

Asset Management: Delivering a Service

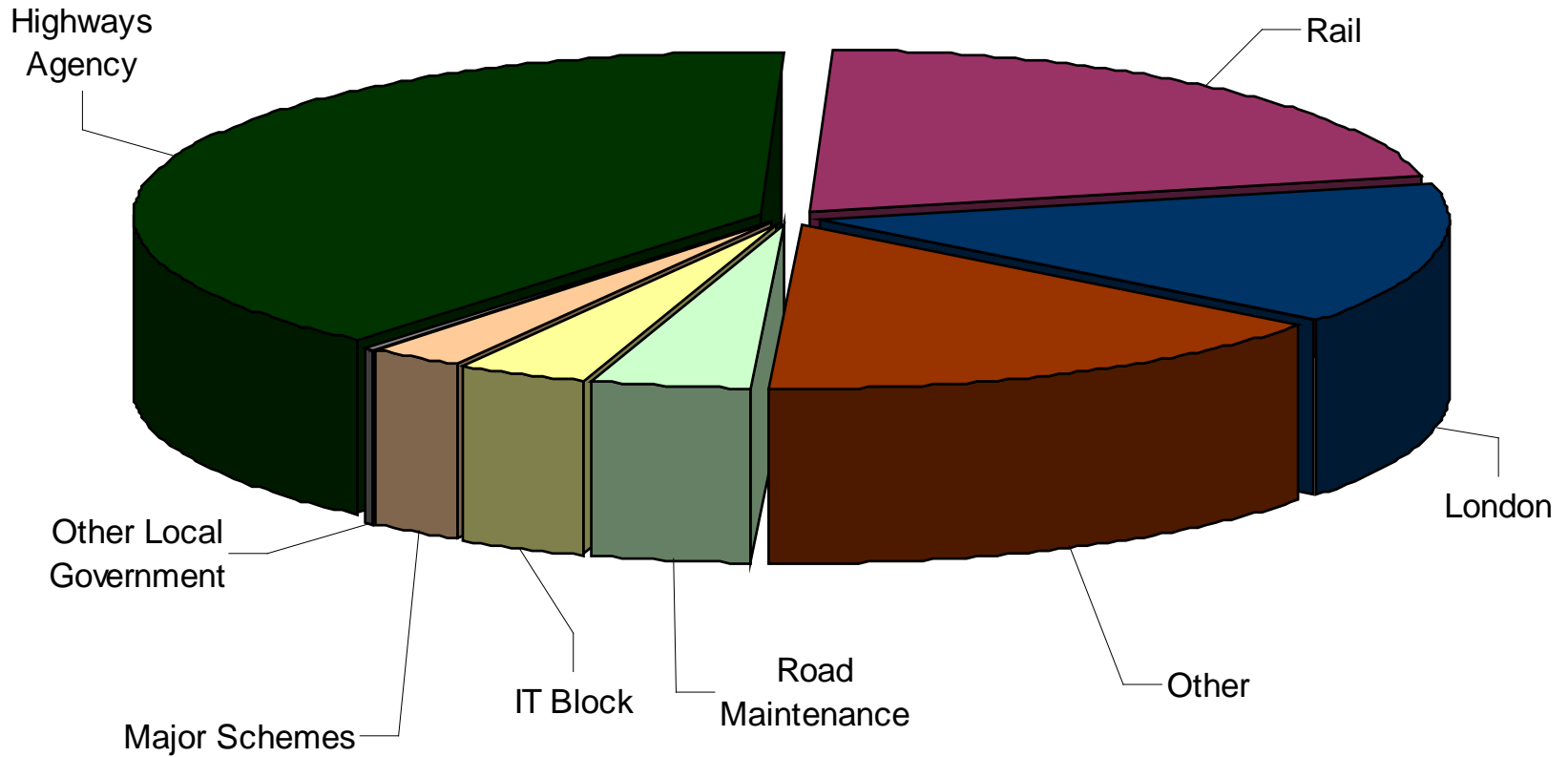
Paul Foskett

**Head of Highway Maintenance
Policy**

