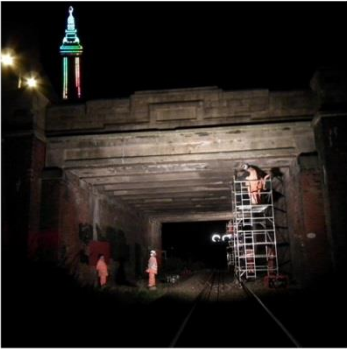


# Road Asset Management Strategy 2015-2045 Part 4 Asset Investment Strategies

Blackpool Council



# Blackpool Road Asset Management Strategy

# Part 4 Asset Investment Strategies

## 4.1 What is in this document?

Part 4 presents our investment strategies for different asset types as follows:

Section 4.2 Carriageways

Section 4.3 Footways

Section 4.4 Structures

Section 4.5 Drainage

Section 4.6 Other assets.

A financial summary of the investment strategy options is given in Annex 4.1 (page 13).

There are no Investment Strategies for Street Lighting and Traffic Management Systems as these are subject to a Private Finance Initiative (PFI) which is due to terminate in 2035. However, Blackpool Council will continue to obtain and analyse monitoring information on the condition of these assets and update the strategic risk register as appropriate in order to ensure that our overall strategy reflects the financial implications to the Council on completion of the PFI.

In Section 4.7 we briefly outline the implications of the strategies and Core Objectives (Part 3) for delivery and procurement.

## 4.2 Carriageways

### 4.2.1 Overview

Between 2009/10 and 2014/15 Blackpool Council invested £15M as part of the £30M Project 30 initiative in major maintenance of its carriageways. The programme was funded partially through Central Government grant funding and partially through prudential borrowing.

Project 30 has been highlighted as a best practice case study in national guidance as an investment model that can secure the sustainability of the highway network for the long term. It has also been highlighted as an example of best practice in collaborative working with our maintenance delivery partners to achieve the best results for the lowest possible cost.

The full value of the benefits of Project 30 will be realised over the next 25 years and beyond. An external review from the and validation by the Transport Research Laboratory (TRL) showed that if Blackpool Council had tried to raise the road condition using the levels of funding available then over 25 years it would have cost the authority an additional £100M. This would have been due to the escalating costs of maintenance over the next 25 years that would have been incurred had the investment not taken place. This is demonstrated in numerous case studies undertaken by the Department for Transport's Highways Maintenance Efficiency Programme.

A key mechanism by which these cost savings will occur is through our ability to arrest lower rates of deterioration on the network at much lower cost and in a more effective and

## Blackpool Road Asset Management Strategy

targeted fashion. Project 30 has enabled us to reduce the pressure on revenue budgets to undertake temporary emergency repairs which and this means that we are now able to use revenue and capital resources together to undertake permanent patch repairs that are much lower cost over the medium to long term. Indeed we now use an 'early warning system' within our safety inspections by identifying small areas of road that are at higher risk of developing potholes or other safety defects in the short term. By introducing this new approach we are now able to target these patch repairs before potholes actually occur and address multiple issues at a single site with one repair rather than revisiting the same site on multiple occasions. Without Project 30 this approach would not have been feasible and as such our annual programmes of carriageway patching will be a key part of our strategy to retain the value of the Project 30 investment for future generations.

In the short to medium term we have also forecast reductions in the cost of reactive repairs and third-party pay-outs for damage and injury although the majority of savings in the latter will be more attributable to the investment made in footways (see Section 1.3.2 for more detail). We also anticipate that improvements to the streetscape will have significant regeneration benefits particularly in the most deprived wards although this is very difficult to measure.

With the completion of Project 30 this edition of the RAMS represents a critical point in time for Blackpool Council. We must now ensure that our preventative strategy is continued in order to secure the value of this investment whilst meeting the challenges of growing pressure on revenue and capital budgets.

### 4.2.2 Condition trends

Blackpool Council undertook a comprehensive condition survey of our carriageways and footways in 2009/10 in order to provide an accurate measurement of the level of investment required in Project 30. These surveys, referred to as Carriageway and Footway Treatment Surveys, were designed through collaboration between Blackpool Council and our asset management partners Gaist Solutions for this purpose.

In the intervening years we continued to update the condition data by integrating the condition assessment with safety inspections. In 2014/15 we then commissioned a further comprehensive condition assessment to ensure an accurate representation of the condition of the network on completion of Project 30.

The results of these surveys are summarised in Figure 4.2.1. The condition survey provides 3 condition grades ranging from the best condition, Grade 1, to the worst condition, Grade 3.

The primary objective of Project 30 was to reduce the carriageways in Grade 3 where road surfaces had deteriorated to the extent that they show signs of safety defects or are likely to have safety defects in the near future. At the same time we also undertook preventative surface treatments on roads in Grade 2 as very cost effective way to slow the rate of deterioration.

