

**North Yorkshire County Council**  
**24 July 2019**  
**The Report of the Executive**

**1.0 Purpose of the Report**

- 1.1** To provide County Council with details of reports received, decisions made and recommendations to County Council by the Executive.

**2.0 Details of meetings**

- 2.1** The following sections provide details of the meetings of the Executive that were held on 21 May 2019, 11 June 2019 and 25 June.

**2.2 21 May 2019 Executive (Performance Monitoring) meeting**

The Executive met on Tuesday 21 May 2019. County Councillor Carl Les in the Chair. County Councillors David Chance, Gareth Dadd, Caroline Dickinson, Michael Harrison, Andrew Lee, Don Mackenzie, Patrick Mulligan, Janet Sanderson and Greg White were in attendance.

Also in attendance: County Councillors Paul Haslam, Derek Bastiman, Annabel Wilkinson and Andrew Paraskos.

Substantive agenda items were:

- Quarterly Performance and Budget Monitoring Report
- SEND Special Provision Capital Funding (SPCF) - Plan for use remainder of Allocated Funding
- Lowering the age range of Thornton in Craven Community Primary School to 3-11

The link to the reports and minutes from this meeting is as follows:

<http://democracy.northyorks.gov.uk/committees.aspx?commid=18&meetid=4029>

**2.3 11 June 2019 Executive meeting**

The Executive met on Tuesday 11 June 2019. County Councillor Carl Les in the Chair. County Councillors David Chance, Caroline Dickinson, Michael Harrison, Andrew Lee, Don Mackenzie, Patrick Mulligan, Janet Sanderson and Greg White were in attendance.

Apologies: County Councillor Gareth Dadd.

Substantive agenda items were:

- Multi Agency Safeguarding Arrangements
- Appointments to Committees and Other Bodies
- Children and Young People's Service - Schools Condition Capital Programme 2019/20 (Appendix exempt information)

The link to the reports and minutes from this meeting is as follows:

<http://democracy.northyorks.gov.uk/committees.aspx?commid=18&meetid=4030>

## 2.4 **25 June 2019 Executive meeting**

The Executive met on Tuesday 25 June 2019. County Councillor Carl Les in the Chair. County Councillors David Chance, Gareth Dadd, Caroline Dickinson, Michael Harrison, Andrew Lee, Don Mackenzie, Patrick Mulligan, Janet Sanderson and Greg White were in attendance.

Substantive agenda items were:

- Highways Infrastructure Asset Management Policy and Strategy
- Adoption of new Nidderdale and Forest of Bowland Area of Outstanding Natural Beauty Management Plans 2019-2024
- Scarborough Park and Ride
- NYCC Highways Major Transport Schemes Reserve List Review

The link to the reports and minutes from this meeting is as follows:

<http://democracy.northyorks.gov.uk/committees.aspx?meetid=4031>

## 3.0 **Recommendations by Executive for approval/information at County Council**

The following recommendations were made by Executive at the above meetings for approval and/or information at County Council:

### 3.1 Quarterly Performance and Budget Monitoring

This item was considered at Executive (Performance Monitoring) on 21 May 2019 where Executive were asked to approve the £933k earmarked for BES development initiatives and the proposed carry forward to 2019/20 of the net capital underspend totalling £0.6m.

#### **The Executive RECOMMENDS:**

- |     |  |
|-----|--|
| (a) | That the proposed carry forward of £933k earmarked for BES development initiatives as detailed in paragraphs 2.2.11 of the report be approved by County Council.   |
| (b) | That the proposed carry forward to 2019/20 of the net capital underspend totalling £0.6m as set out in paragraph 4.14 of the report be approved by County Council. |

A copy of the report that went to Executive is in Appendix 1.

### 3.2 Highways Infrastructure Asset Management Policy and Strategy

This item was considered at Executive on 25 June 2019 where Executive were asked to approve the submission of the draft Highways Infrastructure Asset Management Policy and Strategy documents.

#### **The Executive RECOMMENDS:**

That the submission of the draft Highway Infrastructure Asset Management Policy and Strategy be approved by County Council.
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A copy of the report that went to Executive is in Appendix 2.

### 3.3 Home to School Transport Policy

This item was considered by Executive on 16 July 2019 where Executive were asked to approve the following changes to the Home to School Transport Policy:

Proposal 1:

Mainstream transport provision will only be given to eligible children and young people attending the catchment school or the nearest school to the permanent home address

Proposal 2:

Introduce Full cost recovery for second home transport

Proposal 3:

The Local authority will collect from the curtilage of any highway or road which consists of or comprises a made-up carriageway unless a SEND, Medical or Mobility need requires a direct door to door collection

Proposal 4:

Removal of the current Rising 5 arrangement and confirm transport eligibility to commence from the September start of reception year

Proposal 5:

To adopt a single charge for all Discretionary Transport

Proposal 6:

Introduce a £20 fee for replacement school transport passes

Proposal 7:

Introduction an application process for Home to School Transport.

#### **The Executive RECOMMENDS:**

That the proposed changes to the Home to School Transport Policy be approved by County Council.

A copy of the report that went to Executive is in Appendix 3.

### 3.4 Appointments to Committee and Outside Bodies

The following appointments are to be noted by County Council:

#### North Yorkshire Health and Wellbeing Board

Chris Brackley to be appointed as the representative of Healthwatch North Yorkshire.

Dr. John Crompton to be appointed to the Board as the Primary Care representative, with Dr Sally Tyrer as his nominated substitute.

Mike Padgham as the representative of Care Providers, with Bev Proctor, as his nominated substitute.

Standing Advisory Council on Religious Education (SCARE)

Cllr Janet Jefferson is appointed to May 2021 to fill the vacancy that has been created by Cllr Jim Clark stepping down.

CARL LES  
Chairman  
County Hall  
Northallerton

15 July 2019

## 2.0 REVENUE BUDGET 2018/19

### 2.1 BACKGROUND AND SUMMARY

2.1.1 This section of the report presents details of the revenue outturn for the 2018/19 financial year. The final in-year 2018/19 budget is £367,921k with the net movement since the budget approved by Executive and County Council in February 2018 shown in **Appendix A**.

2.1.2 The overall 2018/19 revenue outturn position of the County Council is a net saving of £2,492k (0.7%) against operational budgets. This compares with a projected saving at Q3 of £2,110k. Further detail is provided in **section 2.2**.

2.1.3 This underspend will be added to the Strategic Capacity – Unallocated Reserve in order to help support corporate objectives and priorities as set out in the Council Plan as well as helping to manage any future budget shortfalls.

2.1.4 2018/19 has been a challenging year with significant pressures within both Adult Social Care and Children's Services. As in previous years, the outturn position for Health and Adult Social Care has been improved by the application of the improved Better Care Fund by over £2.0m which is helping to support the pressure on the Care and Support purchasing budgets. Additional funding for Winter Pressures and High Needs have been utilised to help with demand pressures, which is detailed in Section 2.2 below. Demand pressures are forecast to continue in the future, hence the prudent action taken by the Council to build in growth within the 2019/20 budget and beyond.

2.1.5 A significant, and growing, element of the pressure on the County Council's budget has come from services for children. This includes a number of areas that are ostensibly funded through the Direct Schools Grant. However, because this funding from central government has been insufficient to meet the demands upon it, the additional costs have fallen on to the County Council. In 2018-19 the net effect of this underfunding was over £3.3m. Details of the most significant areas of pressure are shown in the table at Para. 2.2.12.

### 2.2 OPERATIONAL BUDGETS

2.2.1 The table below identifies the operational budgets for each of the Directorates in 2018/19. The net revenue outturn indicates a number of variances, which together total a saving of £2,492k. Issues of note include:

- Significant financial pressures in Health & Adult Services and Children & Young People's Services;
- Savings in Corporate Miscellaneous & Business and Environmental Services, which are mostly of a non-recurring nature; whilst these will offset some of the emerging pressures in Directorate budget lines in 2018/19, these will not recur in 2019/20.