Department for Transport

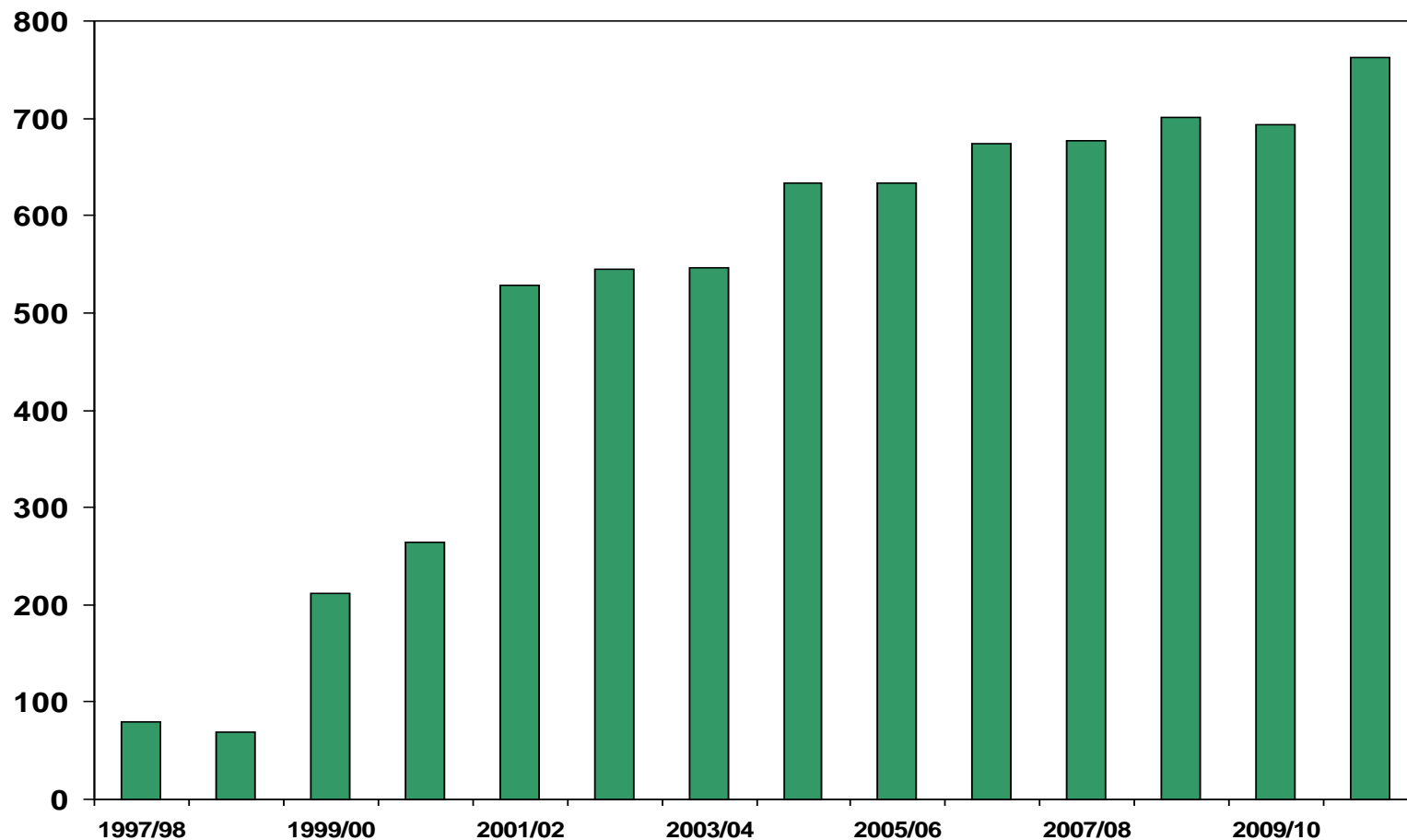
The money

TOTAL DFT CAPITAL & REVENUE BUDGETS
2008/09



Conventional Funding History...

