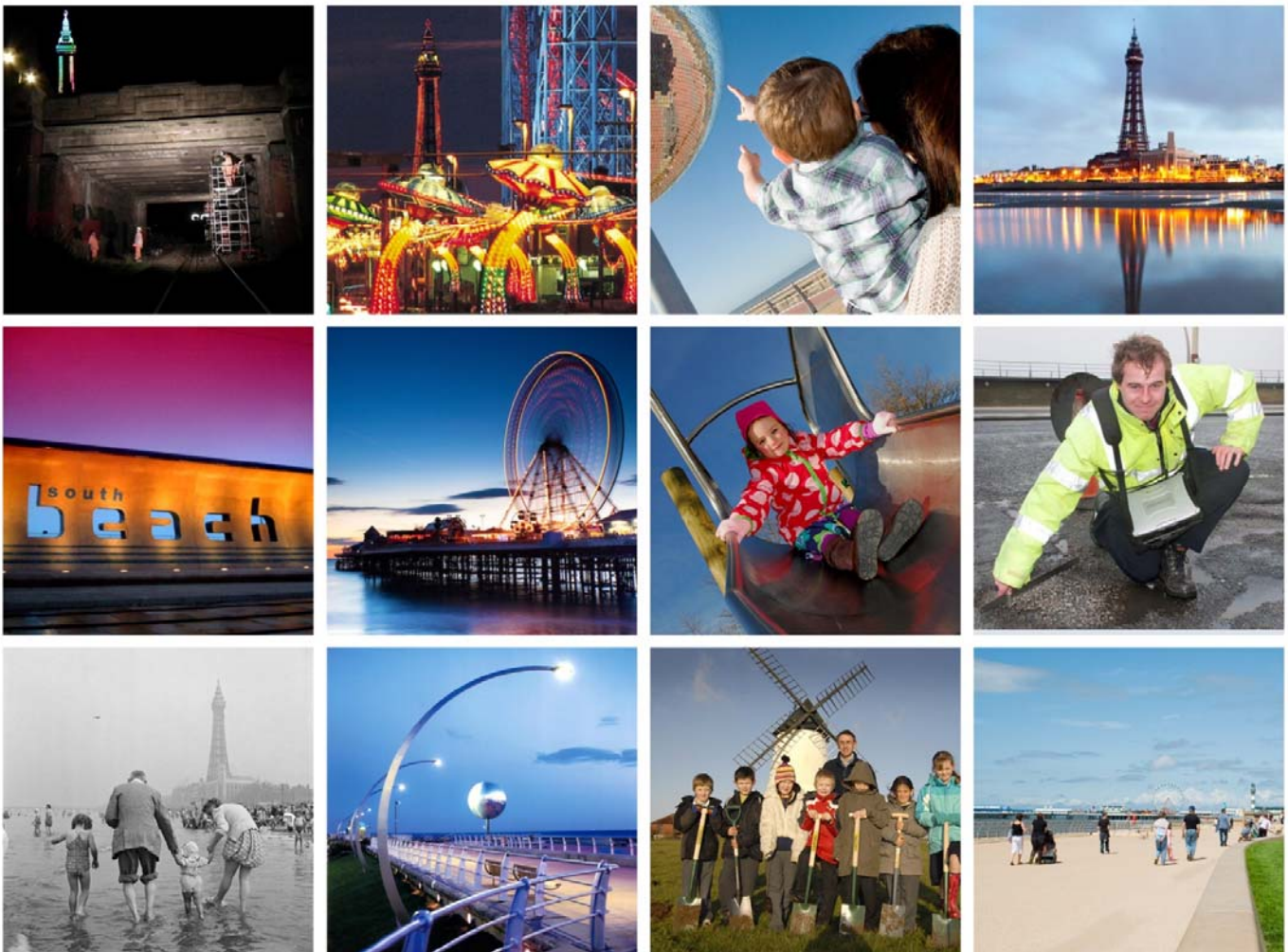


Road Asset Management Strategy 2015-2045 Part 3 Core Objectives and Strategy

Blackpool Council



Blackpool Road Asset Management Strategy

PART 3 Core Objectives and Strategy

3.1 What is the purpose of this document?

The purpose of the Core Strategy is to identify at a high level what we are trying to achieve through management of our road infrastructure within the context of expected funding and opportunities to identify funding from other sources.

This document is an important step in the process of creating a transparent direction and justification for our approach to maintenance of our road network which is often referred to as a 'Line of Sight'. As such it forms an important reference for strategic planning, performance management and audit purposes.

3.2 What is in this document?

In section 3.3 we set the scene by describing where we are now and the key challenges and risks that we face going forward.

In section 3.4 we summarise the legislation that defines what we must deliver in managing our road network.

Section 3.5 summarises the key national policies and targets that are relevant to the RAMS.

Section 3.6 summarises the links between the RAMS and the Council Plan, Local Transport Plan and Local Flood Risk Management Strategy.

Section 3.7 summarises the financial outlook and how this affects our aspirations for meeting the objectives and challenges set out in the preceding sections.

We then bring these together in Section 3.8 to list out a set of high level objectives and strategy actions for the RAMS.

3.3 Setting the scene

3.3.1 Where we are now

Since 2010 Blackpool has seen significant investments to address a growing backlog of renewals that had built up in the previous 2 decades. This includes the Project 30 programme for road and footway resurfacing, a PFI arrangement for street lighting and traffic control equipment and on-going programmes of reconstruction of bridges and structures funded through DfT and LEP grants.

With the context of this investment Blackpool Council is in a strong position to manage its road infrastructure sustainably over the next 20-30 years.

However, this RAMS represents a critical point in time at which the Council must secure the benefits of these investments for the long term. A particular benefit of these investments is that the Council has an opportunity to move to a preventative approach to maintenance that will enable us to deliver a better level of service for our customers at a lower cost. A preventative approach will also enable the Council to avoid repeat cycles in which large

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proportions of infrastructure reach critical condition at the same time resulting in a situation that may be unmanageable for future generations.

Conclusion and recommendation

Blackpool Council is also now able to model the financial consequences of under-investment and what the likely impact of that will be on the highways infrastructure and the impact financially upon future generations. Blackpool, must select a highway maintenance strategy to deliver road maintenance that balances growing service demands with reducing resources. Applying asset management principles will help Blackpool Council to achieve value for money and resist expensive, short-term interventions. This strategy must be sustainable to prevent financial burden on future generations.

