



Environment and Transport Select Committee  
1<sup>st</sup> March 2012

**Interim report of the Maintenance Prioritisation Task Group**

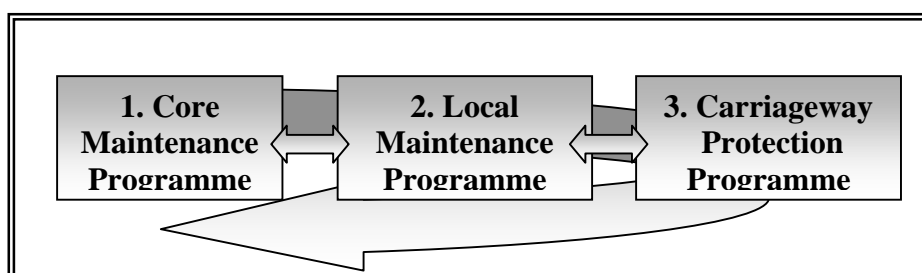
**Appendix A: New Planned Maintenance Delivery Model**

**Purpose of the report:** Policy Development and Review

Arising from the Maintenance Prioritisation Task Group, this report recommends a new way to deliver planned maintenance for Surrey Highways and a project plan to deliver it.

**Introduction:**

1. The Interim Report to the Environment & Transport Select Committee details the current issues with the prioritisation and delivery of planned highway maintenance and set out a reason for change.
2. This report provides a detailed Officer proposal for how to implement the findings of the Maintenance Task Group review and what strategy and policy is recommended to replace the existing system.
3. Planned Maintenance to the highway network is currently delivered through a single annual Asset Maintenance Programme, however, for reasons identified in the covering report, the Task Group recommends from 2013, to replace the single county-wide asset programme with three new Planned Maintenance Programmes:



4. The sections below explain how each individual programme would be developed and implemented.
5. To deliver such a strategic shift in the delivery of planned maintenance a dedicated team will be created. Referred to as “Project Horizon”, the team will be led by a dedicated Project Manager and report directly to the Surrey Highways Senior Management Team. Section four details the project milestones and activities for Project Horizon.

<b>Section One: Core Maintenance Programme:</b>
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6. The Core Maintenance Programme (CMP) will be managed by Surrey Highways and provide planned capital maintenance to the following five critical highway assets:
  - ⇒ Roads
  - ⇒ Footways
  - ⇒ Bridges & Embankments
  - ⇒ Drainage infrastructure
  - ⇒ Safety Barriers
7. The CMP will be a five-year fixed programme, delivered April 2013 – March 2018 and will be used to support planning of all other transport assets in the overall Environment & Infrastructure directorate.
8. The CMP will be developed in 2012 using the approach outlined below:  
**(1) Asset Prioritisation Policy**
9. Due to Medium Term Financial Plan (MTFP) budget and affordability constraints not all assets requiring intervention can be delivered over the next 5 years. The Asset Planning Group will therefore develop a defined **Asset Management Priority** policy to deliver the CMP. The policy, in the guise of an asset matrix will detail two specific policy outcomes:
  - (1) The percentage of Surrey Highways funding (as contained in the MTFP) to be allocated to maintain each asset, e.g 60% for roads; 10% for drainage etc. The percentage division will be based upon Surrey Highways priorities and asset needs. Specific funding percentage will determined by Asst. Director and Cabinet Member following the Investment Panel process as part of 2012/13 budget planning.
  - (2) The prioritisation policy for each individual asset (roads, footways, bridges, drainage and safety barriers) will be based upon UK best practice standards and an asset management approach and will consider the following attributes:
    - ⇒ Visual Inspection
    - ⇒ Condition Data

- ⇒ Road hierarchy
- ⇒ Reactive Maintenance Cost

The new Asset Management Priority Policy including revised prioritisation criteria for Roads, Bridges and Embankments and confirmation of the criteria used for prioritisation of Footways, Drainage and Safety Barriers will be submitted for consideration by the Environment & Transport Select Committee, and approval by the Cabinet Member for Transport in **July 2012**.

10. The five-year CMP will subsequently be developed using a revised Priority Policy. As the Asset Priority Matrix is a policy decision, it requires Cabinet approval before implementation. However, to prevent delay in development of the CMP, the Priority Matrix, to be considered by the Select Committee, and subject to subsequent Cabinet approval in March 2012, will be used as a basis to develop the Maintenance programme, with further Cabinet approval to be sought as part of a wider CMP business case to be submitted in **November 2012**.