Highways maintenance capital allocations

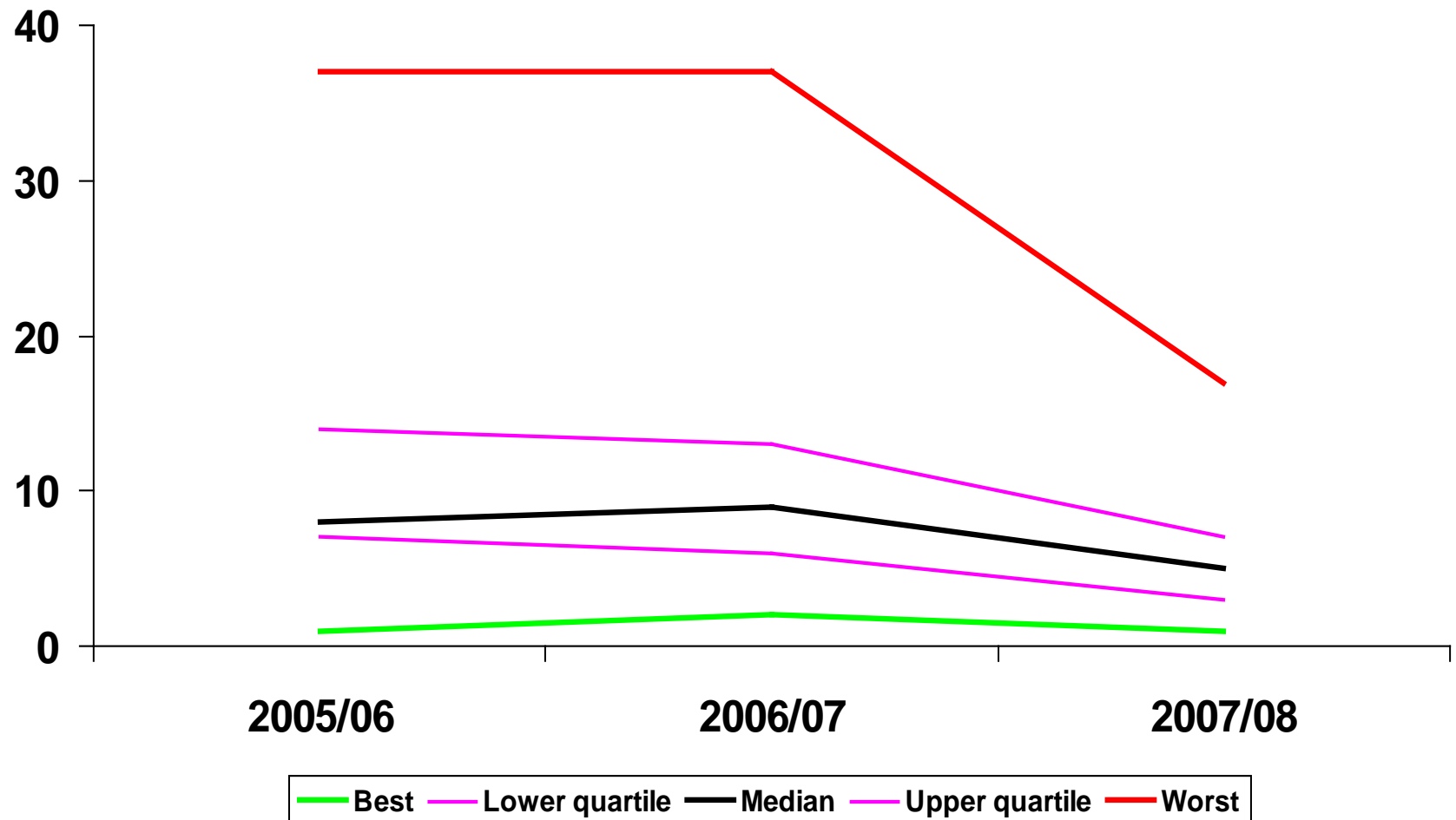


...Not the whole Story

- PFI
 - Street Lighting
 - Highway Maintenance
- Majors
 - Maintenance Schemes
- Others
 - Exceptionals
 - Detrunking
 - Emergency Funding
- RFA
 - to 2018

And road condition – The Record

BV223 – Principal road condition



The Public Value Programme

- The Pre-Budget Report ...a new fiscal environment:

“DfT will assess how best to provide transport funding to local authorities so that it continues to be targeted to areas of greatest need”

Pre-Budget Report, 2008

- Justifying the step change in spend?
- Justifying the effectiveness and economy of delivery?

