



Environment and Transport Select Committee
1st March 2012

Interim report of the Maintenance Prioritisation Task Group

Purpose of the report: Policy Development and Review

This interim report sets out the recommendations made to date by the Prioritisation of Highways and Highways Structures Maintenance Task Group (Maintenance Prioritisation Task Group).

Introduction:

1. At the meeting of the Council Overview and Scrutiny Committee held on 13th September 2011, a scoping form was considered which set out a proposal for a scrutiny review into how Surrey County Council prioritises both its highways maintenance, and also its maintenance of highways structures, such as bridges.
2. Attached to this covering report as Annex A is a set of proposals, which explore in detail the recommendations of the Task Group with regard to the prioritisation of highways maintenance. As the scoping form for the Task Group outlined, the review is being conducted in two phases, and hence this is an interim report, with the second phase of recommendations concerning maintenance prioritisation policy, set to follow in due course.

Background to the Scrutiny Review

3. What is Maintenance Prioritisation?

- 3.1 The question of how maintenance of Surrey's highways is prioritised is an important one, particularly as there is an estimated £400m backlog of highway maintenance works and a £230m backlog in structures maintenance works.
- 3.2 The backlog means that there is a gap between the condition the roads are currently in, and where they would be ideally. The basic purpose of a maintenance prioritisation system is therefore to determine how to most

effectively maintain and improve the highways within the context of a finite budget.

How is Maintenance Prioritised at Present?

3.3 In 2008, the Asset Management Member Task Group conducted an in-depth scrutiny review of how Surrey's Highways Maintenance was prioritised. It resulted in recommendations which supported the adoption of an Asset Management approach towards Highways Maintenance.

3.4 Asset Management is defined by the County Surveyors' Society as

"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."

[Framework for Highway Asset Management, County Surveyors' Society, April 2004]

3.5 SCC currently uses an Asset Management approach towards maintenance prioritisation which is based upon a combination of factors including Engineer Assessments of road condition, Member Nominations, and Road Condition Data to name but a few.

Rationale of the Task Group

3.6 The proposal for the Task Group arose primarily in response to a Member perception that the current system of Maintenance Prioritisation was not delivering the most effective outcomes possible.

3.7 Specific issues which were highlighted included confusion over the role played by Members within the system, and concerns over how the maintenance schedules, and subsequent changes to the schedules, were communicated to Members and residents.

3.8 The proposal to also consider the prioritisation of maintenance for Highways Structures was put forward by SCC Highways Officers, as it does not currently have a formally approved Asset Management process, and Member input into developing a prioritisation system for this was desired.

3.9 The aim of the task group was therefore:

- 1) *To make best use of limited capital funding to maintain the condition of highways and highways structures in their current state, ideally aiming for improvements.*
- 2) *To address concerns raised by Members regarding the prioritisation system for Highways Maintenance.*
- 3) *To determine an effective means of prioritising Highways Structures Maintenance.*

Questions

3.10 The Task Group initially structured the review with reference to a number of key questions, which are set out below.

- 1) *Following the recommendations of the Asset Management Task Group in 2008, has the system been implemented successfully?*
- 2) *Has the system proved effective?*
- 3) *What, if any, problems or difficulties have arisen from the system, and how have they been addressed?*
- 4) *Have the criteria been weighted appropriately? As part of this, has the system been successful in weighing engineering assessments against the input of local Members?*
- 5) *Has the system been communicated well and is it understood sufficiently by both Members and the public?*
- 6) *What are the key performance indicators (KPIs) for this area and have they been appropriate?*
- 7) *What, if any refinements or actions are required to make the system more effective, and acceptable to key stakeholders?*
- 8) *How does the prioritisation system account for Integrated Transport Schemes, and could this be developed further?*
- 9) *How does highways maintenance prioritisation link in with the Highways Design function and its plans to become a strategic design function?*