## **(2) Core Maintenance Programme – Roads**

11. Following annual condition surveys of Surrey County Council's highway network, over 600km (over 10%) of the road network has been identified as in need of reconstruction and major maintenance.
12. In 2012 Surrey Highways will work with external contractors to develop a fully priced programme for the pre-identified worst roads, which will involve site visits to develop an outline solution for all roads.
13. Following programme development, existing prices with contractors and suppliers will be re-negotiated to deliver improved costs based upon bulk buying and longer term budget commitments, this is targeted to deliver a minimum of 15% reduction on existing contract prices.
14. The schemes identified in Clause 9 will then be prioritised based upon the agreed Priority Policy and matched to the financial constraints detailed within the Medium Term Financial Plan.
15. Following CMP development, in November 2012, officers will submit for consideration by the Environment & Transport Select Committee, and Cabinet approval, the final five-year CMP and business case. The programme will be fully costed, detailing street names, construction year over five-year period and recommend fixed five-year budget to deliver the programme.
16. Following Cabinet approval of the Core Maintenance Programme, Surrey Highways will issue a formal contract notice to external contractors and the Core Maintenance Programme will commence 1<sup>st</sup> April 2013.

## **(2) Core Maintenance Programme – Footway Replacement**

17. Based upon existing asset condition data and contributions from local area teams, a “long list” based upon asset need, will be developed by 1<sup>st</sup> May 2012.
18. Following production of the “long list” Surrey Highways will work with external contractors to price a programme involving site visits and developing outline engineering solutions. Subsequently, existing contract prices will be re-negotiated to deliver improved costs based upon bulk buying and long-term budget commitment, this is targeted to deliver a minimum of 15% reduction on existing contract prices.
19. The programme will then be prioritised based upon the agreed Priority Policy and matched to financial constraints detailed within the Medium Term Financial Plan. Final CMP will be submitted as part of the Cabinet Report in November 2012

## **(2) Core Maintenance Programme – Fixed Assets & Drainage**

20. Surrey Highways already maintains a list of fixed assets (bridges/ safety barriers) and drainage infrastructure requiring maintenance and resolution. An outline price will be developed to repair assets and/or implement infrastructure improvements to the list of priority schemes, as identified by the Asset Priority Matrix.
21. Due to the level of design and excavation required for the final price, costing will contain an element of risk and will be at Outline Design stage only, however, this will provide a sound basis to estimate programme cost.
22. Based upon Outline Design and Prioritised Matrix, Officers will work with contractors to develop a five year CMP programme, and seek 10% reduction based upon current contract pricing.

## **(2) Core Maintenance Programme – Change Control**

23. On an annual basis, the Core Maintenance Programme will be reviewed to determine any required adjustments, e.g. roads that have suffered excessive deterioration due to severe weather. Officers will then employ a pre-agreed Asset Management Priority Process to profile road maintenance (e.g. bring roads forward from subsequent years) or alternatively supplement schemes. However, any removal or adjustments to the programme would be subject to a strictly enforced change control process and will be fully communicated to Local Committees with justification for the programme change.
24. During the lifecycle of the original CMP, Surrey Highways will begin the process to develop a second CMP to commence April 2018, which will be developed upon the same principles and asset management practices detailed in the report to the Cabinet planned for November 2012.

25. The programme will then be prioritised based upon financial constraints detailed within the Medium Term Financial Plan and submitted as part of the Cabinet Report in November 2012

### **Section Two: Local Maintenance Programme**

26. To support the five-year Core Maintenance Programme, a separate capital Local Maintenance Programme (LMP) will be instigated. The LMP will be fully commissioned and managed by Local Area Committees. The LMP will enable Local Committees to repair and improve assets, which have not been prioritised through the Core Maintenance Programme.
27. The LMP will enable Local Committees to respond to local community concerns. It will not be subject to the priorities of the Asset Priority Policy and it will be at the Local Committee's complete discretion on how funds are applied.
28. It is recognised, however, that for the LMP to have any real impact on community need, it must be supported through an effective budget. Based upon current spending Officers therefore recommend £2,000,000 allocation. The allocation would be divided to each of the eleven area committees based upon a fair formula of road length and traffic volume.
29. However, to ensure best value and compliance with capital funding guidelines, funding would only be permitted under the following constraints:
- ⇒ Schemes must relate to the specific areas of capital maintenance;
  - ⇒ Schemes must be of minimum size and scope, for example, road schemes must be a minimum of 15m;
  - ⇒ Schemes must only be used to repair existing assets and cannot be used to provide new assets to road network, e.g safety barriers or footways.
30. A full spending guideline will be developed by officers and published in June 2012. Any schemes which do not comply with the guidelines, may at committee discretion, be delivered through alternative Local Committee funding routes, e.g. Integrated Transport Schemes or revenue allocation.
31. Local Committees will be requested to submit a 4 year Local Maintenance Programme, to reflect the County Council election term, however, this will be reviewed annually by Local Committees to confirm that the programme continues to meet local need.
32. Local Committees will also have access to the revenue Local Maintenance Programme, which could be used to support local maintenance objectives, for 2011/12 this equated to £100,00 per committee.