The results of the surveys show a substantial improvement in the condition of the local, unclassified road network (URN) by reducing the percentage of Grade 3 from 17% to 10% in 2014/15. Similarly, the percentage of local distributor roads (DRN) in Grade 3 reduced from 11% to 7%.

## Blackpool Road Asset Management Strategy

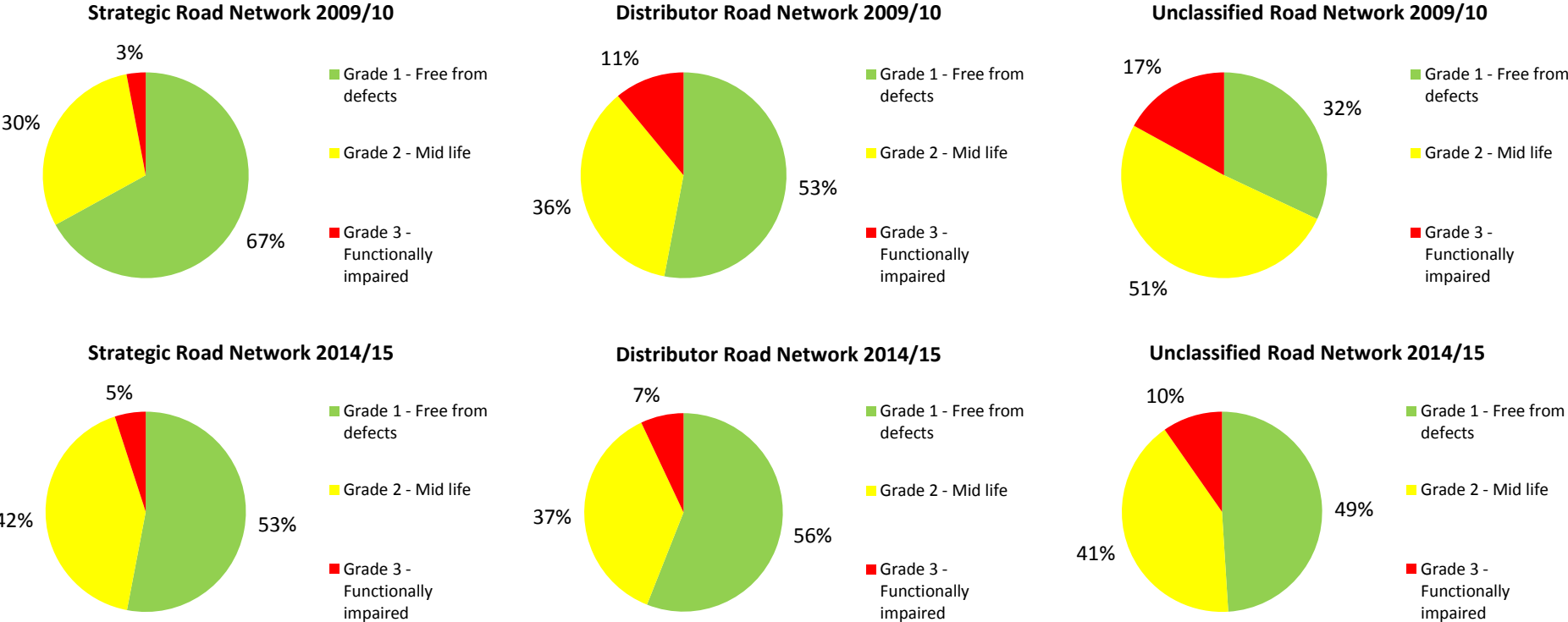
However, the results for the strategic roads (main roads, SRN) are still a cause for concern and show an increase in the proportion in poor condition. The majority of investment made through Project 30 was focused towards local residential roads (DRN and URN) and whilst a total of £4.2M of schemes were delivered on the SRN this has not been sufficient to arrest the overall rate of deterioration. The council requires a future aspirational figure of £1.2M per annum minimum to successfully maintain the SRN

### Conclusion and recommendation

**Whilst Project 30 has delivered a substantial improvement to the condition of local roads, the level of investment in the Strategic Route Network at over £800,000 per annum has been insufficient to keep ahead of deterioration. In order to address this challenge we need to slow the overall rate of deterioration on the SRN by focusing on lower cost surface treatments to roads that have not yet failed. However, it is unlikely that this can be achieved solely within the capital allocations for maintenance and options are considered in Section 4.2.3 below.**

# Blackpool Road Asset Management Strategy

Figure 4.2.1 Condition of Strategic, Distributor and Unclassified Roads in 2009/10 and 2014/15



# Blackpool Road Asset Management Strategy

## 4.2.3 Options

### 4.2.3.1 Budget options for carriageways

Table 4.2.3 shows the forecasts of budgets available from central Government for carriageways under alternative self-assessment outcomes after deduction of repayments for Project 30, bridge match funding and allocation of minimal budgets for other assets (see Section 6.4).