Directorate	Budget (£k)	Outturn (£k)	Variance (£k)	Q3 Variance (£k)
HAS	152,659	157,313	+4,654	+3,910
LESS: iBCF deployed	0	(2,230)	(2,230)	(3,910)
Less: Winter Pressures Grant	0	(2,424)	(2,424)	0
BES	79,936	76,080	(3,855)	(1,276)
CYPS	68,677	75,776	+7,099	+9,288
Central Services	57,825	57,315	(510)	(568)
Corporate Misc.	8,824	3,598	(5,226)	(9,554)
<b>TOTAL</b>	<b>367,921</b>	<b>365,428</b>	<b>(2,492)</b>	<b>(2,110)</b>

2.2.2 A summary of the overall **Health and Adult Services (HAS)** position is outlined in **Appendix B**. This shows that the Directorate will use the £2.4m of Winter Pressures funding allocated by central government and £2.2m of iBCF (improved Better Care Fund) to meet Adult Social Care Pressures and achieve a balanced outturn. Our initial 2018-19 budget assumed we would require £3.7m in 2018-19 but pressures have increased in a number of areas as outlined in the appendix and **section 2.3**. These pressures include increased national demand on the health and social care system in the winter months, which led to the award of a £2.4m grant from central government late last year.

2.2.3 However, it should be noted that the winter pressures funding and iBCF is currently time-limited and whilst there is some expectation of similar funding continuing, which will continue to offset budget pressures in the future, this is not guaranteed. The Council continues to lobby for a more secure funding settlement for such pressures. The Directorate has agreed a cost reduction action plan which seeks to reduce costs in Care and Support in advance of the expectation of the ending of temporary funding.

2.2.4 The budget uses only £2m of the HAS growth contingency budget. A figure of up to £3m was agreed for this by the Council in the 2018-19 budget and therefore the remaining £1m is shown as an in-year underspend in the Corporate Miscellaneous budget. This position will be monitored closely

recognising the continuing demand and market pressures on the service in 2019-20.

2.2.5 The main cost pressures continue to fall within Care and Support budgets, with this area overspending by £6.0m, primarily on care packages. This is an increase from the position reported at Q3 by £1.0m, highlighting the significant demand-led pressures faced by this area, including some winter pressures in spite of a relatively milder winter. However, a greater and continuing source of pressure is the state of the care market, with the full costs of provider closure carrying through into Q4 (primarily in the Harrogate and Scarborough and Ryedale localities) and market-driven cost-inflation creating significant pressures, especially in the Harrogate locality.

2.2.6 Some examples of the emerging pressures are shown below:

- Additional transport costs: £184k
- Sustainability funding for care home provider: £200k
- Net cost of new cases for Older People residential and nursing in Harrogate and Craven: £641k

Overall, net residential and nursing home admissions remain constant as does the size of home care packages.

2.2.7 As highlighted in the previous report, Public Health will rely on a lower use of reserves than projected at the start of the year. The actual amount used is £1,650k compared with an initial expectation of £2,946k. This is primarily due to reduced take up of activity driven contracts with associated prescribing costs including drugs and alcohol, sexual health and tobacco control programmes and due to delays in spend due to programme timing issues.

2.2.8 **Appendix C** includes details of the projected variance within **Business and Environmental Services**. The in-year savings identified at Q3 were achieved, with further areas contributing to the in-year saving. The continued mild winter resulted in further reduced demand for salt; demand for concessionary fares has continued to decline; along with some delayed recruitment to vacancies within Integrated Passenger Transport team. The highways maintenance team have charged additional time and cost to capital works and received additional income from rechargeable works.

2.2.9 A summary of the final outturn for **Children and Young Peoples Services** is shown at **Appendix D**, an overspend position of £7.1m by the end of the 2018/19 financial year. The following areas have changed since the last quarter's report to Executive:

- **SEN Transport**

Reduction of £0.6m in overspend. Analysis of late invoices received during the year (i.e. for prior years' contracts) shows that the total amount for 2018/19 is less than anticipated; however, the underlying trend, linked to increases of children assessed as requiring Education, Health and Care Plans (EHCPs) is expected to increase in 2019/20.

- **Children & Families**  
Reduction of £0.5m mainly due to higher than expected staff vacancies in the lead-in time to the Children & Families restructure in March 2019.
- **Dedicated Schools Grant (DSG)**  
Provision for falling rolls and pupil growth were not required in 2018/19; coupled with a rates rebate in relation to in-year academy conversion has led to an underspend across some budget lines within the Dedicated Schools Grant. In addition, funding allocations confirmed by the January 2019 census exceeded the claimed payments to 3&4 year old providers. However, overspendings previously reported to the Executive were confirmed for school redundancies and provision for sponsored academy deficits.

2.2.10 It should be noted that the overspend position is after the government's allocation of an additional £1.2m funding for High Needs; there is no confirmation of this temporary funding beyond 2019/20 and this has been factored into the Council's Medium Term Financial Strategy.

2.2.11 **Central Services** budgets underspent by £510k, the main change from Quarter 3 is an overspend on repairs and maintenance budgets within property services offset by staff vacancies across back office services and additional income generated predominantly within registrars, further details are included in **Appendix E**.

2.2.12 Key variances were reported at Q3 and an update on these areas are outlined below:



Directorate	Service	Outturn Q4	Projection Q3
HAS	Care & Support	£6,012k	+£5,055k
BES	Highways and Transportation	(£3,625k)	(£818k)
CYPS	SEN Transport	+£2,616k	+£3,234k
CYPS	Children & Families	(£817k)	(£313k)
CYPS	Placements	+£460k	+£460k
CYPS	Disabled Children's Services	+£818k	+£825k
CYPS	School Improvement and Improvement Partnerships	(£161k)	(£266k)
CYPS	Pooled Budget	+£706k	+£650k
CYPS	Inclusion	+£322k	+£330k
	AND		
DSG	Sponsored Academies	+£582k	+£520k
DSG	School Redundancies	+£562k	+£542k
DSG	Early Years	+£183k	+£229k
DSG	High Needs Commissioning	+£3,164k	+£2,952k

*The items marked as DSG are funded from the Dedicated Schools Grant but as the grant funding is not sufficient to cover these costs the shortfall will impact on the County Council budget.*

2.2.13 The detailed explanations for the variances highlighted in the table above are set out in the previous 2018/19 quarterly monitoring reports. The reasons for the higher than previously forecast overspend in Care and Support are due to continuing increases in demand as noted in **section 2.1** above.

2.2.14 In addition to the saving on the Business and Environmental Services Budget, there are a number of non-recurring savings in **Corporate Miscellaneous**,

which have partially offset the financial pressures. The most significant variances are included within the table below:

	£m	£m
Inflation Provision previously estimated for HAS	(£1.4m)	-£11.1m
Adult Social Care Contingency unutilised balance	(£2.0m)	
Corporate Savings Contingency – for undelivered savings	(£2.5m)	
Waste Strategy Contingency	(£0.8m)	
Additional Government funding streams – including levy account surplus and additional grants relating to indexation of business rates	(£3.7m)	
Additional income on commercial investments and dividends	(£0.7m)	
<i>Offset by</i>		
Broadband – final year of school contract	£1.0m	+£6.1m
School Readiness Reserve	£0.3m	
Commercial Investment Depreciation Fund	£1.2m	
Investment for 2020 Projects	£0.6m	
Provision for contractual disputes	£3.0m	

2.2.15 The County Council has invested in several commercial investment opportunities during 2018/19. Commercial investments are long term in nature and as such valuations can rise as well as fall over the period of investment. As part of a prudent approach to investment, a reserve of £1.2m has been created to ensure sufficient funds are set aside to mitigate any impact should a loss on an investment be realised. This will help to smooth out the impact upon the Council's revenue account.

2.2.16 The County Council's share of the Business Rates Pool surplus for 2018/19 is £933k. It is proposed that this money is transferred to BES Development Initiatives as in previous years.

2.2.17 A provision has been made for contractual disputes of £3m. Such a provision will mean that service funding can remain intact in the event of costs falling to the Council although the Council will continue to pursue all cases where it believes it is entitled.

Details of the variances are provided in **Appendices B-F**.

2.2.18 The outturn statement for the County Council's NYES traded service is also attached at **Appendix G** for information. These services are mainly provided to schools in the County and the figures reported do not have any further impact on those in the above table because, where relevant, the charges are already incorporated in Directorate forecast budget outturn positions.

## 2.3 Improved Better Care Fund

2.3.1 North Yorkshire's use of the £19m iBCF grant has been revised based upon current spending plans and discussions with our partners:

	Allocation	Revised Spend
	£m	£m
2017-18	9.3	3.8
2018-19	6.9	9.3
2019-20	3.4	6.5
Total	<b>19.6</b>	<b>19.6</b>

2.3.2 The Integration and Better Care Fund Planning Requirements for 2017-19 published on Monday 3rd July 2017 confirmed that the funding is provided to Local Authorities with conditions for the purposes of:

- Meeting adult social care needs
- Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and
- Ensuring that the local social care provider market is supported.