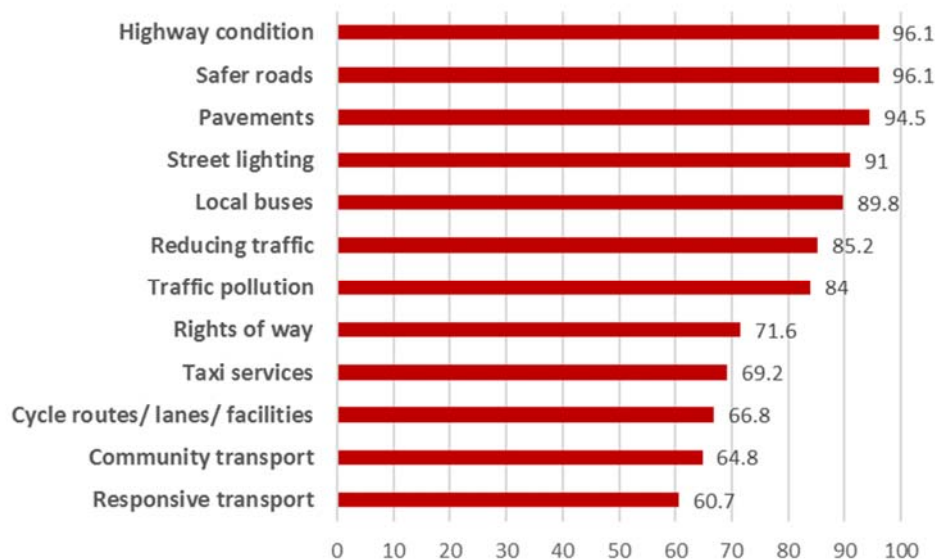
3.3.2 What our customers are saying

Blackpool Council has participated in the National Highways and Transportation Survey since 2009. This survey has provided strong evidence that the Project 30 investment has delivered greater satisfaction amongst Blackpool’s residents.

Over the period from 2011-2014 Blackpool Council was the most improved authority in the UK for local residents’ satisfaction towards road condition increasing from 22% satisfaction in 2011 to 41.3% in 2014. This strong trend in improvement has continued with satisfaction in 2015 increasing to 43% and placing Blackpool within the top quartile of performance nationally.

Further to this in 2015 Blackpool Council was awarded the NHT Best performance award for a range of transportation themes including road condition. This shows the importance of local road condition to the residents in Blackpool as demonstrated by Figure 3.3.1 below.

Figure 3.3.2.1 % Importance of highways and transport services to Blackpool’s residents



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So listening to the public views are at the heart of the RAMS which has limited budget so there is a need to for responsible stewardship and to ensure that it is affordable and doesn't impact on any other service. The highways consultative forum will assist in the 'listening' and ensuring the resident and other stakeholders views are taken into consideration and embroidered into the RAMS.

Conclusion and recommendation

Road maintenance underpins and enhances efforts to manage traffic congestion and improve road safety which are also areas regarded as important by residents. With a robust approach to prioritisation of maintenance it is also possible to support a number of wider transport policy objectives including promotion of cycling and walking.

Focused consultation with the Highways Consultative Forum and other interest groups should be supported by clear and transparent evidence of the implications of alternative budget scenarios for levels of service.

3.3.3 Future demand

The number of people nationally who are aged over 65 is expected to increase as a percentage of the total population from 17% in 2011 to 22% by 2033. In Blackpool these figures are significantly higher at 25% in 2014 rising to 33% in 2033.

This trend will result in growing demand for older people's services at a higher rate in Blackpool than in many comparable Councils and place greater pressure on budgets for other service areas including road maintenance.

However, road maintenance provides a fundamental contribution to enabling older people, in particular people with restricted mobility, to live independent lives for longer. As the age profile of the population changes so there will also be a significant change in perceptions of safety on the roads and footways and the ease with which people are able to physically access services.

Conclusion

The Council should recognise that the road provides a social service as it used by the users to all key destinations. Local communities are reliant on the road network to allow residents safe access to the local amenities. Maintenance of roads and footways as part of its wider strategy to support independent living for older people and people with mobility and sensory impairments.

3.3.4 Key challenges

3.3.4.1 Climate change

There is a broad-based scientific consensus that the climate is changing at a global level and is likely to continue to do so. Although there is uncertainty over the timescales of these trends the UK climate forecasts (UKCIP09) indicate that it is highly likely that an increase in

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the frequencies of winter storms and summer heat waves will occur within the 20-30 year period of this strategy.

These trends have serious implications for our road infrastructure. The RAMS must directly address these risks through the following broad approaches:

1. Developing a robust prioritisation process for routine maintenance operations such as gully cleansing and sealing of joints that are critical to ensuring that infrastructure operate as they are designed to do.
2. Preventing structural damage to roads from surface water by increasing the use of surface treatments such as surface dressing and micro-asphalt.
3. Adopting a risk based condition assessment regime for drainage infrastructure that are vital for network resilience. The condition assessment regime will provide an early warning system to avoid the need for more costly repairs and potential damage to third-party property.
4. Adopting alternative designs and material specifications that are more resilient to extreme weather. As an example, through the Bridges Reconstruction Programme new bridge decks designs have been adopted that remove the need for expansion joints that are a common point of failure for conventional bridge designs.
5. In some places redesign of drainage to increase capacity to carry greater volumes of surface water from storm events.
6. Planning for greater uncertainty in the future performance of our assets when developing budget forecasts. In order to do this we need to build up our intelligence base on changes in asset condition and associated repair costs as result of extreme weather events.
7. Following from the above, consideration should be given to the development of a local or regional contingency fund to address major infrastructure emergencies.

Conclusion and recommendation

Our strategy to mitigate climate change risks must focus on routine and preventative maintenance as well as potential redesign of infrastructure.

However, where it is not possible to mitigate the risk from extreme weather we must also develop a robust approach to contingency funding for emergencies. Effective management of a contingency fund may require a regional approach through collaboration with Lancashire County Council and the Local Enterprise Partnership.

3.3.4.1 Construction price inflation

Construction prices are expected to grow at a faster rate than Consumer Price Inflation (CPI) over the period from 2015-2019. Estimates of annual tender price inflation vary between 3.0% and 4.6% in the North West region (Gardiner & Theobold, 2015, Sweett Group, 2015). During the same period CPI is expected to remain within the 1.0-2.5% range (BoE, 2015).

Construction prices have historically tended to increase at a faster rate than consumer price (or retail) indices. However, the global construction market is forecast to grow by over 70% by 2025 (Global Construction Perspectives and Oxford Economics, 2013) which will have an unprecedented effect on prices. At the same time the domestic highway maintenance

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market has changed significantly since the outset of Project 30 with many large investments being undertaken across the country including Highways England's £15bn programme of resurfacing on the motorway and trunk road network. These factors are likely to compound each other to lead to very high rates of construction price inflation in the long term.

On the basis of the Council's current delivery mechanism and range of maintenance materials and methods there will be a reduction of approximately 20% in output for every £1 spent in 2019 compared with 2015. Certainly this trend will be unsustainable within the 5-10 year time horizon when considering that budgets that will only increase at best with consumer price inflation.