Data Collection – Moving Forward

NRMCS (1977 – 2007)

- 30 years of data ...
- ...but methodology (CHART) subjective and not used for anything else;

New road condition reporting (2008 –)

- Only five years of data ...
- ... but methodology (SCANNER) objective, repeatable and part of authorities' toolset in any case.

Data - Helping Manage the Asset

- Scanner
- UKPMS
- Research

The opportunity (1)

“Early findings from local government, combined with the greater experience in the water and rail industries, indicate that improved long term value for money from proper Asset Management Planning could be equivalent to at least 5% p.a (worth some £250m on the 2005/06 capital and revenue budget spent on roads maintenance).”

Review of accounting, management and financing mechanisms for local authority transport infrastructure assets, CIPFA, June 2008

The Opportunity (2)

- CIPFA reported to DfT and HM Treasury in June 2008, recommending a move to depreciated replacement cost accounting
- Government response from Treasury
- “Prepare and decide” but ...
- Aim is to be fully rolled out by 2011/12
- Comprehensive Area Assessment – Use of Resources

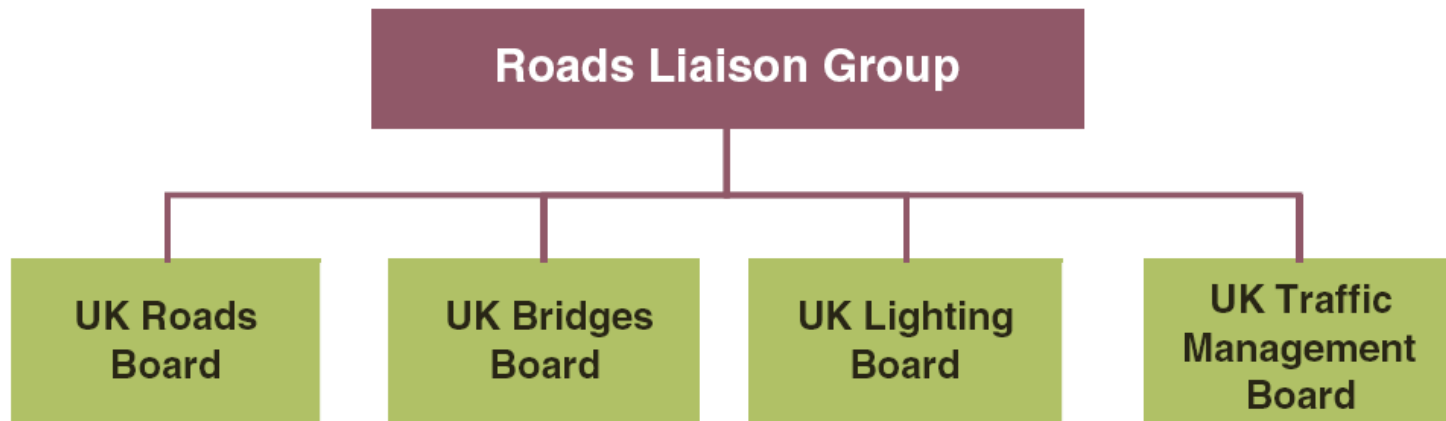
Seizing the Opportunity

- Highway Asset Management Financial Information Group
- DfT Funding

Transport Asset Management Funding

- Where are we?
- Element One funding - £24.5m announced
- Element Two - 69 applications
-111 With joint application
- Plan to announce shortly

Our Partnership



- Bring stakeholders together
- Reforming the structure
- Developing work done
- A strategy for research

Summing Up

- Recognise the achievements
- Build upon them
- Building the case
 - Justifying investment
 - Justifying our ability to deliver
- Asset Management Plans – a tool for all stakeholders

Thank you

The team

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