2.3.3 The spending of this grant has taken into account:

- Market intelligence regarding pressures and capacity in the care and support markets in North Yorkshire;
- DTOCs across North Yorkshire, including work to implement the High Impact Changes for managing transfers of care;
- Underlying £6 million annual pressure on social care purchasing budgets, due to complexity of care, market premiums and challenges with sourcing care packages;
- Steer from NYCC Executive Members;
- Feedback from the North Yorkshire NHS and care provider partners; Opportunity for partners within the four A&E Boards (which operate for each of the CCG/Acute Health Trust footprints), where possible, to feed in ideas and also a further opportunity to discuss the proposed schemes and use of the money to deliver the required impact for the health system before being presented to the Health and Wellbeing Board. Accountability for this investment (as part of the s75 agreement with health partners) is through the Health and Wellbeing Board and regular updates are provided.

2.3.4 Given the non-recurring nature of the funding, it was agreed in 2017 that unless and until recurrent additional funding is made available by the Government, that the County Council limits its exposure to recurrent financial risk for these schemes to a maximum of £3.4m, which reflects the value of the final year's grant allocation.

## 2.4 BUDGET/ MTFS SAVINGS TARGETS

2.4.1 The 2018/19 revenue budget reflects previously agreed and updated 2020 North Yorkshire savings targets and these are incorporated into Directorate 2018/19 budget control totals shown in the table in **paragraph 2.2.1**. These 2018/19 savings targets (which are in addition to savings targets reflected in previous year's budgets) total £15,516k, and consist of:

Item	£000
North Yorkshire 2020 Savings in 2018/19 agreed in the February 2018 budget and earlier years MTFS savings targets:	
BES	1,200
CYPS	4,179
HAS	3,277
CS	6,860
<b>Total savings reflected in 2018/19 budget</b>	<b>15,516</b>

2.4.2 Assessment of progress against the targets indicates that there has been £97k early achievement across the savings programme predominantly from the procurement savings challenge.

2.4.3 There are some areas of the programme, however, where savings have not been achieved within expected timescales. Some projects have not delivered against the 2018/19 target and are directly impacting on the outturn position while for some others, where achievement has been delayed, one-off cash funding has been released, principally from reserves, in order to minimise the impact on the outturn position. These are outlined in the table below.

<b>Cash-funding of Projects in 2018/19</b>		
HR	£153k	
<i>Total Cash funding of projects</i>		<i>£153k</i>
<b>Undelivered against target in 2018/19 impacting upon outturn position</b>		
Early Years Review	£197k	
Reducing LAC	£150k	
Review of Education Psychology	£100k	
Developer's One Stop Shop	£30k	
Systems Centralisation	£22k	
Income & Debt Management	£50k	
<i>Total projects undelivered against target</i>		<i>£549k</i>
<b>Unachieved savings relating to prior years</b>		
Disabled Children's Service Transformation	£267k	
Strength Based Assessments	£311k	
<i>Total unrealised savings relating to prior years</i>		<i>£578k</i>
<b>Total Projects with Delayed Achievement</b>		<b>£1,280k</b>

- 2.4.4 There is a net £1,280k delayed achievement of 2020NY savings in 2018/19. Following the application of £153k cash funding for specific delayed projects, there is a £1m adverse impact on the revenue outturn position. This is set out in detail in the table below.

Item	£000
Total Projects with Early Achievement	97
Total Projects with Delayed Achievement	(1,280)
<b>= Net position on 2020 Programme</b>	<b>(1,183)</b>
Agreed one-off cash-funding of 2020 Projects Delayed Achievement (i.e. no impact on net bottom line)	153
<b>= Net position of 2020 Programme on Q4 revenue outturn position</b>	<b>(1,030)</b>

- 2.4.5 Variances from the 2018/19 Budget will continue to be monitored through 2019/20 to ensure savings are delivered as part of the governance of the 2020 North Yorkshire Programme. The net position is always reported within the quarterly Revenue Budget monitoring report and details of the variances are shown in **Appendices B to F**.
- 2.4.6 The gross position on the progress of the 2018/19 unachieved savings along with the savings included in the budget for 2019/20 and future years will continue to be monitored and delivery reported upon as failure to deliver the savings in the budget, as opposed to delays, would result in a year on year shortfall.
- 2.4.7 Many of these savings represent major changes going forward, along with the associated risk, and therefore it is imperative that delivery of each saving is closely monitored. Due to the risk of delivery of some of the savings, the Corporate Savings Contingency of up to £5.5m for non-delivery of savings continues to be included in the 2018/19 Budget. The contingency has been increased in the 2019/20 budget to £7m to reflect the increased level of risk around ability to deliver some of these savings. This will be able to be released if savings are delivered on target and could potentially contribute to the MTFS Shortfall of £14m.

## 2.5 GENERAL WORKING BALANCE

- 2.5.1 A key feature of the Revenue Budget for 2018/19 and Medium Term Financial Strategy, approved by County Council on 15 February 2018, is to maintain the General Working Balance (GWB) at a defined minimum acceptable level.
- 2.5.2 For 2018/19, the defined minimum level has been a policy target as follows:
- (i) Maintenance of a minimum of 2% of the net revenue budget for the GWB in order to provide for unforeseen emergencies etc. supplemented by;
  - (ii) An additional (and reviewable) cash sum of £20m to be held back in the event of a slower delivery of savings targets;

and reflects:

- (i) The increased number of risk factors which the County Council is facing as set out in Section 9 of the 2018/19 Budget report and in particular;
- (ii) Savings targets not being delivered on time;

2.5.3 Taking into account the GWB policy on minimum balances – 2% of the net revenue budget plus £20m – GWB at year-end amounts to £27,231k. This is held at “policy” level and any unallocated balance in excess of this level is transferred to ‘Strategic Capacity – Unallocated’. The underspend against operational budgets in 2018/19 of £2,492k, as outlined in **paragraphs 2.2.1 to 2.2.13**, has therefore been transferred into the Strategic Capacity – Unallocated Reserve, and will be available to assist with MTFS/ Budget and investment decisions in 2019/20 and future years. Where sums were earmarked for other specific purposes they have been transferred to specific operational reserves.

2.5.4 The movement in the balance of the Strategic Capacity – Unallocated reserve over 2018/19 is as follows:

<b>Strategic Capacity – Unallocated</b>	
Actual Balance as at 31.03.18	£48,716k
General Working Balances Level maintained	+£39k
Planned MTFS contribution <u>from</u> reserve	(£6,280k)
Potholes – match funding (approved July 18)	(£3,000k)
Transfer Business Rates Pool Surplus 2017/18 (approved June 18)	(£1,003k)
Nidderdale Children’s Resource Centre (approved July 18)	(£203k)
Tour De Yorkshire (approved September 18)	(£380k)
Kexgill Repairs (approved October 18)	(£700k)
Other	+£72k
Net underspend	+£2,492k
Balance as at 31.03.19	£39,753k

2.5.5 The balance of the Strategic Capacity – Unallocated Reserve as at 31 March 2018 was £48.7m. The following table provides a longer-term forecast for this reserve.

Year End		Latest Forecast			
	Start Year	MTFS	Other base budget contributions	Approved use of reserve	End-Year
	£000	£000	£000	£000	£000
31 March 2019	48,716	(6,280)		(2,683)	39,753
31 March 2020	39,753	(5,335)		-	34,418
31 March 2021	34,418	(9,750)		-	24,668
31 March 2022	28,668	(14,003)			10,665

2.5.6 The table at 2.5.5 includes the projected impact of the budget shortfall identified in the February 2019 MTFS. These projections, which show that the Council will have a recurring savings gap of £14.0m, assume that further 'new' savings are not identified and is therefore very much a 'worst case scenario'. Measures are in progress to address the shortfall – which in some cases include using funds for investment in infrastructure, invest to save for service transformation or to generate a revenue saving.