The implications for the RAMS are as follows:

1. Some loss in output from maintenance budgets will be inevitable over the next 3-5 years and will need to be accounted for in the forecasting models for individual assets (Part 4) and associated performance targets.
2. Increased use of preventative treatments such as surface dressing on roads and protection of routine maintenance budgets will be crucial to reducing the overall volumes of remedial maintenance that place greater demand for raw materials and energy and therefore exposure to higher commodity prices.
3. However, it is vital that the Council engages with its current and potential partners to identify alternative materials and methods that increase the use of recycled material or reduce energy consumption in order to build resilience to future price rises and ultimately secure a sustainable highway service for the next generation. This will require collaborative approach with other Councils.
4. Periodic reviews of highway procurement and contractor performance should consider the use of specific targets to reduce primary raw material and energy consumption.

Conclusion and recommendation

The difference between Consumer Price and Construction Price inflation represents a critical risk for the Council's road maintenance service and in the medium term service level targets must account for some unavoidable loss in maintenance output as a result.

We will address this risk by shifting expenditure towards preventative treatments, protecting budgets for routine maintenance and building our long term financial resilience by engaging with our partners and contractors to identify alternative and sustainable maintenance methods.

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3.4 Legal requirements

Table 3.4.1 summarises the overarching legal requirements that act as principle drivers for the RAMS.

Tale 3.4.1 Overarching legal requirements

Legislation	Requirements
Highways Act 1980	The Council has a duty to maintain public highways in Blackpool and must take all reasonable action to keep them in a safe condition.
Road Traffic Act 1988	The Council has a duty to promote road safety, to undertake studies into the causes of accidents involving vehicles and to carry out measures to reduce the risk of accidents
Local Government Act 1999	The Council has a duty to deliver best value in its services and to consult with users of those services on the approach to delivering best value.
Civil Contingencies Act 2004	The Council has a duty as Category 1 responder to assess major risks and plan for emergencies including those associated with transport infrastructure. This may include preventative actions to reduce or mitigate those risks.
Traffic Management Act 2004	The Council has a duty to take all reasonable action to reduce disruption to traffic on the network in particular as a result of road works.
Flood and Water Management Act 2010	The Council has a duty as Lead Local Flood Authority to investigate the causes of flooding and to undertake measures to reduce flood risk.

Table 3.4.2 summarises other legislation that influence the RAMS and its delivery.

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Table 3.4.2 Other legislation affecting the RAMS

Requirements	Implications for RAMS
Equality	<p>The Council must not discriminate against any individuals or groups through its activities on the basis of identified characteristics such as gender, race or religion.</p> <p>The Council must take all reasonable action to rectify any aspect of its highway service that puts disabled people at a disadvantage and to identify opportunities to advance equality of opportunity.</p>
Health and Safety	<p>The Council has a duty of care to protect the safety of the public, its employees and operatives through its management of the highway network, design and delivery of highway maintenance operations.</p> <p>The Construction Design and Management Regulations 2015 clearly sets out the duties of the Council and its contractors in relation to highway works.</p>
Environmental Protection	<p>The Council has a number of duties under the Environmental Protection Act 1990 relating to management of waste and minimising noise and pollution from highway maintenance activities.</p>
Natural environment	<p>The Wildlife and Countryside Act 1981 places restrictions on the timing of maintenance activities where they impact on natural habitats.</p> <p>It also places a duty on the Council to ensure that invasive non-native plants are not spread through maintenance and construction activities (such as transporting of contaminated soil).</p> <p>The Noxious Weeds Act 1959 requires the Council to control the spread of injurious weeds on highways and prevent its spread onto adjacent agricultural land.</p> <p>The Biodiversity Duty (Natural Environment and Rural Communities Act 2006) requires the Council to show regard for conserving biodiversity through its highway operations.</p> <p>The EU Water Framework Directive (Directive 2000/60/EC) places requirements on member states to achieve quality standards for inland watercourses</p>

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3.5 National Policy

Table 3.5 below lists the national plans and policies that will guide or influence the RAMS and its delivery.

Policy	Implications for RAMS
Action for Roads (2013)	The Government has provided a 6 year commitment to capital funding for highway maintenance up to 2020/21 which provides the Council with a longer term view than has been possible in previous spending reviews.
Construction 2025 (2013)	This is a Government strategy for the construction sector as a whole. It includes targets for 2025 to reduce overall lifecycle costs of assets by 33% over a 2009/10 baseline and to reduce greenhouse gas emissions from the built environment by 50% over 1990 levels.
Highways Maintenance Efficiency Programme (HMEP)	HMEP is partnership based programme supported by DfT to promote efficiency in the local highways industry. HMEP has established targets for the whole industry to achieve 15% efficiency gains by 2015 and 30% by 2020. HMEP focuses on key areas of asset management, collaborative working and standardisation of methods to achieve these targets.
Government response to the Transport Resilience Review (2014)	The Council should identify a Resilient Network to ensure that significant and critical risks on the transport network are managed effectively. Funding for emergencies on the highway network should now be managed by through contingency funds identified by Councils individually or regionally. Local Enterprise Partnerships should be encouraged to co-ordinate this process.
Highways Maintenance Capital allocations policy (2015)	From 2016/17 to 2020/21 a new financial incentive mechanism will be introduced to encourage efficient and customer-focused practices in Council highway services. The incentive mechanism will be in the form of financial penalties for poor performing Councils increasing annually to 17% of their annual highways maintenance capital allocation by 2020/21.
Review of Codes of Practice	Codes of Practice for highways, bridges and street lighting have been reviewed in Autumn 2015. The new Codes have less emphasis on prescribed standards than the previous versions whilst Councils are encouraged now to adopt an evidence-based approach to prioritising and managing risks on their networks.

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Conclusions and recommendations

Government policy is focused towards:

1. **Achieving efficiency targets in the local highways sector,**
2. **Improving transparency of highways services to their customers and**
3. **Addressing concerns about the resilience of local highway networks to extreme weather and climate change.**

The RAMS must play a central role in achieving these for Blackpool by providing a transparent and evidence based approach that will reduce the long term costs of road maintenance and enable the Council to effectively manage different types of risk.

3.6 Blackpool strategies and plans

3.6.1 List of plans and strategies that the RAMS will contribute to

The following documents will be described in the sections below:

Section 3.6.2 Blackpool Council Plan 2015-2020

Section 3.6.3 Blackpool LTP and Implementation Plan 2011-2015

Section 3.6.4 Lancashire and Blackpool Local Flood Risk Management Strategy

Each section will have corresponding tables setting out the contributions that the RAMS will make to the relevant policy and strategy actions.