**Table 4.2.3** Central Government Maintenance Block Capital available for carriageways

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Capital (Band 3)	418,000	439,000	69,000	558,125	618,125	678,125
Capital (Band 2)	418,000	439,000	60,250	505,625	530,625	554,750
Capital (Band 1)	418,000	432,875	34,000	434,750	459,750	502,250

In addition the following revenue budget is available for carriageways after deduction of Project 30 repayments.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue	22,000	23,357	24,745	26,165	27,618	29,104

These basic projections were used for testing of options. The options tested cover:

Option	Description
Option 1	Basic maintenance capital and revenue scenarios
Option 2	Option 1 + £100,000 per annum
Option 3	Option 1 + £500,000 per annum

### 4.2.3.2 Options testing

Preliminary work has been undertaken to get an understanding of the likely change in condition on the carriageway network over the next 5-10 years (to 2019/20) under each of the options and budget scenarios above. These are summarised below:

For the preliminary analysis the underlying deterioration models used for the forecast were based on a national standard model. It should be assumed that the forecasts for the strategic route network represent a worst case scenario. At this stage it is not considered appropriate to use the model using national data to infer trends beyond 5 years and further work is required to develop deterioration models that are based on actual data from Blackpool's network.

Table 4.2.3.2 summarises the change in condition of carriageways for Strategic and Local Roads (comprising Distributor and Unclassified Roads) under each option. Where ranges are presented they reflect the outcomes under different Band funding scenarios.

Overall the forecasts are consistent with the conclusion that Project 30 has been successful in reducing deterioration rates. Over the medium term the lower rates of deterioration mean that it is possible to shift existing revenue and capital budgets towards more targeted, preventative and permanent repairs on the network and this means that it is possible to retain the current condition at a lower cost than was possible before Project 30.

**Table 4.2.3.2** Change in condition under investment options

## Blackpool Road Asset Management Strategy

Option		Strategic Routes	Local roads
Option 1	Basic maintenance capital	Increase in proportion in poor condition from 5% to between 12.5-13% in 2020/21	Increase in proportion in poor condition from 9% to between 14-15% in 2020/21
Option 2	Option 1 + £100,000	Increase in proportion in poor condition from 5% to between 12-12.5% in 2020/21	Proportion in poor condition in 2020/21 stays at 9% with Band 3 funding. With Band 2 funding or lower we may see an increase to between 11-12% in poor condition
Option 3	Option 1 + £500,000	With Band 3 funding it is possible to hold condition at around 5% in poor condition. With Band 2 funding we may see an increase to 6% in poor condition.	It is possible to retain the current condition of local roads to 8% or less in poor condition by 2020/21.

### 4.2.3.3 Assessment of options

In view of the need to consider the use of additional funding to retain the condition of the strategic and local roads it is important to consider the strategic and economic case for doing so. This is summarised in Table 4.2.3.3.

## 4.2.4 Preferred Strategy Option

### 4.2.4.1 Overall approach

The preliminary forecasts indicate that approximately £500,000 additional capital is required to retain the current condition of both Strategic and Local Roads as described in Option 3.

Overall the forecasts are consistent with the conclusion that Project 30 has been successful in reducing deterioration rates. Over the medium term the lower rates of deterioration mean that it is possible to shift existing revenue and capital budgets towards more targeted, preventative and permanent repairs on the network and this means that it is possible to retain the current condition at a lower cost than was possible before Project 30.

The Council's new approach to targeted and permanent repairs of localised areas of road before they become safety defects (referred to as carriageway patching programmes) will now be critical to holding back deterioration of the road network and minimising safety risks in the medium term to 2019/20. However, the current condition of the local roads can only be sustained with the use of preventative treatments alongside these patch repairs.

**Table 4.2.3.3** Assessment of Option 3 compared to Option 1

	Core strategy objective	Option 1	Option 3



## Blackpool Road Asset Management Strategy

<b>CO1.2</b>	Prevent any increase in safety risks in the long term	Option 1 results in an increase in safety risks in the medium to long term	
<b>CO4.1</b>	Reduce the lifecycle costs of our road assets	The backlog will escalate to £21M in 2020/21	The backlog remains at current levels (£13.5M). The additional £500,000 per annum enables the use of low cost preventative treatments
<b>CO4.2</b>	Maximise the value for money of our transport capital expenditure		The cost savings to the Council (as Net Present Value) are 2.8 times greater than the additional capital required. Including wider economic benefits (on the basis of a recent study by Transport Scotland) we expect an overall Benefit Cost Ratio of 4.3 which is regarded as very high value for money
<b>CO4.5</b>	Improve customer satisfaction	A decline in condition under Option 1, particularly on the unclassified network, would not be acceptable to Blackpool's residents	Option 3 would deliver the best result in terms public satisfaction by retaining the condition of local roads
<b>CO7</b>	Contribute to the Council's strategy to attract sustainable investment to Blackpool		Option 3 would avoid decline in the condition of strategic routes vital for the sustainable growth aspirations of the town and including key cycle routes
<b>CO8</b>	Contribute to the Council's strategy to promote Blackpool's tourism and culture		Option 3 would avoid decline in the condition of key routes for tourism

## Blackpool Road Asset Management Strategy

Diversion of budgets from preventative maintenance to a smaller number of more expensive resurfacing schemes on local roads would result in decline in the condition of the network overall. Resurfacing should therefore only be carried out on heavier trafficked local roads (Distributor Routes) and residential streets should only be resurfaced if it is more cost effective to do so (e.g. where defects are spread across the full length and width of a street).