## 2.6 Recommendation

That the Executive

- (i) notes the latest position for the County Council's 2018/19 Revenue Budget as summarised in **paragraph 2.1.2**
- (ii) endorses the proposals for the use of the additional Adult Social Care funding (**paragraphs 2.3.1 to 2.3.4**) and note that the proposals seek to limit exposure to recurrent financial risk for these schemes to a maximum of £3.4m, which reflects the value of the final year's grant allocation.
- (iii) notes the position on the GWB (**paragraphs 2.5.1 to 2.5.3**)
- (iv) note the position on ' Strategic Capacity – Unallocated' reserve (**paragraphs 2.5.4 to 2.5.6**)
- (v) recommend to the County Council the proposed carry forward of £933k earmarked for BES development initiatives detailed in **paragraph 2.2.16**

# APPENDIX 2 TO ITEM 7

## North Yorkshire County Council

### Executive

25 June 2019

### Highways Infrastructure Asset Management Policy and Strategy

#### Report of the Corporate Director – Business and Environmental Services

#### **1.0 Purpose of the report**

- 1.1 The purpose of this report is to seek members' recommendation that the County Council approves the draft updates to the Highways Infrastructure Asset Management Policy and Strategy documents.
- 1.2 Subject to 1.1 above, to schedule an item for the County Council meeting on 24 July 2019 determining the approval of the draft updates to the Highway Infrastructure Asset Management Policy and Strategy documents.
- 1.3 Since both documents are related to the same subject matter albeit at a different level, it was considered that they can be reviewed at the same time.

#### **2.0 Background**

- 2.1 These two documents relate to a Department for Transport (DfT) initiative that recommends the use of asset management principles as a way of managing the highway network. Dating from 2013, the recommendations are that the highway network is seen as a set of asset and asset groups each having a set of associated attributes (such as asset type, condition, cost et. al.) and is managed accordingly. Such an approach is accepted at national and local government level as a more efficient and effective approach to managing a highways infrastructure.
  - 2.1.1 The two documents for review are a policy and strategy response to the challenge set down by DfT on the use of asset management principles. Appendix A
  - 2.1.2 Since both documents are related to the same subject matter albeit at a different level, it was considered that they can be reviewed at the same time
- 2.2 The Highways Infrastructure Asset Management Policy describes how North Yorkshire County Council's highways service will use an asset management based approach to deliver key portions of the Council Plan and the most recent Local Transport Plan.
- 2.3 This document is an update to a previous version that was adopted by County Council in June 2015. The changes reflect the following influences during the intervening period.
  - The most recent version of the Council Plan - 2018 was the version referenced in the updated policy.
  - The updated version of the Council's Local Transport Plan - version 4 was considered within the updated policy
  - Additional advice and guidance from the Department for Transport published on the subject of highways delivery including asset management.



- Experience and knowledge gained within the highways service during the intervening period.
- 2.4 The updated policy demonstrates a commitment to a well-managed integrated network, efficient service delivery with a strong customer / stakeholder focus and performance management.
- 2.5 The highways infrastructure asset management strategy describes how North Yorkshire County Council's highways service's approach to deliver the highways infrastructure asset management policy. Whereas the policy is a short high level document describing how asset management will assist the highways service in delivering the council's strategic aims, the strategy contains more depth about how this will happen.
- 2.6 The updated strategy follows the guidance set out in the DfT sponsored highways infrastructure asset management documentation and describes how an asset management framework helps to deliver an efficient and effective approach to a long term highways service and supports better communication with customers and stakeholders.
- 2.7 The strategy is now more closely tied to the guidance than previously and also reflects the experience gained by the highways service over the period since its previous incarnation.
- 2.8 Based on input from a number of highways areas, the strategy now serves as guide to best practice within asset management and a long term set of aims for the service in that area. It concentrates on three areas
- context – describes the context for highway infrastructure asset management, the organisation and the environment within which the local highway service is delivered;
  - planning – describes the key activities and processes for asset management planning and gives advice on how these should be applied to highway infrastructure assets; and
  - enablers – describe the enablers that support the implementation of the asset management framework
- 2.9 The adoption of both the asset management policy and strategy is fully in line with the Department for Transport's guidance forming a key component of its Highway Maintenance Efficiency Programme.
- 2.10 Both the policy and the strategy have already been reviewed by the following groups with amendments made where recommended.
- 14th October 2018 – Highways and Transportation Heads of Service
  - 22nd February 2019 – Corporate Director for Business and Environmental Services in consultation with BES Executive Members
  - 17 April 2019 – Transport Economy and Environment Overview and Scrutiny Committee
- 2.11 It is proposed that the updated policy and strategy, subject to the Executive's recommendation, will then follow the timetable below
- 24th July 2019 - County Council
- 2.12 Ultimately being adopted at the last meeting.

### **3.0 Key Implications**

#### **3.1 Financial**

Demonstrating a commitment to an asset management framework is a key component in the Department for Transport Highway Management Efficiency Programme. In particular the existence of an up to date high level asset management policy alongside a strategy describing how the policy will be delivered is essential. Related to this, the Highway Management Efficiency Programme self-service questionnaire has a question on both a policy and a strategy. Failing to meet the requirements of this question would mean the loss of a significant amount of funding which for the 2019/2020 financial year would have amounted to £4.8m.

#### **3.2 Legal**

The County Council, as highway authority, has a statutory duty to maintain the highway under Section 41 of the Highways Act 1980 and the development and updating of both the policy and strategy supports the Council in fulfilling its duty. Both the policy and strategy documents have been reviewed by Legal and Democratic Services and amendments were made where recommended.

#### **3.3 Equalities**

Consideration has been given to the potential for any adverse equality impacts arising from the recommendation. It is the view of officers that the recommendation does not have an adverse impact on any of the protected characteristics identified in the Equalities Act 2010. A copy of the Initial Equality Impact Assessment Screening Form that was presented to the BES Executive members and Transport Economy and Environment Overview and Scrutiny Committee is attached at Appendix B.

### **4.0 Recommendations**

#### **4.1 It is recommended that the Executive:**

- i) approve that the draft Highway Infrastructure Asset Management Policy and Strategy documents should be submitted to the County Council meeting on 24th July 2019.
- ii) advises the County Council to approve the two said documents.

DAVID BOWE

Corporate Director – Business and Environmental Services

Author of Report: Stephen Lilgert

Senior Strategy and Performance officer – Strategic Resources

Background Documents: None

North Yorkshire County Council

Highways Infrastructure Asset Management Policy

***We want North Yorkshire to be a thriving county which adapts to a changing world and remains a special place for everyone to live, work and visit***

- North Yorkshire County Council vision statement

***...how the transport services and infrastructure provided by the County Council and partners aim to contribute towards our shared Vision and the NYCC Council Plan priorities***

- Excerpt from the North Yorkshire Local Transport Plan 2016-2045

The North Yorkshire Highways and Transportation service recognises the importance that an effective transport network plays in delivering the overall council vision. It underpins the delivery of council services, enables residents and visitors to access both work and leisure destinations along with essential services such as health, social care and education and provides a key supporting role in the council's economic growth ambitions.

The Department of Transport's Highways Maintenance Efficiency Programme recommends that a highways authority adopt an asset management approach to the delivery of the highways service. The principles of the programme are investment in highway maintenance to demonstrate value for money over the life of the asset and to meet increasing public demands and expectations.

As part of our policies and procedures we already have an asset management framework in place. Supported by this framework, we will, through continuous improvement, ensure that the highways service meets the current and future challenges that North Yorkshire faces and delivers the key highways priorities of the council's vision.

### **Developing a modern integrated transport network**

A modern, integrated transport network is essential if North Yorkshire is to be a place with a strong economy and a commitment to sustainable growth. An asset management framework supports this through an understanding not only of individual asset performance but of how they interact to produce a whole network infrastructure.

Our asset management approach will track the performance of both assets and asset groups giving us a wider view of the highway network. This view will allow us to optimise the delivery of our highway services to better fit the long term vision of the council. The aim is to provide a strategic, sustainable and safe network which enables our citizens to fulfil their ambitions and aspirations.

### **Efficient delivery of services**

In times of financial pressures, it is essential that we deliver our highways services in an efficient and cost effective manner. An asset management framework is widely accepted as

a means to delivering an efficient highways service through long term planning of asset maintenance. This ensures that a highways service is delivered within achievable budgets.

We will continue to drive the use of asset management to keep the delivery of the highways management service as efficient as possible. Key to this is an emphasis on the implementation and monitoring of our long term planned maintenance programme and a robust risk based approach to maintaining the transport network.

### **A council that puts the customer at the heart of services**

The highways network impacts the lives of residents and visitors alike both directly and indirectly. Ensuring that we meet the expectations of our customers every day is a key part of the highways service. The information based approach of an asset management framework lends itself to a more open and two-way conversation with customers.