3.6.2 Blackpool Council Plan 2015-2020

Table 3.6.2 lists the key objectives within the Council Plan that the RAMS will contribute to and summarises how the RAMS will support those objectives.

Table 3.6.2 RAMS contribution to the Blackpool Council Plan

Action	Council Plan Action	RAMS contribution
The Economy: Maximising growth and opportunity across Blackpool		
1	Expanding and promoting our tourism, arts, heritage and cultural offer	<p>Identify, monitor and prioritise risks to routes and infrastructure that are critical to the tourism industry in the town and the ability to manage highly variable traffic levels associated with Blackpool's tourism calendar.</p> <p>Prioritise works that retain or enhance the aesthetic standard of public realm in existing tourism locations, including the Promenade and proposed areas such as the new 'Cultural Quarter'</p> <p>Ensure the RAMS contributes to the aims of the Fylde</p>

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Action	Council Plan Action	RAMS contribution
		Peninsula Water Management Partnership to reduce the impacts of surface water pollution on bathing water quality
2	Attracting sustainable investment and creating quality jobs	<p>Identify, monitor and prioritise risks to routes and infrastructure that are critical to maintaining the resilience of the town to extreme weather including important routes for emergency services.</p> <p>RAMS will directly support the Talbot Gateway Central Business District and other key regeneration proposals by ensuring service levels reflect aesthetic requirements for the public realm on routes into and through those areas.</p>
3	Equality ambition: Reduce economic inequalities	By adopting a robust and transparent prioritisation framework to ensure that the social and economic benefits of maintenance work are fairly distributed and account for the specific accessibility issues affecting people in deprived areas of the town.
Communities: Creating stronger communities and increasing resilience		
4	Improving health and wellbeing especially for the most disadvantaged	<p>Enable people to retain their independence for longer by prioritising works that maintain the accessibility of routes to important community facilities and account for the prevalent needs in the neighbourhood</p> <p>Identify, monitor and prioritise risks on vital routes for emergency services</p>
5	Creating safer communities and reducing crime and anti-social behaviour	<p>Ensure adequate response times to deal with vandalism of highway infrastructure.</p> <p>Prioritise works that can enhance the aesthetic standards for areas that suffer from high levels of anti-social behaviour and fear of crime.</p>
6	Deliver quality services through a professional, well-rewarded and motivated workforce	Provide a model for information management in the Council that ensures that data is only captured once but shared and used for many different purposes across all Council and partner services

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Review

The Council Plan is due for review in 2016 and the RAMS Core Strategy will require subsequent scoping review to ensure it supports the new objectives in the Council Plan.

3.6.3 Blackpool LTP and Implementation Plan 2011-2015

The Blackpool Local Transport Plan brings together strategic and spatial priorities for transport in Blackpool reflecting objectives within the following:

- Local Development Framework (LDF) Core Strategy
- Talbot Gateway Masterplan

Table 3.6.3 summarises the key objectives set out in the Blackpool Local Transport Plan and how the RAMS will support those objectives.

Table 3.6.3 RAMS contributions to Blackpool LTP objectives

	LTP Objective	RAMS Contribution
Objective 1	Improve, maintain and make best use of Blackpool's transport network; in particular its roads, footways and bridges.	Develop long term strategies to secure the sustainability of Blackpool's transport infrastructure.
Objective 2	Improve road safety by interventions that reduce the number of people, particularly children, killed and seriously injured on Blackpool's roads.	Further develop and refine our risk prioritisation and monitoring framework to enable us to effectively target safety risks for preventative and remedial maintenance works.
Objective 3	Manage congestion levels on Blackpool's roads, especially where it impacts on local economic performance.	<p>Develop whole life cycle plans that minimise traffic impacts and work with partners to identify alternative and innovative methods that reduce traffic delays at roadworks</p> <p>Ensure that the condition of key walking and cycling routes to local and district centres are maintained in a condition that encourages walking</p> <p>Define and adopt a Resilient Network to ensure that critical infrastructure risks on key routes with high traffic flows are prioritised for preventative measures</p>

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	LTP Objective	RAMS Contribution
Objective 4	Improve transport to and within the resort, particularly by more sustainable modes, to enhance the visitor experience and support the local economy.	Identify, monitor and prioritise risks to routes and infrastructure that are critical to the tourism industry in the town and the ability to manage highly variable traffic levels associated with Blackpool's tourism calendar. Prioritise works that retain or enhance the aesthetic standard of public realm in existing tourism locations, including the Promenade and proposed areas such as the new 'Cultural Quarter'
Objective 5	Improve the efficiency and management of parking to support the local economy, especially for shoppers and visitors.	Prioritise the maintenance of regulatory markings where these impact on effective management of parking in key economic centres and reduce the incidence of pavement parking
Objective 6	Improve access to healthcare, education, employment, shops, social/ leisure opportunities and resort attractions, particularly by sustainable modes.	Enable people to retain their independence for longer by prioritising works that maintain the accessibility of routes to important community facilities and account for the prevalent needs in the neighbourhood Prioritise maintenance proposals that affect routes with high levels of cycling

Review

The LTP Strategy is due for review in 2016 and the RAMS Core Strategy will require subsequent scoping review to ensure it supports the new objectives within the LTP.

3.6.4 Lancashire and Blackpool Local Flood Risk Management Strategy (LFRMS)

The LFRMS has been produced in fulfilment of Blackpool's duties as Lead Local Flood Authority (LLFA) in accordance with the Flood and Water Management Act 2010. This contains the strategy and action plan to address flood risk in the area.

At a high level the RAMS will contribute to the delivery of the LFRMS by identifying measures that will address:

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1. the vulnerability of the highway network to flooding, in particular where highways are critical to the functioning of the town and key services
2. instances where highway infrastructure itself are required to provide critical roles in managing flood risk and protecting adjacent properties.

A strong link is needed between the delivery of the RAMS and LFRMS to ensure that forward works programmes are holistic and can draw in opportunities to meet multiple objectives. This is all the more important in view of the wider agencies that are involved in flood risk management that will also have access to different funding sources with potential to provide match funding and strengthen bids to Central Government.