**Section Three: Carriageway Protection Programme:**

33. To support the Core and Local Maintenance Programme, Surrey Highways will also deliver a Carriageway Protection Programme. The Carriageway Protection Programme will be targeted at road assets to prevent further deterioration and hence more costly investment through the Core Maintenance Programme.
34. The programme will be developed annually by Asset Planning Group and will be based upon a pre-determined asset management cycle, for example, any road which has been re-constructed in 2008, will have a surface treatment protection applied in 2015. This will extend the good condition of road by a further 7 years by preventing water penetration and consequent creation of potholes and ultimately reduce Surrey County's Council's overall road maintenance costs.
35. The Core Protection Programme will be developed in October each year, priced and designed over the winter. Programme will then be delivered April to October using the most appropriate treatment.
36. To ensure the Carriageway Protection Programme supports the Core and Local Maintenance Programmes, officers will seek as part of a Cabinet report in November 2012 a fixed funding commitment over a five year period.

**Section Four: Project Horizon Objectives & Milestones**

37. To implement the new strategy and move from the single "one size fits all" maintenance approach, to delivering three separate Maintenance Programmes, a dedicated Project Team and plan will be created.
38. Referred to as "Project Horizon", the dedicated team will have direct report to Surrey Highways Senior Management Team and will be responsible for delivering the following milestones:

<b>Milestone Date</b>	<b>Action</b>
1 <sup>ST</sup> April 2012	Dedicated Project Team in place to deliver Project Horizon
1 <sup>ST</sup> May 2012	Governance Rules & funding confirmed for Local Maintenance Programme  Long List of schemes produced for fixed assets (structures, drainage, barriers)
1 <sup>ST</sup> June 2012	Implement and develop new Communication Strategy to support implementation of new policy and positively

	communicate benefits to Members, wider community and residents
17 <sup>th</sup> July 2012	Officers submit Asset Priority Policy to E&I Director, Select Committee and Cabinet Member for interim approval
1 <sup>st</sup> August 2012	All roads and footways to design and price schemes.
1 <sup>st</sup> September	Outline Design and costs confirmed for fixed assets and drainage schemes. Schemes prioritised over 5 year period subject to Asset Priority Policy and MTFP constraints.
30 <sup>th</sup> September 2012	Task Group review policy & matrix to date and provide further scrutiny  Asset Planning prioritise schemes against Interim Asset Priority Matrix, and contract prices re-negotiated with suppliers. Final CMP approved.
1 <sup>st</sup> October 2012	Guidelines and process produced for Carriageway Protection Programme
November 2012	Select Committee & Cabinet Report submitted to approve policy, funding and schemes for 5 year Core Maintenance Programme, with granting of formal approval of Asset Priority Matrix.
Nov – March 2013	Mobilise Core Maintenance Programme
1 <sup>st</sup> April 2013	Deliver Programme

## **Conclusion**

39. The existing planned maintenance approach, where all interested parties (listed below)

- (1) Local Members (via 3 nominations);
- (2) Asset Planning (via condition data);
- (3) Officers (via reactive feedback)

contribute to a delivering a single planned maintenance approach is not cost effective and does not fully meet the objectives of any of the stakeholders.

40. Replacing the existing Annual Maintenance Programme with three separate Planned Maintenance programmes, and moving to a longer term planning approach will:
- (I) improve highways condition as assets will be targeted based upon need;
  - (II) increase empowerment to Local Committees by allowing them to directly influence schemes delivery;
  - (III) provide greater visibility and clarity to Members and the Public of the Highway Maintenance Programme as scheme dates can be communicated up to five years in advance and the change control process will ensure that updates to the programme are also communicated;
  - (IV) reduce contracts costs by up to 10%-15%;
  - (V) provide greater clarification of roles & responsibilities between Surrey Highways and Local Committees.
41. The new model will be delivered through Project Horizon, using best practice project, and quality management, procedures.