If requests are made to resurface streets where localised patch repairs or surface dressing would otherwise be appropriate then additional and alternative budgets will need to be identified for that purpose.

The importance of making the right choice in line with the asset management principles of right place, right treatment, right time, is key to improving value for money in road maintenance.

Alongside capital and revenue budgets for physical works it is vital that sufficient budgets are identified for resourcing the Highway Inspections, (5 highway inspectors). They form a fundamental part of our risk based approach which will become more critical in future years both in the implementation of the new Code of Practice (due for publication in 2016) and in reducing Blackpool Council's costs as a result of third-party liabilities. If this resource is further reduced there would be an inevitable result of the tripping claims rising exponentially due to a lack of providing a defence.

A safety defect, or pothole, will be repaired in accordance with the local code of practice for safety inspections. This will ensure that the roads are maintained in a safe condition. It is sometimes difficult to understand that a single pothole is repaired whilst leaving the remaining road surface in an aesthetically poor condition. Sometimes residents' concerns push the council to a 'worst-first' strategy which should be resisted.

As mentioned earlier we now use an 'early warning system' within our safety inspections by identifying small areas of road that are at higher risk of developing potholes or other safety defects in the short term. By introducing this new approach we are now able to target these patch repairs before potholes actually occur and address multiple issues at a single site with one repair rather than revisiting the same site on multiple occasions

Giving a higher priority to the worst roads will limit funds for preventative work on roads which are at the optimum point for repair. It is essential therefore that all re-surfacing and patching works are aligned with the risk based approach to further minimise tripping claims or targeted at the 'social network' within each ward. (the social network is defined as the local roads which are the main thoroughfares for distribution of people throughout Blackpool and form key social spaces, hence they have more 'social importance'.) It is vital that these are adequately maintained as they are the routes for those walking from place to place or using district shopping centres which also contain GP surgeries and other community facilities. It has been evidenced through the NHT Public Perception studies and results that residents care about the quality of local areas and road maintenance on the social network of local residential roads contribute towards wider local authority priorities.

# Blackpool Road Asset Management Strategy

## 4.2.4.2 Opportunities

### Opportunities

On the Strategic Route Network opportunities will be explored to achieve further cost savings through the combined use of surface dressing with reinforcing membranes that provide a long term solution in many situations where resurfacing might have been the only other option. This also presents opportunities for cross-boundary co-ordination with Lancashire County Council's surface dressing programmes that could yield further significant cost savings.

## 4.2.4.3 Risks

### Risks

There are uncertainties around the level of investment required to address structural deficiencies at key locations on the SRN. Further detailed modelling and appraisal work should be undertaken to account for this with a view to preparing bids for the next round of Challenge Funding which may be made available by the DfT.

Alternative construction price inflation scenarios were also tested ranging between 2.5% per annum to 5.5% as a credible range for average inflation rates over the next 5 years. Under the high inflation scenario it is not possible to avoid a decline in the condition of the SRN even under Option 3. Through further development of the RAMS we will assess options to increase our financial resilience to construction price inflation including reducing the proportion of primary raw materials from our operations.

### Conclusions and recommendations

**The Carriageway Asset Investment Strategy continues to target the residential roads using residual budgets, particularly in the areas where the highest number of tripping 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 has identified that the best course of action would be to invest a further £0.5M on top of projected residual budgets. If this funding could be realised, it would ensure that the current condition of the Strategic Route Network could be maintained over the next 5 years. In terms of the value for money of this option, we would expect the cost savings to the Council and to the wider economy by to be at least 4 times the capital cost (in present value terms). This would avoid a growth in maintenance backlog of approximately £7.2M over the same period.**

### Review

It is recommended that further work is undertaken in 2016/17 to the carriageway investment strategy to improve the validation of the forecasting model and undertake a fuller appraisal of the long term costs and benefits of each option described above. Detailed modelling of the SRN to include more structural condition data will be used to support further Challenge Fund bids that may become available from The DfT.

## 4.3 Footways

### 4.3.1 Overview

Project 30 included £13.2M for investment in maintenance of footways. The aim of this investment was to secure long term improvements in both the accessibility and quality of public realm across the Borough and to address unsustainable levels of pay-outs for third party damage and injury claims that would ultimately result in a reallocation of highway revenue budgets for physical maintenance repairs.