Table 3.6.4 clarifies the various elements of the LFRMS where the RAMS will make specific contributions:

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Table 3.6.4 RAMS contributions to the LFRMS

Ref	LFRMS Measure	RAMS contribution
RR4	Ensure alignment of local Flood Risk Management and Emergency Planning functions	Ensure that important routes for emergency services and associated flood management infrastructure are included in the Resilient Network albeit if these roads are not accessible due to flooding the emergency services will use alternative routes to reach their destination/s
UR1	Understand key local flood risks	Undertake modelling to understand/ quantify the impacts of failure of drainage assets
UR2	Work together with other RMAs to investigate and manage interactions between Main River, coastal flooding and local flood risks	Develop a formalised information sharing mechanism between partners on flood management assets and flood risks. Identify opportunities for joint funding of flood risk management operations where they impact on multiple agencies' assets.
UR4	Take account of climate change when fulfilling duties and responsibilities in flood risk management	Ensure our risk prioritisation accounts for the future likelihood of return events within the 30 year strategy period when identifying preventative maintenance measures.
F1	Define the approach to, and opportunities for, resourcing and funding local flood risk management activities	Identify options for cyclical condition assessments of the high risk drainage assets to enable preventative maintenance strategies to be developed
F2	Encourage beneficiaries to invest in local flood risk management	Undertake economic impacts analysis of flood management assets to develop investment business cases
C&I2	Establish effective data sharing agreements	Develop a formalised information sharing mechanism between partners on flood management assets and flood risks.
SFRM3	Promote the use of SuDS	Ensure the maintainability of proposed SuDS
SFRM5	Set out an asset management plan	Key strategy actions and investments will be set out in the Drainage Asset Investment Strategy and critical infrastructure will be identified through the Prioritisation framework and Resilient Network Develop lifecycle plans for our highest risk

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Ref	LFRMS Measure	RAMS contribution
		drainage assets including those that critical to the prevention of surface water pollution.

Review

The LFRMS is due for review in 2017 and the RAMS Core Strategy will require subsequent scoping review to ensure it supports the new objectives within the LFRMS.

Conclusions and recommendations

The RAMS objectives will reflect the identified contributions of the RAMS to the Council Plan, LTP and LFRMS as detailed in Tables 3.6.2, 3.6.3 and 3.6.4.

3.7 Financial forecast

Capital forecast

The majority of funding for maintenance of Blackpool's road infrastructure is provided through annual grants from Central Government in the form of Local Transport Plan (LTP) maintenance block allocations. Additional funding has also been obtained through the Lancashire LEP and competitive bidding for the Challenge Fund for maintenance of structures that could not be delivered through the basic LTP grant.

Over the period 2015/16 to 2020/21 capital maintenance grants from Central Government will be determined using an incentive mechanism based on an assessment of the Council's performance in implementing asset management and efficient service delivery. Each Local Highway Authority will be required to undertake an audited self-assessment of its performance and will be assigned one of three performance bands, Band 3 being the best performers and Band 1 for the lowest performers. Band 1 Local Highway Authorities could face financial penalties of up to 17% of their basic annual grant by 2020/21. For Blackpool Council the total value of financial incentives over the 5 year period would be **£0.57M**. An internal audit is underway and has been included in the Risk Services audit plan for 2015/16.

There are three possible scenarios for the budget forecast dependent on the outcome of the assessment and performance band to which Blackpool Council is assigned. On the basis of our self-assessment for 2016/17 it is anticipated that Blackpool Council will achieve Band 2 status initially and progress to Band 3 in preparation for the self-assessment for 2018/19.

Figure 3.7.1 shows how the three LTP maintenance block scenarios compare with recent budgets since 2011/12. In all scenarios there will be a substantial reduction of between

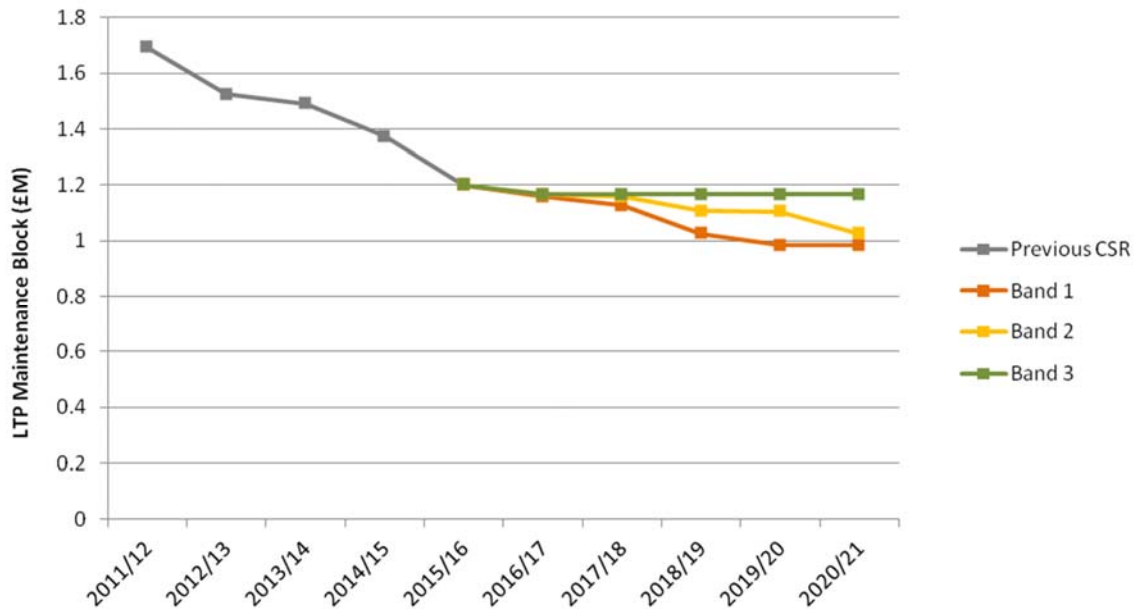
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£0.5M-0.7M per annum in basic LTP maintenance block available compared with pre-Project 30 levels.

This reduction was not foreseeable at the outset of Project 30 in 2010/11 which preceded the Comprehensive Spending Review (CSR) 2011/12-2014/15 period and assumptions around the ability to sustain levels of service on the network at the same time as making repayments on borrowing from LTP budgets were based on pre-Project 30 grant funding levels. Through Project 30 highway services worked closely with our contractors to reduce costs and this enabled us to meet our output targets for Project 30 in spite of the reduced funding from LTP.