The highways service will continue to work alongside its partners to deliver a network fit to support the needs of our customers. Through our asset management system we will continue to improve access to information about the way we plan, fund and deliver the service and implement efficient methods of reporting and tracking issues.

### **Analyse our performance**

It is the council's approach to analyse our performance, use this to become better at what we do, and share with our stakeholders how we are doing. The data and information available from an asset management framework can be used to measure, benchmark and ultimately identify areas for continuous improvement in the delivery of the service.

The highways service has a mature and robust performance management framework with significant reference to highways asset information. We will continue to use and improve this at a strategic and operational level to monitor the performance of the service against the key council policies and statutory requirements. Records of the performance of our highways assets will continue to be available to all stakeholders.

### **Manage, maintain and improve**

The overall aim of the highways service fully supports the key vision within the council plan. Implementation of this aim ultimately delivers a safe, well managed and maintained highway infrastructure to North Yorkshire meeting the legal and statutory requirements placed upon us.

We will continue to implement our asset management framework as a way of ensuring that the delivery of the service is subject to challenge and continuous improvement; and is fit for the future needs of the county.

The highways infrastructure asset management policy sits at the head of the asset management framework. The delivery of the framework will be through the strategy and the individual asset management plans and will adhere to industry guidance on asset management and the new well managed highway infrastructure code of practice.

## North Yorkshire County Council

### Highways Infrastructure Asset Management Strategy

#### Introduction

##### Overview

Asset management has been widely accepted by central and local government as a means to deliver a more efficient and effective approach to management of highway infrastructure assets through longer term planning, ensuring that standards are defined and achievable for available budgets. It also supports making the case for funding and better communication with stakeholders, facilitating a greater understanding of the contribution highway infrastructure assets make to economic growth and the needs of local communities.

At over 9000km in length, North Yorkshire has one of the longest road networks of any highways authority in the country. The current annual maintenance budget (for both capital and revenue) is over £60m and as such it is vital to ensure that the Council is achieving value for money and delivering the best possible outcomes for all of the users of the highway network.

For a number of years North Yorkshire Highways and Transportation (H&T) has used asset management as a way of delivering its services. This includes long term works programming, a risk based approach to planned and reactive maintenance and strong stakeholder engagement. In 2015 this approach was coalesced within a framework headed by a newly created asset management policy and strategy.

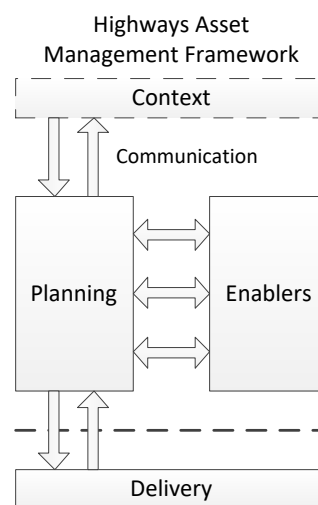
This document represents a revision of the strategy to reflect the following:

- updated strategic council documents in particular the latest Council Plan and a revised Local Transport Plan;
- an updated Highways Infrastructure Asset Management Policy;
- updated guidance from Department for Transport, specifically the Well-managed Highway Infrastructure – a Code of Practice (2016) developed by the UK Roads Liaison Group;
- continuing external challenges; and
- knowledge gained from continuous improvement within the highway service.

#### North Yorkshire Highways Asset Management Framework

North Yorkshire County Council's Highways and Transportation service (H&T) has been implementing asset management in the highways maintenance service for a number of years, through an asset management framework. The Framework represents North Yorkshire's approach to asset based highways maintenance; agreed by senior decision makers and its principles recorded through a series of related documents.

The Framework follows the guidelines set down by the UKLRG, commissioned by DfT as part of Highways Maintenance Efficiency Programme. It is tailored to the needs of the council. See the diagram to the right for an overview of the Framework and the text below which describes the three main parts of the Framework:



- context – describes the context for highway infrastructure asset management, the organisation and the environment within which the local highway service is delivered;
- planning – describes the key activities and processes for asset management planning and gives advice on how these should be applied to highway infrastructure assets; and
- enablers – describe the enablers that support the implementation of the Asset Management Framework.

The remainder of this document will detail how the asset management framework assists in the delivery of the overall highways service.

### Our Context for Highways Infrastructure Asset Management

#### Council Plan

The most recent Council Plan sets out the council's vision for North Yorkshire.

***“We want North Yorkshire to be a thriving county which adapts to a changing world and remains a special place for everyone to live, work, and visit”***

The plan identifies key areas which the highways service will contribute to the delivery of this vision.

#### Local Transport Plan

North Yorkshire's local transport plan takes the council's vision as set out in the Council Plan and details a long term approach to how we will deliver on the transportation elements.

Below is an excerpt from the latest LTP.

***...how the transport services and infrastructure provided by the County Council and partners aim to contribute towards our shared Vision and the NYCC Council Plan priorities***

#### Developing a modern integrated transport network

In order to meet the current and future needs of the users of North Yorkshire's highways, our asset management approach ensures that the different asset groups work as one to provide a seamless delivery of the service.

The important deliverable is the creation of the works programme, built from the various asset data available. This allows us to provide a stable, long term view of the network and how we will manage the network. Such a long term approach means that we can manage our funding and be certain of how our network will look in the future. This provides a stable transport infrastructure backed up by a robust asset management approach as documented in the framework supporting the millions of users win North Yorkshire and beyond.

This delivery extends beyond our boundaries as we work closely with our neighbours to ensure that there is a level of consistency of stakeholder experience when crossing a border.

#### Efficient delivery of services

Our use of lifecycle planning will allow us to better plan where our resources are spent – at the point when the greatest value for money is gained. Within challenging financial times, the ability to plan maintenance over a three to five year period provides a level of funding stability.

Using the asset based deterioration models we will be able to predict the condition of the network over time ensuring any problems can be foreseen and appropriate, and cost effective treatments can be applied. Our significant use of surface dressing is seen as a

major factor in maintaining the network in as good a condition as possible within budgetary constraints.

### A council that puts the customer at the heart of services

We will strive to improve access to information for all our stakeholders allowing customers to report and track issues that have occurred within the service. Our asset management system provides the basis for this information working in parallel with our existing customer relationship management infrastructure. We will continue to exploit and improve these links to enhance both the customer experience and our understanding of the performance of our assets.

### Analyse our performance

Key to ensuring that we are delivering on the three previous vision statements is the ability for us to measure how we are performing. With a wealth of asset data available via the asset management systems, a dedicated performance team works with the highways service around the service plans and dashboards. This performance management includes benchmarking of asset performance against other authorities

Real-time performance monitoring of suitable assets is the next goal to allow senior leaders within the service up to date access to asset performance.

### Manage, maintain and improve

This hierarchical statement describes the priorities by which we provide the highways service.

- Manage the current network
- Maintain those network assets that we have
- Improve the network where justifiable

At the heart of this overall highways commitment is the asset management framework. The ability to efficiently manage, maintain and improve can only be based on a solid knowledge of our assets, where they are, what their condition is and what are the historic events that have occurred to them.

This information serves a double purpose:

- creation of maintenance targets for each of the asset group which are set based, in most cases, on the historic data created through inspections and deterioration models. These targets coupled with up to date condition information put in place a gap which is the starting point in the lifecycle approach to asset improvements. The programme of works is based upon this gap; and
- monitoring the performance against these targets through the regular cycle of inspections in addition to ad-hoc observations as time progresses. The feedback from the delivered works programme ensures that asset data are kept up to date. This performance loop allows senior management to ensure that the targets are correctly set and allow for modifications as circumstances allow such as increased or decreased funding.

### Legislation and Statutory Requirements

A number of legal and statutory requirements are placed upon a highways authority to ensure a safe network. The Highways Act 1980 sets out the main duties in England and Wales. In particular, Section 41 of The Act imposes a duty upon the highways authority to maintain highways maintainable at public expense. Adherence to this and the other legislation is the highest priority within the highways service and the ability to establish a

robust Section 58 defence plays a significant part in the setting the various service levels of our assets.

A strong understanding of how our network assets are performing both in the present and historically allows us anticipate future performance which ensures that the network overall continues to meet these statutory requirements. Our asset management framework serves as a key part of this understanding and achieves this by the following:

- a long term, centralised approach to overall asset management ensures a consistent approach to maintenance across the service;
- the use of individual asset data to monitor condition information ensuring that required works are completed only to those assets that require treatment; and
- a robust risk management based approach to highways asset maintenance based on guidance documentation alongside our own experience of asset performance.