A key focus of Project 30 was to increase the resilience of the footway network to localised factors such as pavement parking and vehicle override that are a primary cause of deterioration on footways. In this respect the legacy of Project 30 will be a long term reduction in deterioration rates on our footways.

### 4.3.2 Condition and performance trends

Comprehensive footway condition surveys were carried out in 2010 and 2014 concurrently with the carriageways surveys and according to the same principles as outlined in Section 4.2 above.

Figure 4.3.1 summarises the condition of the footway network in 2010 and 2014 and demonstrates a substantial improvement with the proportion of Grade 4 and 5 reducing from nearly 12% in 2010 to 2% in 2014.

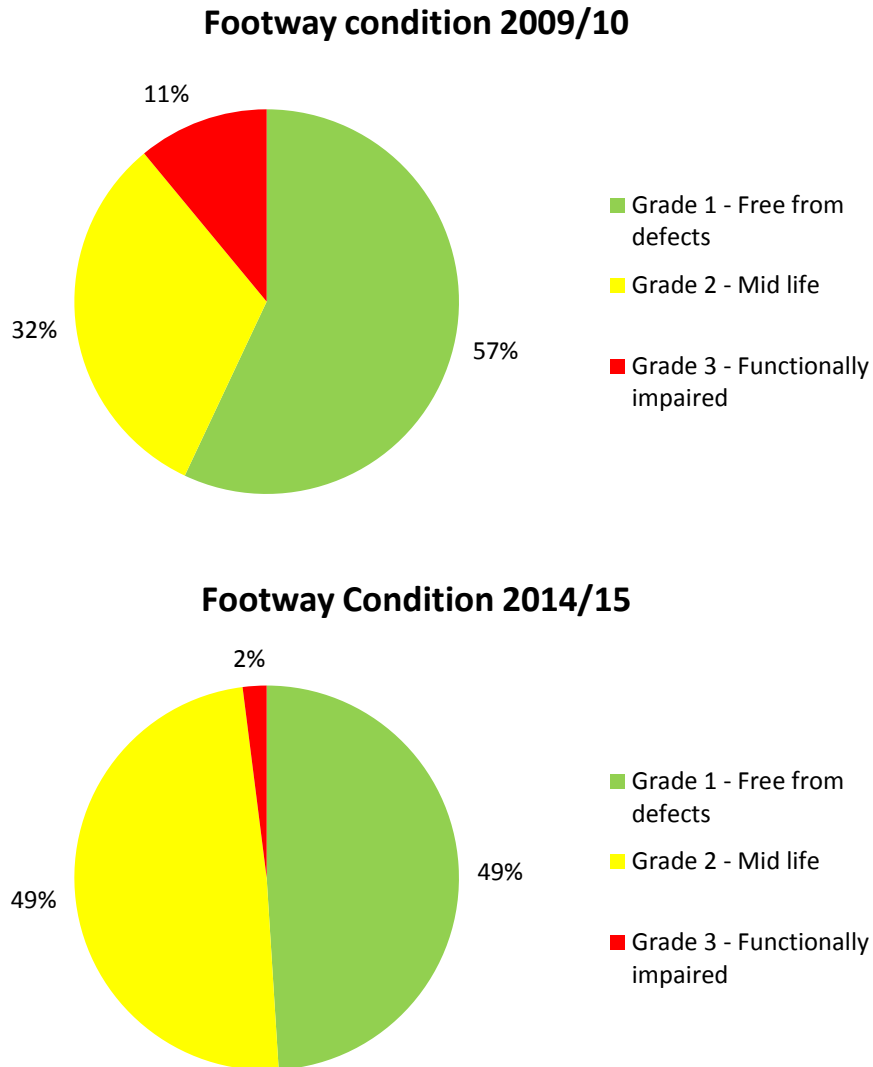
Figure 4.3.2 shows the trends in pay-outs for third-party damage and injury claims made in year since 2008/09. The overall trend shows a decline in levels of pay-outs for claims although clearly movements from one year to the next can be influenced by a wide range of factors including socioeconomic circumstances and regulatory reforms affecting the claims industry as a whole. In particular the chart shows an increase in the total pay-outs in 2012/13 and 2013/14 that were likely to be a result of a surge in claims submitted in advance of the introduction of the Jackson reforms in April 2013 which altered regulations for Conditional Fee Arrangements.

### 4.3.3 Forecasts

No forecasts have been undertaken for footways and further work will be undertaken to develop a model for this purpose. However, in the medium term (to 2018/19 at least) it is anticipated that the rates of deterioration on the footway network will be minimal and can be managed with localised permanent repairs (Cat 4 repairs) prioritised on a risk basis. With the revenue budget allocation as shown in Table 4.1.2 above it is possible that some decline in condition may occur within the next 5 years although it is unlikely to be to an extent that would result in an unmanageable increase in safety risks or that would compromise the long term sustainability of the network.