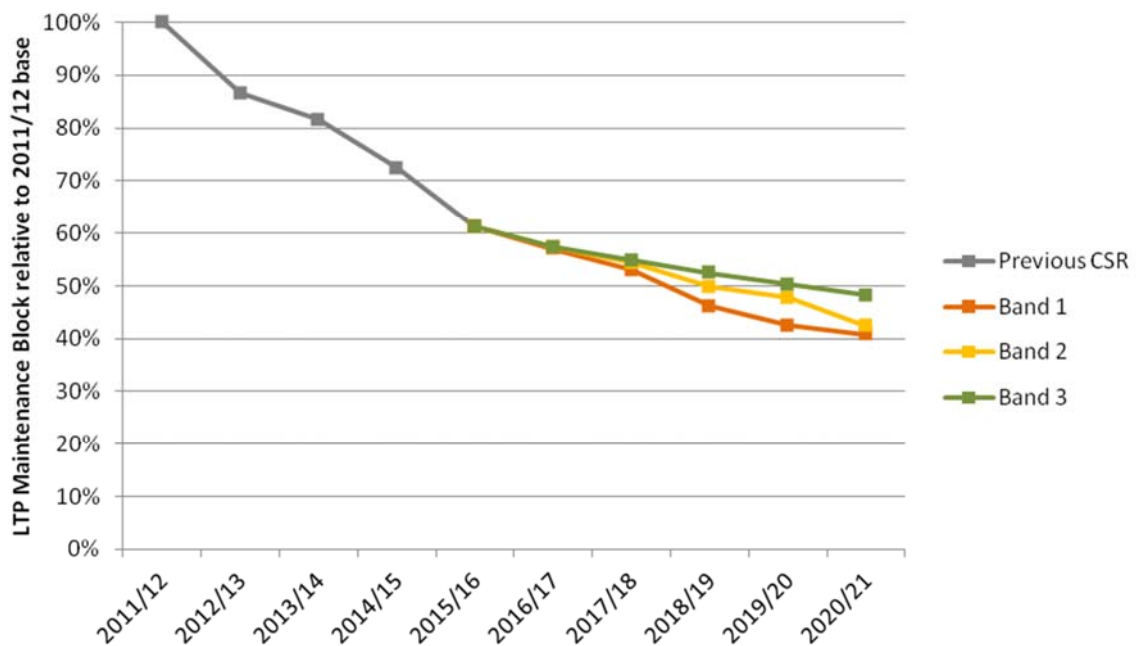
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Figure 3.7.1 LTP Maintenance Block allocations from 2011/12 and budget scenarios to 2020/21 (£M)



Recent and projected trends in construction price inflation place additional pressure on these capital budgets. Figure 3.7.2 applies these inflation trends to the LTP maintenance budget and demonstrates that even before other deductions are made for repayments our basic purchasing power has reduced by 40% in 2015/16 against the 2011/12 baseline and will have reduced by 50-60% in 2020/21 dependent on the self-assessment outcomes.

Figure 3.7.2 Inflation adjusted budgets relative to 2011/12 base



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(Source: BIS ROADCON Index, Inflation forecasts by Sweett Group, Tender Price Update Q1 2015 for North West)

4.1.5 The budget forecast presented in Table 3.7.1 reflects three scenarios dependent on the performance band achieved over the next 5 years. The forecast shows net capital and revenue funding available after deduction of repayments on borrowing for Project 30 and the central corporate top-slice.

4.1.6 The table shows funding sources for the structures programme for the period 2015/16-2017/18. There is also an Integrated Transport Block (ITB) contribution for bridges to provide £1.570M of match funding for the structures programme from the LTP allocation during this period.

4.1.7 In the face of unprecedented reductions in capital and revenue funding available for maintenance our primary focus for the strategy will inevitably be on addressing the challenges to meet the legal requirements as set out in Section 3.3, in particular for safety, resilience, accessibility and long term value for money. Beyond these requirements our Prioritisation Framework will enable us to identify opportunities to support the Council's other social and economic objectives through the development of our physical works programmes.

Table 3.7.1 Capital budget forecast under alternative self-assessment scenarios (£M)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
LTP Capital Incentive Band 1	1.201	1.161	1.128	1.027	0.987	0.966
Top slice Band 1	-0.150	-0.145	-0.141	-0.128	-0.123	-0.121
LTP Capital Incentive Band 2	1.201	1.168	1.158	1.107	1.067	1.027
Top-slice Band 2	-0.150	-0.146	-0.145	-0.138	-0.133	-0.128
LTP Capital Incentive Band 3	1.201	1.168	1.168	1.168	1.168	1.168
Top-slice Band 3	-0.150	-0.146	-0.146	-0.146	-0.146	-0.146
Repayments to P30	-0.633	-0.583	-0.523	-0.463	-0.403	-0.343
ITB Contribution (Structures)	0.000	0.785	0.785	0.000	0.000	0.000
DfT challenge fund (Structures)	2.114	2.855	0.596	0.000	0.000	0.000
Lancashire LEP (Structures)	0.500	0.600	1.200	1.500	0.000	0.000
Total capital (Band 1)	3.032	4.673	3.045	1.935	0.460	0.503
Total capital (Band 2)	3.032	4.697	3.071	2.006	0.531	0.555
Total capital (Band 3)	3.032	4.697	3.080	2.059	0.619	0.679

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Over the same period, Blackpool also expects to receive capital funding for Integrated Transport improvements (ITB) as detailed in Table 3.7.3

Table 3.7.3 Integrated Transport Block (ITB) funding (£M)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
ITB (£M)	1.720	1.720	1.720	1.720	1.720	1.720
With top-slice (*)	1.505	1.505	1.505	1.505	1.505	1.505

(*) In recent years the ITB has been top sliced by 12 ½ % which is shown in the above table

In view of the dramatic reduction in maintenance capital over the last 5 years it is now recommended that highway services carefully identify any Local Transport Plan ITB funding that can be made available for highway maintenance. In particular, allocations have been made for future Challenge funding whereby the ITB is to be used to allocate match funding. The use of ITB would in this case achieve the maximum benefit for the residents of Blackpool.

Conclusion and recommendation

The actual annual investment required to maintain all the road asset infrastructure is £3.5M per annum. This would be to renew road surfaces at the right time in their life. Of course due to current funding restraints this is a future aspirational figure.

It is essential, therefore, that the Carriageway Asset Investment Strategy continues to target the residential roads, particularly in the areas where the highest number of claims are received. This will, in conjunction with the additional risk management activities, assist in the reduction of the number and cost of tripping claims.

The Carriageway Asset Investment Strategy also includes an option for an additional £0.5M to ensure that the current condition of the Strategic Route Network can be maintained over the next 5 years. If this strategy is not followed there would be a consequential loss in terms of the value for money of this option we would expect there to be a greater cost to the Council and to the wider economy by to be at least 4 times the capital cost (in present value terms).

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Revenue forecast

Table 3.7.2 shows the expected levels of revenue funding over the same period with repayments deducted from the carriageway and footway allocations. These revenue budgets are estimated with an assumption that budgets increase in line with Consumer Price Index.

Table 3.7.2 Revenue budget projections (£M)

		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Carriageways	Allocation	0.059	0.060	0.062	0.063	0.065	0.066
	Repayment	- 0.037	- 0.037	- 0.037	-0.037	- 0.037	- 0.037
	Remainder	0.022	0.023	0.025	0.026	0.028	0.029
Footways	Allocation	0.317	0.324	0.332	0.339	0.347	0.355
	Repayment	-0.155	-0.155	-0.155	-0.155	-0.155	-0.155
	Remainder	0.162	0.170	0.177	0.185	0.193	0.201
Lining		0.040	0.041	0.042	0.043	0.044	0.045
Crossings		0.013	0.013	0.014	0.014	0.014	0.015
Drainage		0.060	0.061	0.063	0.064	0.066	0.067
Total		0.297	0.308	0.321	0.332	0.345	0.357

Since 2013 Blackpool has established a successful service to deliver highway construction works for Project 30 on behalf of private developers as part of Section 38 and Section 278 Agreements. In 2014/15 this generated £0.9M in revenue from these services. This will remain a vital income stream to secure the ongoing financial sustainability of the service as a whole. Although in the interim this revenue will be required to support repayments for Project 30 in the medium term it will support a robust risk based approach to routine, reactive and preventative maintenance.