These approaches are regularly reviewed and updated where necessary to comply with new legislation, to implement guidance or where our internal review processes recommend changes.

### Code of Practice

In October 2016, the UK Roads Liaison Group produced the document, “Well-managed Highway Infrastructure: a Code of Practice” which promotes the adoption of an integrated asset management approach to highway infrastructure based on the establishment of local levels of service through risk-based assessment. This expanded on 2013 ‘Highways Infrastructure asset Management’ guidance document, also from the UK Roads Liaison Group reinforcing the benefits of an asset management approach in addition to additional recommendations on the management on asset groups.

### Highways Maintenance Efficiency Programme

Both these documents, in addition to a number of asset specific publications, sit within the broader Highway Maintenance Efficiency Programme which exists to provide guidance and support for a more effective and efficient approach to the management of the highway infrastructure through the use of asset management.

### Stakeholder Expectations

Managing stakeholder expectations and addressing their needs is a key aspect of asset management. There are many diverse individuals and groups that use the highway infrastructure however they all expect a highway that is in good condition, safe, congestion free, reliable which supports their daily activities. An effective highway infrastructure is also vital to the economic prosperity of the county.

Our use of an asset management framework allows us to have an understanding of asset condition allowing us to ensure that, within the budgetary constraints, we are delivering the highest quality highways Levels of Service to our customers. From the regular monitoring of assets such as bridges and footway condition, we are constantly updating asset information and use this information for the long term planning of our works programme. Such an effective use of asset information allows us to meet out stakeholders expectations.

The reality is that sustainably maintaining our network at a perfect condition is cost prohibitive given current funding constraints. However, we have in place transparent customer information to enable people to understand the decisions that we make within the financial constraints.



Access to asset information for members of the public is vital in ensuring that we are seen as a responsive organisation. By means of web based reporting we are increasingly providing our stakeholders with a two way experience with progress information on a fault is updated. As such we will ensure that:

- layperson's information is available that provides details on the choices that we make when maintaining an asset e.g. carriageway treatments;
- all of the asset management documentation are available on the website from the Policy through to the individual asset management plans; and
- our quarterly performance figures are part of the general pack of information that is available through the council's governance structure.

This information alongside direct support assists our members as they manage their interaction with their constituents at a local level.

This approach to stakeholder engagement is supported by the highways infrastructure asset management communications plan.

### Funding

#### Funding Targets

The use of an asset management framework is widely recognised as a way of delivering a more efficient highways service. It also supports the creation of business cases for required additional investment. However, to maintain all assets in a perfect condition at all times would be cost prohibitive, therefore funding targets need to be set on the basis of the Levels of Service set by Council.

Our asset management framework allows the highways service to make the best use of both the revenue and capital funding received from numerous sources. Key to reducing the more expensive reactive works is the effective use of the planned pieces of work contained within the capital programme. Increasing the accuracy of future investment allocations is key to maintaining agreed levels of service as well as demonstrating value for money.

The asset management framework supports this approach in the following ways:

- the current and long term view of our asset condition data will underpin the creation of our long term programme of works across all our assets based on Levels of Service;
- how asset management supports the various funding constraints and methods of acquiring funding;
- using asset information as part of a wider strategy to justify existing and to lobby for additional funding; and
- demonstrating value for money and the effective use of our current funds

#### Funding Sources

Listed below are high level data around where Highways and Transportation obtain its funding. The percentage splits are from the 18/19 financial year and may fluctuate year on year depending on funding conditions. It does give a broad outline of where funding comes from.

Revenue funding for the highways service has two broad areas of funding

Funding source	2018/19
Internally source funding including council tax and business rates	85%
Centrally allocated funds e.g. the revenue support grant	15%

Sources of capital funding for the highways service are largely split into four broad areas

Funding source	2018/19
The central local transport capital block funding including the LTP grant, and incentive fund	67%
Local growth funding allocated via the Local Enterprise Partnership	11.6%
One off additional centralised funding including for example National Productivity Investment fund and Pothole Action Fund	17.6%
Internally sourced funding – including matching one-off additional central funding	3.8%

From an asset management point of view it is clear that prevention is better than cure from a highways perspective and so our long term aim is to increase the benefit gained from the capital programme to reduce our revenue requirements.

### Our Planned Approach to Asset Management

#### Asset Management Documents Hierarchy

The overall asset management framework consists of a number of related documents that provide an overall the basis for highways asset management within the council:

- **policy:** the asset management policy takes the key deliverables from the overall council plan and gives an overview on how the highways asset management framework will assist in delivery of the objectives. The short high level document, which is approved at county council sets out the principles that are expanded upon within the asset management strategy;
- **strategy:** the asset management strategy itself (this document) sits between the overall policy and the individual asset management plans. and sets out the way in which North Yorkshire County Council will manage its Highway Infrastructure Assets in such a way as to deliver the Policy; and
- **plans:** the various asset management plans provide further detail and where required reference specific documents around how the different asset types apply the principles of asset management in order to deliver an effective ‘whole of life’ service. The asset management plans represent the “on the ground” description of the technical management of the assets and may include commentary on the following:
  - Service provision
  - Strategic Levels of Service
  - Specific service levels and response times
  - Asset inspection and maintenance schedules
  - Works Programming
  - Intervention matrices
  - Design guidance

Supporting the overall framework are a set of overarching documentation plans that include communication and information management plans.

## Our Highways Infrastructure Assets

Key asset groups	Key figures	Key asset data
Carriageways	8525 km carriageway	Location, condition, inspection schedule
Street lighting	50400 street lights	location, condition
Structures	1645 bridges	Location, inspection schedule bridge condition index
Traffic signals	327 traffic signal installations	
Drainage	c.157,000 gullies	Emptying schedule
footways	8000k	condition, inspection schedules

## Asset Data

### Data sets

Asset data sets are the building block of any successful asset management framework. Without a robust and accurate set of data then the ability to deliver an efficient service that meets the needs of its stakeholders.

These sets are used in a number of ways including the following.

- Creation of works programmes
- Making asset information available to our stakeholders including our customers and members
- Forming a significant base for the operational performance management frameworks
- Availability of information to satisfy our statutory data requirements.
- Benchmarking our service
- Contractual measures when working alongside our partners

All Highways asset information data are collected, stored and processed in accordance with the recently implemented General Data Protection Regulation (GDPR) as it applies in the UK, tailored by the Data Protection Act 2018.

Asset management data within the Council is documented by the Highways Asset Information Management Plan which is included in the suite of framework documentation.

### Data collection

The acquisition of asset data is dependent on the specific asset in question however is based on one or more of the following methods:

- automated methods such as SCANNER or SCRIM
- regular continual inspection schedules of the network such as Coarse Visual Inspection or Detailed Visual Inspection;
- regular individual asset monitoring as with structures;
- reports from scheduled maintenance visits such as with drainage assets;
- 'as built' data for new and renewed assets;
- issues reported by our stakeholders such as incident calls from a member of the public; and
- one off pieces of work to augment asset information.

The technology with regards to the collection of data is constantly evolving. As emerging and new technologies become available we will look to utilise them in order to improve the efficiency of collection and the quality of the data from the field.

### Data management

Highways and Transportation's asset management system is the main repository for asset information although this is augmented by specific systems dedicated to some asset types.

Asset data, specifically condition data, is central to the creation of the capital programme being the initial dataset placed through our lifecycle process.

Management of the asset data is the responsibility of all of the individual teams within the asset life cycle whose role it is to ensure integrity of the data by constantly updating the information according to their asset management plans. This ensures that, when being applied through the lifecycle process to create the works programmes, the information upon which funding decisions is an accurate reflection of the asset condition.

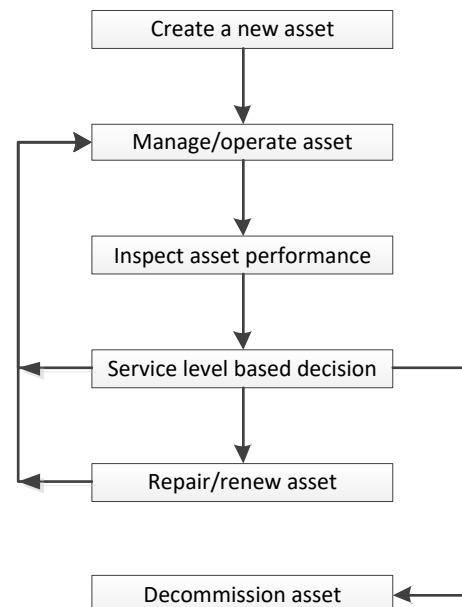
### Asset Lifecycle Approach

#### The Life of an Asset

Highways and Transportation take a holistic approach to sustainable and whole life cost asset management. As an asset owning organisation we have accountability for all aspects of this cycle, even when it chooses to outsource various activities within the cycle.