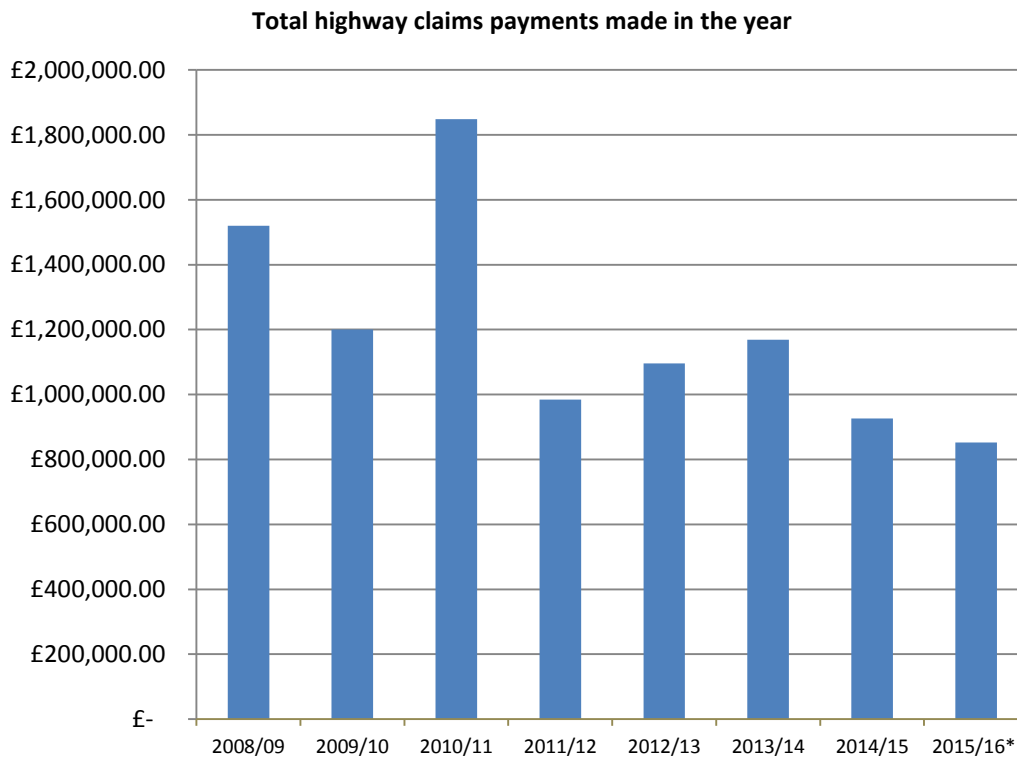
# Blackpool Road Asset Management Strategy

Figure 4.3.1 Footway condition in 2009/10 and 2014/15



# Blackpool Road Asset Management Strategy

Figure 4.3.2 Total pay-outs made in year for highway claims since 2008/09



\*as of Feb 16

## Conclusions and recommendations

For the medium term capital grant budgets will need to be focused towards carriageways while we anticipate that the deterioration rate on footways should be fairly low. It will be important to continue to monitor overall condition of the footway network to ensure that deterioration rates can be arrested with the use of Cat 4 repairs and localised repair of modular footways.

The benefits of Project 30 in reducing third-party claims should now be consolidated with a behavioural change programme to tackle fraudulent claims. Given that the condition of the footway network compares well with other urban networks it is likely that a behavioural change programme will yield further substantial reductions in pay-outs.

Without a behavioural change programme Blackpool Council will remain highly vulnerable to surges in claims that divert limited budgets away from effective inspections and physical repairs – resulting in a vicious cycle of decline in condition.

## Review

The Footway Investment Strategy will require review in 2016/17 following further analysis of new condition data.

# Blackpool Road Asset Management Strategy

## 4.4 Bridges and structures

The current structures programme funded through a combination of Local Growth Fund and Challenge Fund grants involves strengthening and reconstruction of 10 structures supporting routes identified as part of Blackpool's Resilient Network (see Part 5). These follow on from the completion of strengthening works to the embankments, and drainage improvements along Yeadon Way through the Local Pinch Point Fund. All of these structures would have required weight restrictions or even closure within the medium term with severe repercussions for the welfare of Blackpool's residents, enormous costs to local businesses and potential harm to the tourism industry in Blackpool.

This programme has resolved an immediate threat to Blackpool's highway structures. However, we are developing lifecycle models for all our bridges and structures to ensure that we can manage them sustainably in future. This requires regular routine and preventative maintenance and timely replacement of key components such as waterproof membranes, expansion joints and bearings.

In addition to the structures assets already identified it is also vital that we monitor and assess the condition of the coastal sea defences as they impact on the town's strategic routes – notably the Promenade.