Evidence Considered

4. To date the Task Group has held three meetings and has considered evidence from the following sources:
 - i) Written response from the Asset Strategy Team to the questions set out at 3.10 above.
 - ii) Presentation from the Asset Strategy Team Manager which set out what officers felt were the shortcomings of the existing system, and what could be done to improve the system to make it more effective and appropriate.
 - iii) A process map for the current system of Maintenance Prioritisation.
 - iv) Discussions with the Asset Strategy Team Manager, Group Manager – Projects and Contracts, and the Asset Planning Group Manager.
 - v) Presentation from Clive Griffiths, Highways Asset Manager, Hampshire County Council - which outlined Hampshire's approach towards Asset Management and Maintenance

Findings of the Review

Officer Feedback

5. At the second meeting of the Task Group, SCC Highways Officers were invited by the Chairman to advise what they felt were the current system's weaknesses, and also to identify where they saw opportunities for improvement.
- 5.1 The Chairman advised Officers at the outset of the review that he intended the work of the Task Group to be a cooperative process where the Members worked closely with the Officers to identify a mutually satisfactory way forward. Consequently, a discussion was held whereby both Members and Officers outlined what they saw as problems with the current system, and how it could be delivered. Listed below is a summary of the key points raised by Officers.

Timescales

- 5.2 The current approved process requires the carriageway maintenance lists to be reprioritised and republished on a yearly basis. Due to the complexity of the process and the level of officer input required, this has never been fully achieved and instead 2-yearly programmes have run between 2008 and 2010 and 2010 and 2012 with minimal updating of the lists in 2009 and 2011.
- 5.3 A yearly programme also gives very tight timescales for resolving the various factors involved in schemes, such as scheme design, co-ordination with utility works and programmes of works on other highway assets – e.g. drainage, traffic signals etc.
- 5.4 Officers felt that moving to a longer-term planning period, such as 2, 4, or 5 years would alleviate most issues arising from bottlenecks in the process. It was felt that additional efficiencies could be achieved through longer term planning, such as being able to gain contract efficiencies and giving Members and the public better information and greater certainty over when works will take place.

Approval Process

- 5.5 The rigidity of the current approved maintenance programme process means that there is no scope for Officers to move schemes up and down the list in order to combine with other works, which could provide more cost effective, sensible, joined-up programmes. Officers felt that moving to a longer term planning process where Members signed off the general principles for prioritising maintenance works, rather than the individual criteria, could lead to a more efficient outcome.

ICT Systems

- 5.6 At present, for the purposes of Asset Management, there are a variety of ICT and data systems in place, several of which are unable to cross communicate and share data with one another. In addition, some processes are carried out manually, such as visual inspections carried out by Engineers, which are recorded on a paper form at the roadside, to subsequently be entered into a database.
- 5.7 Officers acknowledged that the existing ICT systems were not as efficient and automated as possible, but that work is underway to improve this, but there may also be potential scope for invest-to-save opportunities to further improve the ICT process and systems. Caution was expressed, however, as there was not a single ICT system on the market that would provide an holistic solution, and a bespoke solution will be necessary.

Asset Management Principles

- 5.8 Officers commented that the current system does not function as effectively in line with Asset Management principles as it could. At present, the system means that for both the Major Maintenance programme and the Surface Treatment Programme the worst roads are generally being treated first. This is a problem as Surface Treatment which is preventative maintenance typically costs 1/10th the cost of Major Maintenance which repairs badly deteriorated roads.
- 5.9 Therefore, in line with Asset Management principles it is important to allocate an appropriate amount of resource towards preventative maintenance, as an investment in roads which are still in reasonable condition to stop them deteriorating further, at greater eventual cost.
- 5.10 Therefore, as well as an appropriate balance between preventative and major maintenance the two different types of treatment need to be prioritised separately using criteria which will give the most appropriate and cost effective schemes for each treatment.