The benefits to this longer holistic approach to asset management include the following:

- delivering better outcomes through continuous improvement, lessons learned and value for money – stretching the budgets;
- the ability to predict how investment affects the service levels;
- creating a resilient and sustainable long term approach to highway maintenance whilst remaining agile 'on the ground'; and
- improved and clearer communications with stakeholders with regard expectations and targets.



### Levels of Service

Highways and Transportation manage their services levels using a risk based approach to ensure that the network remains as safe as possible within the financial constraints of the council.

Every asset within the network is subject to deterioration over its lifetime. The key to managing this deterioration is to set service levels for those assets although practically, this is done to groups of similar assets. Looking at the lifecycle diagram above, part of the process involves a decision point where the performance of an asset is compared against the agreed service levels for that asset type. The decision on whether to perform some action on the asset depends on the comparison.

There are four outcomes of the decision process:

- the asset is beneath the service level parameters and therefore has no action taken;
- the asset is decommissioned;
- the asset meets or exceeds the levels for reactive maintenance which is carried out within documented timescales; and
- the asset meets or exceeds the levels for planned maintenance and is added to the process of the long term programming. Note that this does not preclude any reactive maintenance occurring.

The service levels for the various asset management groups are included as part of their associated asset management plans along with supplementary documentation such as the Highways Safety Inspection Manual.

### Effective Works Programming

The delivery of the works programme is the tangible outcome of the asset management planning process. The programming and delivery of works should align with the asset management strategy and meet the performance targets.

The most effective use of the funding available to the highways service is dependent on having a long term strategic view of the highway infrastructure. Our approach to lifecycle planning allows us this view and it is this which provides the building blocks of works programming or as it is known in North Yorkshire, the capital programme.

The process for the creation of the various prioritised asset programmes depends upon the specific asset class but will take into account the following criteria:

- asset condition information from the various surveys across the asset management spectrum although in some cases, the asset information will be as a result of a safety inspection – such as with bridges or Vehicle Restraint Systems;
- the location of the asset specifically the frequency of its usage or in the case of carriageways its category;
- local knowledge which can be gleaned from a general appreciation of the area or feedback from stakeholders; and
- other specific asset information such as its contribution to portions of the highways infrastructure asset management policy e.g. key to the growth of a particular area.

The resulting programme generated covers a three year period with an additional two years indicative. Such a long term approach allows not only for a level of certainty around funding but the ability to react to situations including:

- additional or reduced funding;
- flexibility around scheduling; and
- issues with resource availability.

Key facets of the capital programme are:

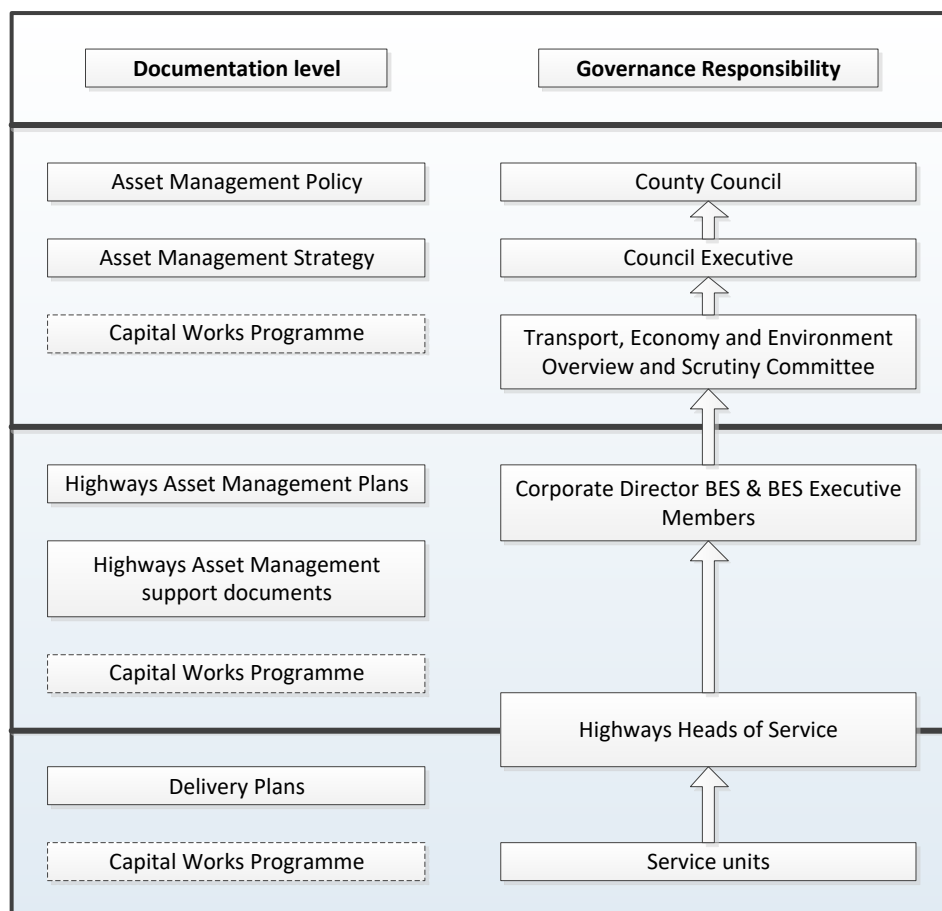
- Frontloading the schemes to ensure that budgetary control is consistent and minimising a Q4 rush to spend budget; and
- Look to join schemes by types and/or geography where possible to provide the following benefits:
  - minimising the disruption by carrying out work on one visit
  - provide economies of scale either through the term provider or through framework contracts

## Our Enablers to a Successful Asset Management System

### Governance

#### Overall governance

A governance structure has been put in place to enable both effective and appropriate scrutiny of the asset management framework. The diagram below shows the levels.



#### Policy and strategy

Policy and Strategic documentation are signed off at county council level after a process that includes the council's Executive members, the Transport, Economy and Environment Overview & Scrutiny Committee and the highways senior team. Additionally, and not shown on the diagram for brevity, the Corporate management board are consulted. This ensures that there is consistency in the asset management framework at a strategic level with council's overall vision.

#### Asset management plans and support documents

Overall governance of the asset management plans and support documentation rests with the Corporate Director of Business and Environmental Services BES in consultation with the Executive Member for Highways and Transportation. This devolved approach is made possible due to the hierarchical way in which the framework operates. This devolvement allows for non-policy/non-strategic decisions on specific asset groups to be taken in a more agile fashion

#### Operational delivery documentation

Operational management of the assets within the framework plans is generally governed by operational teams with support from internal Highways and Transportation teams and our

maintenance and professional services partners. Where necessary the highways heads of service provide sign off.

### The capital works programme

The overall capital works programme is signed off at county council as part of the Capital Plan process.. From that point onwards governance is devolved to one of three decision bodies depending on the requirements:

- The detailed capital programme and any subsequent additions and deletions from the programme require approval from the Corporate Director BES in consultation with the BES Executive Members, provided that these approvals stay within the limits set within the Capital Plan;
- Significant variations to schemes already within the programme are approved by the highways heads of service; and
- Other variations to schemes already within the programme are managed within the highways teams.

### Performance Management

As part of the overall asset management framework, the performance management is described in two separate areas within this strategy:

- strategic performance management measures the overall delivery of the service and relies on the service plans and single scores; and
- operational measures look at combinations of assets and groups of assets and how they perform and are described in a separate section of this document. These are described below:

#### Strategic Performance Management

The strategic performance management of the asset management framework is primarily through the use of service planning that sets levels of service supported by performance targets and measures.

Quarterly monitoring of these service plans are in place providing visibility of the service performance to senior highways managers and reported through the corporate process to other stakeholders including the Council's management board and members. Ultimately the reports are published for anyone to view if desired.

This is a cyclical process where service levels and targets are reviewed as part of a process of continuous improvement.