### Conclusions and recommendations

**All identified critical infrastructure risks are currently being addressed through the LGF and Challenge Fund programme which enables us to use block capital grants for carriageways and drainage. However, there are no long term budgets identified for structures and this will need to be resolved prior to the completion of the current structures programme in 2018/19. The Structures Asset Management Plan is currently under development and will identify the optimum levels of funding over the medium to long term to maintain our structures in the most cost effective way.**

**In the short term there is an immediate need to identify capital and revenue funding to cover General and Principal Inspections, routine maintenance such as vegetation control and trash screen clearance as well as emergency responses to bridge strikes. Until the shortfall in funding is found it is recommended that this item is included on the Corporate Risk Register with a high impact and high likelihood (4 x 4) score.**

### Review and actions

The Bridges and Structures Asset Investment Strategy will require review in Autumn 2016 on completion of the whole life costing work being undertaken for each structure.

## 4.5 Drainage

Work has been undertaken to provide annual cost estimates for managing the most important safety risks associated with ancillary highway assets. These include:

1. Complex drainage

# Blackpool Road Asset Management Strategy

2. Highway gullies
3. Highway drainage watercourses

## 4.5.1 Complex drainage

This includes maintenance of small culverts and pipes and other costs such as investigations using CCTV surveys and responding to collapses in some instances. Currently the average annual spend on drainage repairs are £15,500. However, this does not enable us to address most causes of flooding on roads and, in accordance with the Flood and Water Management Act 2010 Blackpool Council must develop a proactive approach to mitigating flood risk due to inadequate and poorly functioning drainage.

A Local Flood Risk Management Strategy (LFRMS) has been developed jointly between Blackpool Council and Lancashire County Council and published in 2014. The RAMS Core Strategy (Part 3) sets out how management of drainage assets will support the objectives and strategy actions in the LFRMS.

It is likely that significant investments will be required to ensure our complex highway drainage assets have sufficient capacity and are serviceable for the long term. Further work including condition assessments will be undertaken to identify likely levels of investment requirements.

In the interim £100,000 per annum will be allocated to undertake detailed assessments of critical drainage assets and implement major structural and preventative maintenance operations (for example lining of drainage pipes).

National guidance on Management of Drainage Assets has been published by the Highways Maintenance Efficiency Programme (HMEP). The Department for Transport intend to use this guidance as a benchmark against which to assess Local Authorities' progress with implementing flood risk management measures through the new capital incentive mechanism. A review of performance against this guidance should be undertaken in 2016.

## 4.5.2 Highway gullies

The total budget requirement to clean all gullies every year (including repeat cleansing of problem gullies) is £177,000 per annum. Work is underway to develop a risk based gully cleansing regime that will focus on gullies that are in high risk locations in terms of properties affected and the potential for significant surface water pollution.

There is no budget identified for cleansing of drainage kerbs ('Beany blocks') which is estimated to require approximately £21,000 per annum.

## 4.5.3 Highway drainage watercourses

Clearing vegetation and silt from drainage watercourses is crucial in preventing major flooding incidents on the highway and adjacent properties. The annual cost is estimated at £30,000.

### Conclusions and recommendations

**Effective management of our drainage assets will be crucial to meeting our legal requirements under the Flood and Water Management Act 2010 and Civil Contingencies Act 2004. Whilst revenue budgets have been identified to undertake risk based routine**



## Blackpool Road Asset Management Strategy

and reactive maintenance operations we also need to allocate an additional £100,000 per annum to undertake preventative drainage maintenance that will enable us to move to a longer term and more cost effective approach.

### Review and actions

The annual allocation of £100,000 is based on an initial estimate and requires review following further detailed condition assessments of critical drainage assets in 2016/17.

## 4.6 Other assets

Work has been undertaken to provide annual cost estimates for managing the most important safety risks associated with ancillary highway assets. These include:

1. Tensioned safety barriers
2. Signage
3. Road markings and zebra crossings

### 4.6.1 Tensioned safety barriers

An initial assessment of all safety barriers is required in accordance with the Code of Practice for Well-Maintained Highways at a cost of £7,000. Cyclical testing, re-tensioning and replacement of post-screws will require £18,000 per annum.

### 4.6.2 Signage

As a minimum safety requirement non-illuminated signs require cyclical cleaning every year at an estimated cost of £5,000 per annum.

### 4.6.3 Road markings

Management of the most significant safety risks will require prioritisation of signal junction markings, mini-roundabouts and zebra crossings. This is estimated at £40,000 per annum. However, this would exclude any replacement of other lining including TROs, cycle markings etc.

### Conclusions and recommendations

The above costs reflect the minimum requirements to meet safety needs on the network. Where budgets are insufficient to meet these it is crucial that these items are included on the Corporate Risk Register with Medium to High Impact and Likelihood scores.

## 4.7 Delivery and procurement

Blackpool Council recognises that its approach to procurement and delivery of works is vital to the realisation of the Core Strategy Objectives (Part 3).

### 4.7.1 Current approach

Blackpool Council currently delivers minor civils and resurfacing schemes on residential roads through its Direct Services Organisation (DSO). For larger schemes the council will use the most appropriate route to market, either framework or running our own internal exercise. The self-assessment dictates that the council has to ensure that using internal services are value for money and are lean.