Member Input

- 5.11 Officers felt that Member understanding of their role in the prioritisation system, and their certainty of its outcomes had fallen since 2008, and cited that in 2008, all bar 1 Member of the Council nominated 3 roads for maintenance schemes, whereas in 2011, this had fallen, to 20 Members not nominating any schemes.
- 5.12 Furthermore, Officers felt that the weighting given to Member input in the current prioritisation system was not functioning as had originally been intended by the Asset Management Task Group, and as a consequence was not delivering an effective maintenance programme. Officers subsequently proposed that the prioritisation of major maintenance schemes could be more efficiently and effectively planned in accordance

with asset management principles and without Member nominations in their current form.

Members' Views

- 6.0 The Task Group discussed their concerns regarding the current system in response to the views of, and evidence submitted by Officers and a summary of the key points identified is set out below:
- 6.1 Members felt that the current system was difficult to understand, insufficiently transparent, and suffered from poor communication with Members. More specifically these problems included:
- i) Uncertainty concerning dates for maintenance schemes, and a lack of confidence among Members when relaying information to residents.
 - ii) Confusion over the status of incomplete schemes at the end of the year when a new programme is created.
 - iii) Poor communication of the reasons for delays and changes to the maintenance programme.
 - iv) Lack of clarity over when low priority schemes will be carried out.
 - v) A lack of transparency over how the current system works, and a difficulty in explaining why certain schemes are prioritised ahead of others.

Conclusions of the Review

- 7.0 The Task Group subsequently worked closely with Officers to identify solutions to the weaknesses noted within the current system, and agreed the following as key objectives for a redesigned prioritisation system:
- 7.1 **Transparency and Flexibility** – It was considered that a new system must be clear and easy for Members and residents to understand. It must also be flexible to take account of issues such as extreme weather conditions which will impact upon the condition of the roads. An important aspect of transparency is to be able to demonstrate how a change in the criteria of the prioritisation system will impact upon the order of the maintenance programme.
- 7.2 **Longer Term Planning** – Both Members and Officers unanimously agreed that a move to longer term planning of either 4 or 5 years would provide greater stability and certainty for the delivery of the programme. It would allow Members and residents to clearly see when schemes would be delivered, and if there were changes made to the order, it would be clear to communicate the reasons behind this change and its knock on impact.
- 7.3 Planning over a longer period would also allow for efficiencies to be achieved through joined up working. This

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would mean that officers could plan several maintenance works in one specific area to be carried out simultaneously, where this was expected to provide benefits in terms of cost or reduced disruption. Bulk buying of materials in advance would also be made easier by having a longer term knowledge of what works needed to be carried out and when.

- 7.4 A consequence of longer term planning identified by the Task Group, however, was the need for a political commitment to a fixed five year budget. This would provide the certainty needed to plan effectively over the longer term. Members and Officers were confident that a move to longer term planning would lead to greater cost efficiencies and more effective ways of working which, as a consequence would be able to start making in-roads into the £400mn maintenance backlog.
- 7.5 Furthermore, with more effective ICT systems and processes in place, Officers were confident that it would be increasingly possible to simulate the effect that a given level of expenditure would have on the condition of the roads, and that more informed, ground-up budget decisions could be made on this basis.
- 7.6 Members and Officers discussed the merits of whether a 4 or 5 year maintenance programme period would be most effective, and concluded that the additional certainty provided by the longer term, more transparent process could be maximised by aligning it with the political cycle of the Council. It was concluded that the 5 year term represented best value and optimum solution.

Member Input

- 7.7 Both Members and Officers acknowledged that it was vitally important to engage and work with Members as a team to ensure that their local knowledge and expertise was used to maximum benefit as part of maintaining the County's highways.
- 7.8 However, it was acknowledged that the system at present was neither satisfying Officers from an Asset Management point of view, nor Members from their local perspective. Consequently, Members proposed a new approach to dealing with Maintenance Prioritisation and the role of Members, entailing three systems.

Core Maintenance Programme

- 7.9 This programme would be based on Asset Management principles and would provide a 5year programme of major

maintenance schemes, and would be based on an Asset Lifecycle Intervention process.