#### Operational Performance Management

Asset information forms a key part of the operational performance monitoring within the highways service and this management. The data within the asset management systems serves as the source for a variety of performance related outputs. These reports form the basis for a number of key measurements within the highways service:

- feeding into the lifecycle process – the performance of the assets over time is used as part of the whole lifecycle process that ultimately leads to the creation of the long term programme of works. This process is cyclical embedding a level of continuous improvement into the service;
- dashboards and other performance management work such as monitoring the effectiveness of the various investment strategies;
- statutory returns to central bodies and other services – The condition indicators for asset groups form the basis for our statutory returns; and
- contractor and staff performance management.



Performance management of the capital works programme sits in both the strategic and operational areas with the operational financial information used to highlight issues with specific schemes.

### Asset Management Systems

Asset data are of little value without the means to store, access and update the information. In order to support the key deliverables of the service, asset information needs to:

- be easily maintained for accuracy;
- provide the basis for informed decision making;
- facilitate communications with stakeholders;
- support the management of statutory requirements; and
- support continuous improvement.

The primary location for North Yorkshire's highways service asset information is a single monolithic commercial off the shelf product from Symology. GIS based, it provides the starting point for both current and historic asset information.

As an offsite managed system the technical management is through a third party however a dedicated team of asset engineers provide the operational service. Data information contained within the system includes the following;

- asset information;
- location details;
- current and historic condition information;
- works orders;
- third party claims;
- inspection schedules;
- defects and associated maintenance; and
- customer requests and associated responses – the customer module with automated links into the council's central customer relationship management product.

In order to facilitate a smoother path for customer access to asset information a number of the asset groups' data are available to the general public for the purpose of fault reporting. Map based, this allow our customers to report faults with certain asset groups through a portal based interface. The interface works two ways to provide automatic updates on call progress.

We recognise that there are occasions where a one-size-fits-all is not achievable and so outside of the primary asset management system, there are other asset groups that have requirements that need a dedicated system. Asset groups such as structures and traffic signals have their own dedicated systems through which they perform exactly the same processes.

We continually work alongside our system provider to look to augment the functionality of the asset management system to enable a greater centralised approach and an increased effectiveness of the system.

The Highways Asset Information Management Plan describes the high level requirements for the management of the assets. The asset management system is, in addition, the core of the operational performance management function.



### Risk Management

The Council has a corporate risk management approach which includes dedicated management of the high level risks for each of the service areas across the organisation. Within Highways and Transportation these high level risks are managed within the service areas reporting regularly through the corporate process.

Our approach to risk management is influenced in the main by our statutory requirement as set out in various legislation. Leading on from this is the importance of being able to provide a robust section 58 defence against third party claims and the significant documentation around our risk-based approach to highways maintenance is proof of our commitment.

### Risk based approach to Asset Management

The discipline and process of a risk-based approach to managing assets has increased significantly in all sectors within the last decade. Risk-based asset management has shown to be effective for asset-intensive systems, not necessarily by reducing risk, but by using risk to balance the operational performance of the assets against the asset life-cycle cost thereby creating a greater a greater strategic overview of the asset lifecycle.

Expenditure on assets can be rationalised by using an assessment of what risk exposure is acceptable by varying stakeholders. Risk based asset management addresses the following critical issues as a minimum:

- Safety of the network and liability for accident;
- Asset loss or damage;
- Service failure or reduction;
- Operational;
- Environmental;
- Financial;
- Contractual; and
- Reputation;

North Yorkshire County Council as part of continuous improvement continues to develop its approach to risk based asset management in accordance with best practice such as ISO 55000

### Inherent Risk Approach

Our approach to risk management is consistent across all the highways service however can be described within the following three separate areas:

- **corporate and the strategic network:** The overall highways service has a number of entries on the corporate risk register including those specific to highways assets such as drainage, maintenance of the network and major network incidents. These are reviewed bi-annually to ensure that the overall assessment is still valid and that the risk reduction actions are kept current. The strategic network was initially formed from the critical routes as part of the winter maintenance function however has expanded to include those assets that support the county's key strategic and service delivery locations. Given the council's ambition for economic growth then this strategic network will be regularly reviewed to ensure that it continues to support the council plan;
- **inspections:** The inspection regime for all highways assets is described in the individual asset management plans and the highways safety inspection manual. The primary risk factor around inspections is usage of the assets and we carry out inspections frequently on the busier areas of the network; and

- **reactive maintenance:** As with planned inspections, each of the highways asset types has an associated risk rating as set out in their respective asset management plans and the highways safety inspection manual. These describe the potential risks of a particular asset failing to perform to its expected level e.g. a carriageway pothole, loose footway slab or blocked gully. This risk is based on a matrix measuring the probability and impact of such an event;
  - probability is the chance that an event with an asset will have an impact on someone or something. Essentially a problem with an asset on a busier part of the network is more likely to have an impact than one on a quiet part.
  - impact is the level of potential damage that a problem with an asset can have on someone or something.

The combination of these two measurements, based on a scale of 1 to 5, gives an overall risk rating which translates into whether there is a response and if so what the timescale is. The risk factors are regularly reviewed and changes are made where circumstances require it e.g. a recent change in the risk factors on parts of the highway used by cyclists.

<b>Initial equality impact assessment screening form</b> (As of October 2015 this form replaces 'Record of decision not to carry out an EIA')  <b>This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.</b>	
<b>Directorate</b>	Business and Environmental Services
<b>Service area</b>	Highways and Transportation
<b>Proposal being screened</b>	Updated highways infrastructure asset management policy and strategy documents
<b>Officer(s) carrying out screening</b>	Tony Law
<b>What are you proposing to do?</b>	<p>In July 2015, County Council adopted the highways infrastructure asset management policy. In June 2015, County Council adopted the highways infrastructure asset management strategy.</p> <p>This form refers to an update to the above two documents written during 2018 and expected to be adopted by full council in July 2019.</p>
<b>Why are you proposing this? What are the desired outcomes?</b>	<p>Since the previous version were adopted there have been a number of changes to key council strategic documentation, specifically annual updates to the Council Plan and a newer version of the Local Transport Plan. In addition, DfT published a new code of practice on highways maintenance.</p> <p>With this in mind, it is timely to update the asset management policy and strategy to reflect these changes.</p> <p>The policy is a high level document explaining how the Highways and Transportation (H&amp;T) will utilise asset management principles to assist in the delivery of the highways service within the overall strategic aims of the council.</p> <p>The strategy is a document explaining how H&amp;T will utilise asset management principles to assist in the delivery of the highways service. This is within the assertions contained within the highways infrastructure asset management policy which itself delivers on the strategic aims of the Council.</p>
<b>Does the proposal involve a significant commitment or removal of resources? Please give details.</b>	<p>These are high level policy and strategic documents and require neither commitment to nor removal of resources. They set out the high-level aims of the existing highways service with respect to the way in which it manages its asset portfolio which such items as carriageways, bridges, streetlights et. al</p>

**Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristic**

As part of this assessment, please consider the following questions:

- To what extent is this service used by particular groups of people with protected characteristics?
- Does the proposal relate to functions that previous consultation has identified as important?
- Do different groups have different needs or experiences in the area the proposal relates to?

**If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your [Equality rep](#) for advice if you are in any doubt.**

Protected characteristic	Yes	No	Don't know/No info available
Age		✓	
Disability		✓	
Sex (Gender)		✓	
Race		✓	
Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
<b>NYCC additional characteristic</b>			
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
<b>Does the proposal relate to an area where there are known inequalities/probable impacts</b> (e.g. disabled people's access to public transport)? Please give details.	No		
<b>Will the proposal have a significant effect on how other organisations operate?</b> (e.g. partners, funding criteria, etc.). <b>Do any of these organisations support people with protected characteristics?</b> Please explain why you have reached this conclusion.	The highways service is delivered in collaboration with a number of other organisations. As these are updates to an existing documents, and no service levels are changing, there will be no impact on these existing providers.		
<b>Decision (Please tick one option)</b>	EIA not relevant or proportionate:	✓	Continue to full EIA:
<b>Reason for decision</b>	These are updates to the existing policy and strategies from 2015. They state how H&T, following the overall council's strategic aims, will manage all highways assets in an efficient and customer focused manner.		

	<p>As high level documents there are no areas where levels of service will be altered. This means that no customers, including those with protected characteristics, will be impacted negatively.</p> <p>The recognised benefits of asset management including improved efficiency, accountability and customer service will have positive impacts on all users of the highways service.</p>
<b>Signed (Assistant Director or equivalent)</b>	Barrie Mason
<b>Date</b>	03/06/19