Conclusions and recommendations

The basic level of capital funding from Central Government has fallen dramatically since 2011 and this could not have been foreseen at the outset of Project 30. Owing to our efforts to reduce scheme costs during delivery of Project 30 this reduced funding has not compromised the immediate outcomes of the Project. However, it creates new challenges for us to secure its benefits for the long term with substantially less funding, particularly when compounded with the effects of rising construction costs.

In this respect there is an imperative to maximise maintenance capital budgets and or other funding opportunities (such as the Department for Transport Challenge funding or the newly announced Pothole fund) to meet our legal duty to provide a safe and reliable network.

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It is also clear from the results of the NHT survey (section 3.3.2) that our residents expect us to retain or enhance budgets for maintenance of the network over other transport related expenditure.

Our primary aim for all physical works will be to meet our legal requirements to maintain the network in a safe condition, minimise traffic disruption and flood risk and ensure long term value for money. Physical works proposals that contribute to wider social and economic objectives will be prioritised as long as they also contribute to this primary aim.

3.8 Core Objectives and Strategy

Table 3.8 below lists the Core Strategy objectives for the RAMS.

These objectives are intended to reflect the multiple linkages with other local and national strategies and policies and the need to meet specific challenges and opportunities as described in Sections 4.3, 4.4 and 4.5 above.

As such these objectives will form the basis for the following:

1. The development of the Prioritisation Framework in **Part 5**
2. The selection of preferred strategy options for each asset group in **Part 4**
3. The identification of measurable targets for each asset group in **Part 4**
4. The development of operational service level policies.

Not all objectives are equal, particularly during difficult financial times. The core strategy objectives are therefore organised into three groups in descending order of priority. This provides a high level guide to decision making where funding is inadequate to meet all objectives. The groups are as follows:

Priority 1 Objectives that meet our legal requirements for safety and civil resilience

Priority 2 Objectives that contribute to meeting other legal requirements

Priority 3 Objectives that contribute to wider corporate priorities.

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Table 3.8 Core Objectives and Strategy

Ref	Objective		Sub-objective	Strategy
	Priority 1			
CO1	Meet our legal requirement to maintain Blackpool's roads in a safe condition	CO1.1	Minimise short term safety risks on our roads	Prioritise total transport capital budgets to ensure they are adequate to meet our duty to maintain the network in a safe condition
				Ensure close coordination with the road safety team to investigate sites where the condition of the road or associated assets may increase the risk of vehicular accidents
				Ensure that our policies on safety inspection frequencies and repair response times are kept up to date in response to intelligence on safety risks.
				Ensure that we continue to target high claim areas and prioritise works accordingly. Continue with the additional general inspections for these areas and the possibility of find and fix works
		CO1.2	Prevent any increase in safety risks in the long term	Prioritise total transport capital budgets to ensure that they are at least adequate to prevent an increase in safety risks in the long term
		CO1.3	Minimise safety risks from our maintenance operations	Continue to implement the requirements of the Construction and Design Management Regulations 2015

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Ref	Objective		Sub-objective	Strategy		
CO2	Meet our legal requirement to manage risks of major emergencies on the road network	CO2.1	Effectively manage existing critical infrastructure risks	Develop early warning systems to identify critical infrastructure risks that require major capital investment and potentially long funding lead in times. Ensure that they are given highest priority for funding from the transport capital programme and other sources		
				Define and periodically review Blackpool's Resilient Network		
				Ensure that critical infrastructure risks are included on the Corporate Risk Register until remedial works have been carried out		
				Identify an appropriate mechanism for managing a local or regional contingency fund to address major infrastructure emergencies.		
				CO2.2	Minimise the long term backlog of critical infrastructure risks	Account for climate change in forecasting of budgets required to minimise our critical infrastructure risks
						Adopt alternative designs and material specifications that are more resilient to extreme weather.
				CO2.3	Meet our legal requirement to manage and reduce flood risk	Implement cyclical condition assessments of critical drainage assets to support a preventative strategy for their management
						Adopt a coordinated and risk based approach to routine cleansing and maintenance of both minor and structural drainage assets

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Ref	Objective		Sub-objective	Strategy
				Carry out other recommended actions to support the LFRMS as described in Table 3.6.4
	Priority 2			
CO3	Meet our legal requirement to minimise disruption to traffic (TMA 2004)	CO3.1	Minimise traffic disruption as a result of planned road works	Develop 3-5 year physical works programmes on a rolling annual basis and share these with other statutory undertakers via the HAUC to maximise opportunities for co-ordination of programmes
				Develop lifecycle plans that minimise disruption and delay to traffic
				Work with contractors to identify and trial innovative methods that reduce the duration of road works.
		CO3.2	Minimise traffic disruption as a result of infrastructure failure and emergency repairs	Ensure that routes with high or seasonal traffic flows are included within the Resilient Network and any associated infrastructure identified within the critical infrastructure list
				Minimise the time between first call out to Category 1 safety defects and permanent repair
CO4	Meet our legal requirement to provide best value	CO4.1	Reduce the lifecycle costs of our road assets to reflect the ambition within Construction 2025	Adopt lifecycle strategies for all assets that minimise long term costs and ensure that preventative maintenance programmes are carried out in line with these lifecycle strategies.