- 7.10 Members would not be involved in nominating roads for this system, as it was felt by both the Task Group and Officers that this aspect of maintenance prioritisation would be most effectively led by Officers. It was felt strongly that Member input would be much more effectively targeted towards the second system.

Local Maintenance Programme

- 7.11 It was concluded that the second system should be Member-led, on a local need basis. This would be carried out over a shorter life cycle than the major maintenance schemes and would enable Members to deliver schemes identified as a community priority. It was felt that this would provide more certainty for Members as they would be in a much stronger position to advise residents when repairs would be completed if they were clearly distinct from the Core Maintenance Programme. It was felt that this should be administered through the Local Committees and a budget would need to be allocated accordingly.

Carriageway Protection Programme

- 7.12 Protecting the carriageway from deterioration is critical in reducing maintenance costs. A third, separate programme would ensure that funding is allocated according to a planned intervention cycle.

Funding Complexity

- 7.13 However, the Task Group did identify potential risk of adding further complexity to local committees funding stream by incorporating additional programmes to the existing streams of ITS; Committee Revenue Fund; Community Pride; and Member Allocations.
- 7.14 As part of Phase 2, the Task Group therefore agreed to review how revenue funds could be simplified and more easily administered by local committees.

Conclusion

- 7.15 The Task Group felt that the three system approach would provide Members with greater certainty over when major maintenance schemes would be carried out, and that if there were changes to the programme during the 5 year cycle, it would be possible to clearly explain to Members the reasons for the change and its consequences. Officers were confident that combining longer term planning with an Asset Management approach would derive greater cost

efficiencies and also mean that the maintenance of all the County's roads would be prioritised in a more effective manner.

ICT and Data Systems

- 7.16 The Task Group agreed that better integrated and more intelligent ICT systems needed to be implemented to automate the process and enable better use of all of the data available regarding the condition of the roads and their expected life cycle. While Members acknowledged that Officers were working on this area and had made progress, the Task Group reiterated their belief that invest to save efficiencies in this area should be sought.

Proposals for Moving Forward:

8. Having reached a consensus with Officers over the mutually desired aims of a new Highways Maintenance Prioritisation System, the Task Group asked the Officers to draw up a detailed proposal for how they envisaged the three system approach would function. This proposal is attached to this report as Annex A – New Planned Maintenance Delivery Model

Financial and value for money implications

9. The new 3 -system approach is anticipated to deliver 10-15% savings from the current agreed contract process.

Equalities Implications

10. Improving carriageway condition through targeted investment and empowering local choice to identify schemes priorities, will improve accessibility within the community and wider economic area.

Risk Management Implications

11. The Project proposed in Annex A represents significant change in current policy and requires significant resource for it to be implemented. A separate, dedicated Officer Project Team will therefore be instigated to deliver project objectives and mitigate project risks.

Implications for the Council's Priorities or Community Strategy

12. Improving the Highway Assets will help ensure that Surrey's economy is strong and competitive.
- 12.1 Recommendations for a Local Maintenance Programme devolve as much decision making as possible to more local levels.

12.2 The recommendation to support the automation and optimization of the process are an investment in the skills and technology that staff and members need to provide an excellent service.

Recommendations:

- i) The Task Group asks the Committee to consider and comment on the interim report of the Task Group, and;
- ii) To consider recommending to Cabinet the proposals for a three system approach to Highways Maintenance Prioritisation, as set out at Annex A to this report.
- iii) Endorse the milestones and objectives of Project Horizon, as detailed in Annex A.
- iv) Support officers to develop an Invest To Save project to support the automation and optimisation of the asset prioritisation process.

Next steps:

The task group will continue its work and is now focusing up phase two of the review, which concerns the prioritisation policy of maintenance for highways assets. Officers instigate Project Horizon and provide regular reports and engagement with Select Committee.

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Sources/background papers: Scoping Form, Minutes of the Council Overview and Scrutiny Committee – 13th September 2011