However, for larger scale works such as bridge reconstruction the Council utilises established regional procurement frameworks. This enables the Council to access Early Contractor Involvement arrangements to ensure the maximum value is obtained through the feasibility and design stages. It also has provided benefits to the Council in limiting the effect of construction price inflation as the Council can use previously market tested rates.

### 4.7.2 Proposed approach

Whilst our overall approach to procurement and delivery will be subject to periodic review it is proposed that the Council continues with the current arrangement for the following reasons:

1. By retaining a strong DSO we are able to generate significant revenue through delivery of construction works as part of S38 and S278 agreements with developers. Ensuring adequate volumes of work through the wider investments in the road network will enable the DSO to retain the necessary skills, plant and equipment to continue this service. This approach strongly supports Core Objectives CO4.2 and 4.3 in relation to delivery of value for money.
2. The DSO supports Core Objective CO9 to contribute to the Council's strategy to reduce economic inequalities through a commitment to skills development and employment opportunities for Blackpool's residents.
3. Blackpool Council will continue to be able to work closely on a scheme by scheme basis with contractors drawn through other existing frameworks using the various instruments available through the NEC3 and to seek early involvement to get the best value from schemes.

We recognise that there are additional challenges to drive innovation through procurement to deliver our objectives for lifecycle cost reductions, the use of recycle materials and reduction in energy consumption. The Council will work closely with regional partners, including Lancashire County Council as well as the Local Council's Highway Investment Group (LCHIG) to identify options for drawing on and influencing the market for innovative materials and methods.

### 4.8 Overall approach of the RAMS Strategy

As mentioned earlier in this strategy an aspiration budget of £3.5M per annum is required to adequately sustain the condition of the road network including the structures and bridges post 2021.

This strategy therefore uses available funding in the short to medium term.

To summarize the overall recommended option is :-

- 1. Use available funding and resources to ensure that the 'safety' assets (zebra crossing, essential road markings, mini roundabout etc ) are maintained;**
- 2. Residential streets not in high claim areas will be maintained to the best standard that can be achieved by safety repairs only (pothole repairs);**
- 3. Residential streets in high claims areas will be targeted with intervention re-surfacing treatments to prevent failure demand, thus preventing future claims;**
- 4. The savings made from the above to be re-invested into the strategic roads for the good of the towns prosperity and all users;**
- 5. Bid for future funding opportunities such as the DfT's Challenge fund;**
- 6. Work with members and the stakeholders to understand their local community demands in road condition and spend any additional funding in line with the social road network; and**
- 7. Work with the RAMS management board to fully understand the right sized funding required to adequately sustain the road network in the future.**

## Blackpool Road Asset Management Strategy

### Annex 4.1

### 5 year financial projection

		2016/17	2017/18	2018/19	2019/20	2020/21
<b>Funded</b>						
<b>Carriageways</b>	Maintenance Capital	0.439	0.069	0.558	0.618	0.678
	ITB Challenge Fund 2 Contribution	0	0	0	0.100	0.465
	Revenue	0.023	0.025	0.026	0.028	0.029
	<b>Total</b>	<b>0.462</b>	<b>0.094</b>	<b>0.584</b>	<b>0.746</b>	<b>1.172</b>
<b>Footways</b>	Revenue	0.170	0.177	0.185	0.193	0.201
	<b>Total</b>	<b>0.170</b>	<b>0.177</b>	<b>0.185</b>	<b>0.193</b>	<b>0.201</b>
<b>Structures</b>	ITB Contribution	0.785	0.785	0.000	0.000	0.000
	DfT challenge fund	2.855	0.596	0.000	0.000	0.000
	Lancashire LEP	0.600	1.200	1.500	0.000	0.000
	<b>Total</b>	<b>4.24</b>	<b>3.359</b>	<b>1.500</b>	<b>0.000</b>	<b>0.000</b>
<b>Drainage</b>	Revenue	0.061	0.063	0.064	0.066	0.067
	<b>Total</b>	<b>0.061</b>	<b>0.063</b>	<b>0.064</b>	<b>0.066</b>	<b>0.067</b>
<b>Gulley cleansing</b>	Revenue	0.181	0.185	0.189	0.193	0.198
<b>Road markings</b>	Revenue	0.041	0.042	0.043	0.044	0.045
<b>Shortfall</b>						
<b>Carriageway</b>	SRN	0.500	0.500	0.500	0.500	0.500
<b>Drainage</b>		0.100	0.100	0.100	0.100	0.100
<b>Structures</b>	Capital				TBC	TBC
<b>Structures Principal and General Inspections</b>	Revenue	TBC	TBC	TBC	TBC	TBC
<b>Safety barriers</b>	Revenue	0.018	0.019	0.019	0.020	0.020
<b>Signs</b>	Revenue	0.005	0.005	0.005	0.005	0.006