Bridges and Streetworks Modules are fully installed and operating successfully and provide map-based data manipulation. The Customer Relation Module which logs and tracks customer queries etc is currently being piloted in Highways South at NCC's Gamston Offices and once fully proven will be rolled out across the rest of the County including our Manage and Operate District Partners in early 2007. The CRM is also linked to Notts Connect.
8. The next stage will be to make the Inventory Module fully functional and introduce the implementation of the Inspection Module. This will be done over the next 12 – 18 months. The Inventory Module will store and manage inventory records of all significant highway assets and maintain a complete maintenance history. The purpose of the Inspection Module is to manage routine detailed safety inspections and will provide the means to collect on site data through hand held computers.

TAMP – Current Position

9. Following the publication of the CSS framework document on Asset Management, the Midland Service Improvement Group (MSIG) of Local Authorities (of which NCC is a member) commissioned OPUS Consultants to assist them produce asset management plans on a uniform regional basis. A more detailed generic framework was produced to which the Midland Group of authorities is now working to.
10. A key exercise of this work is the preparation of life cycle management plans for each of our highway assets to enable the Authority to look at options for various treatments and replacement/renewals of the asset to ensure best value for money. It will also enable appropriate budget optimisation to take place and direct funding at areas of most need.
11. The status in the preparation of life cycle plans for the significant assets are as follows:-

Traffic Signals	Substantially Complete
Bridges & Structures	Substantially Complete
Carriageways/Footways	Projected Completion Date - Dec 06
Street Lighting	Projected Completion Date - March 07

12. The main objectives in producing a TAMP for the County's highway network are to: -
 - i) review current practice
 - ii) review existing inventory provision
 - iii) identify the current condition of assets
 - iv) undertake life cycle planning and whole life costing
 - v) identify levels of service – both from technical and customer perspectives
 - vi) develop integrated forward work programmes (10 year)
 - vii) undertake an annual valuation of the highway asset.

All decisions need to be underpinned by risk management processes to ensure that the Authority is carrying out its statutory duty of care for all road users and is not leaving the Authority open to litigation/compensation claims in the future.

Asset Valuation

13. Running in parallel with Asset Management Planning, there has been considerable development work via CSS/TAG to produce guidance on Asset Valuation for highway infrastructure to comply with Whole of Government Accounts (WGA). Under these requirements from 2007/08, local highway authorities will be expected to determine not only the value of their assets, but also monitor year on year whether they are depreciating or not following investment. This is going to be a key indicator for Government on how effectively each authority is investing their significant capital LTP structural maintenance funds and

revenue funding (FSS) from Government into the network. Whilst work is still ongoing, again through MSIG, to derive regional unit rates, it is anticipated that the gross replacement cost of the local road network in Nottinghamshire will be in the order of £3bn – a major asset of the Authority.

Conclusion

14. The Authority has already made significant strides in introducing improved asset management arrangements for highways, but there is still considerable work to undertake over the next 12 – 18 months to implement all the relevant aspects of the system and plan. There are gaps in data knowledge with regard to the asset register which need rectifying and the outcome of national research regarding service levels will considerably influence the management of the highway asset in the future.

Recommendations

1. It is recommended that

the Highways Select Committee consider and comment on the information presented in this report.

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Background papers: nil.