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Ref	Objective		Sub-objective	Strategy
		CO4.2	Maximise the value for money of our transport capital expenditure	Prioritise total transport expenditure (Maintenance and Integrated Transport budgets) to reflect evidence of value for money
		CO4.3	Ensure financial sustainability of our services	Strengthen our capacity to generate income through our DSO
				Develop a robust process for management of information on repairs to safety defects to enable us to minimise pay-outs for injury and damage claims
				Implement a behavioural change programme to tackle fraudulent claims against the Council related to highways
		CO4.4	Increase our resilience to the effects of inflation by reducing the use of primary raw materials and energy consumption in our maintenance operations	Engage with the DSO and other Local Authorities (including Lancashire CC) to identify alternative materials and methods that increase the use of recycled material or reduce energy consumption. Consider the development of a collaborative approach to materials testing.
		CO4.5	Increase the efficiency of routine and reactive maintenance operations	Adopt a risk based approach to routine maintenance and inspections.
		CO4.6	Improve customer satisfaction	Prioritise total transport expenditure (Maintenance and Integrated Transport budgets) to reflect the expectations of Blackpool's residents and businesses
CO5	Meet our legal requirement to promote equality through highway services	CO5.1	Prevent discrimination through delivery of our road maintenance service	Raise awareness of the Equality Act 2010 amongst our staff and contractors

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Ref	Objective		Sub-objective	Strategy
		CO5.2	Promote equality through our services	Increase our level of communication, outreach and consultation with organisations and forums for disabled people, local residents' forums in deprived areas and other interest groups for disadvantaged people to identify opportunities to improve accessibility
CO6	Meet our legal requirements to protect the environment and public health	CO6.1	Minimise the impact of maintenance operations on public health	Ensure compliance with the Environmental Protection Act 1990 in relation to noise, air pollution and waste management from highway operations
				Ensure compliance with provisions within the Wildlife and Countryside Act 1981, Noxious Weeds Act 1959 and Natural Environment and Rural Communities Act 2006
		CO6.2	Minimise the impacts of our road infrastructure on the natural environment	Develop lifecycle plans for our highest risk drainage assets that are critical to the prevention of surface water pollution
	Priority 3			
CO7	Contribute to the Council's strategy to attract sustainable investment to Blackpool			Prioritise maintenance options that retain or enhance the attractiveness of key regeneration and employment areas
				Ensure that the condition of routes to local and district centres are maintained in a condition that encourages walking and cycling

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Ref	Objective		Sub-objective	Strategy
CO8	Contribute to the Council's strategy to promote Blackpool's tourism and culture			Identify, monitor and prioritise risks to routes and infrastructure that are critical to the tourism industry in the town and the ability to manage highly variable traffic levels associated with Blackpool's tourism calendar
				Prioritise monitoring and maintenance of assets that are critical to controlling surface water pollution and its impact on bathing water
CO9	Contribute to the Council's strategy to reduce economic inequalities			Prioritise maintenance that improves the amenity of local centres in deprived areas
				Adopt a robust and transparent prioritisation framework to ensure that the social and economic benefits of maintenance budgets are fairly distributed across the town
				Promote Blackpool Council's Direct Service Organisation (DSO) as a key employment opportunity for residents of Blackpool and particularly for new entrants to the labour market to gain experience and specialist skills

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Ref	Objective		Sub-objective	Strategy
CO10	Contribute to the Council's strategy to improve health and well-being especially for the most disadvantaged			Enable people to retain their independence for longer by prioritising works that maintain the accessibility of routes to important community facilities and account for the prevalent needs in the neighbourhood
				Identify, monitor and prioritise risks on vital routes for emergency services
CO11	Contribute to the Council's strategy to create safer communities and reduce crime and anti-social behaviour			Ensure adequate response times to deal with vandalism of highway infrastructure in areas with high levels of anti-social behaviour
				Prioritise works that can enhance the aesthetic standard and community pride in areas that suffer from high levels of anti-social behaviour and fear of crime
CO12	Contribute to the Council's strategy to deliver quality services through a professional, well-rewarded and motivated workforce			Develop a model for information management that can be integrated across all Council services and ensures that data is only captured once but shared and used for many different purposes
				Take an active role in developing performance benchmarking with other Councils

3.9 Strategic Risks

Table 3.9 lists key risks that affect the Core Strategy Objectives in Table 3.8.

Explanation

In the RAMS we make a distinction between two specific types of risk:

Strategic planning risks: Strategic planning risks are the focus of this section. They are typically long-term risks and their likelihood of occurrence is either constant or periodic or seasonal (such as winter storms). There may be factors, such as climate change, that lead to a gradual increase in these risks. In many instances though there may be limited scope to prevent strategic risk events happening and our approach to their management is to reduce the consequences of such events.

Asset risks: Asset risks are dealt with in Part 5 (Prioritisation Framework). These are risks associated with deterioration and failure of the assets themselves. Asset risk levels are constantly changing with the condition of the assets themselves and we need to consider the likelihood of a risk event happening at a number of different time horizons in order to understand the value of preventative action.

Other types of risk include management risk which relate to staff and skills and these are covered in individual service area

In both cases we ensure that the approach to scoring of risk is consistent with the overall corporate risk management approach.

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Table 3.9 Strategic risk register

Objective	Risk		Gross Impact	Gross L'hood	Gross Risk	Mitigation	Net impact	Net L'hood	Net Risk
	Extreme price inflation results in inability to deliver required volumes of work to retain current standard of safety.	A return to pre-Project 30 levels of poor condition would threaten the financial sustainability of the service and the ability to make repayments	4	3	12	<p>Long term mitigation through implementation of actions against CO4.4 although net risk should still reflect short term impacts</p> <p>Undertake further simulation of inflation risks to understand the implications for levels of service</p>	4	3	12
	Extreme price inflation results in inability to manage critical infrastructure risks on the Resilient Network within identified budgets.	This could lead to long delays in lead in time while additional funding is sought.	4	3	12	<p>Prepare pre-emptive funding bids for major infrastructure where resilience issues are identified (see Part 5 Prioritisation Framework).</p> <p>Work with Lancashire CC and the LEP to identify regional contingency funding for emergency funding of critical</p>	4	2	8

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						infrastructure			
	A change in the claims market results in the value of third party claims increasing beyond the rate of CPI.	An increase in the value of individual claims would undermine the Project 30 repayment model and result in further pressures on the highways budget. The result would be a self-reinforcing cycle of decline in condition.	4	3	12	Protect the current levels of resourcing for Highway Safety Inspectors and appropriate training (including update training on best practice) Ensure robust management of information on emergency measures to make safe and subsequent repairs including photos and date stamps that are correctly referenced to individual safety defects.	4	2	8
	Insurance claims start to be targeted at areas where they are not currently experienced such as public parks footpaths and public open spaces.	A shift in focus of claims to other service areas would undermine the Project 30 repayment model and result in further pressures on the highways budget. The result would be a self-reinforcing cycle of decline in condition.	4	4	16	Ensure robust inspection and repair regimes for parks and open spaces. Ensure robust management of information on emergency measures to make safe and subsequent repairs including photos and date stamps that are correctly referenced to individual	4	2	8

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						safety defects.			
	An increase in the frequency of extreme storm and heat events in the short or medium term results in more rapid deterioration rates than accounted for in the strategy.	If this occurred before Project 30 repayments are completed this would threaten the financial sustainability of the service	4	4	16	Run further modelling of climate change risk. Consider climate change in the maintenance and renewal designs for road surfacing, drainage and structures	3	4	12

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Review

Part 3 will be reviewed in 2020/21 or as any new legislation or policies are introduced that significantly impact on the duties of Council in relation to roads and the resources required for deliver them.