Initial Asset Valuation for West Berkshire

1.   Introduction

1.1   In 2010, CIPFA published the Code of Practice on Transport and Infrastructure Assets. This code provides guidance on the development and use of financial information to support asset management, financial management and reporting of local transport infrastructure assets.

1.2   The Code has been developed in collaboration with the Highways Asset Management Information Group (HAMFIG), whose work is supported by a number of government funded research projects.

1.3   This appendix describes the analysis carried out to produce the first valuation for our highways assets in accordance with the CIPFA guidance. The most detailed work has been carried out on carriageways and street lighting but simplified estimates have been made for footways, structures, traffic management and street furniture. The second version of the HAMP will include a more detailed analysis for these assets.

2.   Carriageways, Footways and Cycletracks

2.1   The road lengths and categories are taken from R199B, an annual return of network length. The categories are A, B, C and unclassified roads, split between urban and rural, where rural is defined as roads with a speed limit of over 40 mph.

2.2   For each road class, the average carriageway width has been calculated using measurements from Ordnance Survey MasterMap data and the Council's United Kingdom Pavement Management System (UKPMS) as supplied by WDM Ltd.

2.3   The UKPMS specification provides a national standard for management systems for the assessment of local road network condition and for the planning of investment and maintenance on paved areas of roads, kerbs, footways and cycletracks on local roads within the UK.

2.4   The estimated Gross Replacement Cost (GRC) has been calculated using the Carriageway and Footway Gross Replacement Cost Calculator as published by CIPFA. This calculator uses default unit construction rates for all classes of road as developed by the Highways Asset Management Financial Information Group (HAMFIG).

2.5   Adopting the Code of Practice - Well Maintained Highways classifications and the urban/rural split in accordance with the CIPFA recommendations, the annual depreciation has been calculated for each asset group using UKPMS and combined to produce a gross depreciation value for the network.

Depreciation and Net Value of Carriageways

2.6   For all classes of road, the condition of the road network is determined using SCANNER surveys and the results are reported annually through national indicators. The condition indicators refer to the percentage of the road category that is exhibiting sufficient defects to merit repair. This is sometimes referred to as the "red" portion. The next level down is referred to as the "amber" portion, which suggests that it is acceptable at present, but will require attention in the future.

2.7   Depreciation parameters, including default renewal unit rates, total useful life and deterioration models for each road class are used to establish the Depreciated Replacement Cost (DRC). The calculation is carried out using the United Kingdom Pavement Management System (UKPMS) in accordance with the guidance given in the Code of Practice on Transport/ and Infrastructure Assets 2010 and UKPMS Technical Note TN46 Part 1 June 2010.

2.8   The net value of the carriageway asset can then be determined by deducting from the Gross Replacement Cost (GRC) the DRC, where the GRC is the total cost of renewing the asset.

2.9   A summary report detailing the current GRC and DRC is included within this appendix

Depreciation and Net Value of Footways

2.10   In 2008/9, BV187 was formally removed by the Government as a national indicator. This indicator was calculated in UKPMS using condition data collected from annual detailed visual inspection (DVI) surveys on the Category 1 and 2 footway networks.

2.11   Following this change and with the knowledge that the routine safety inspection process would continue to identify any defects on the footway network in its entirety, the asset inventory and machine based condition surveys on the carriageway became the main focus point.

2.12   Using the estimated areas of each footway category, it has been possible to calculate the GRC for the footway network. However, in order to calculate the DRC, a detailed survey of the footway network is required in order to determine the necessary asset data. To achieve this, the Council has embarked on a full Footway Network Survey (FNS) and the depreciation modelling will be developed over the life of the HAMP using the collected condition data.

2.13   A summary report detailing the current GRC and DRC is included within this appendix

3. Bridges

3.1 Although it was not a requirement to produce a valuation for bridges in 2010/11, the Council has estimated the GRC and DRC using the Roads Liaison Group's Guidance Document for Highway Infrastructure Asset Valuation 2005 Edition. This methodology will be replaced once the new guidance has been published by CIPFA in 2012.

3.2 This Asset Valuation includes all the following Asset Groups.

- bridges
- culverts
- subways
- footbridges

3.3 In West Berkshire, footbridges on surfaced and un-surfaced public rights of way are maintained as part of the highway infrastructure asset and so have been included in this valuation.

3.4 A summary report detailing the current GRC and DRC is included within this appendix.

4. Street Lights

4.1 This asset valuation includes all the following asset groups.

- columns
- bollards
- illuminated signs

4.2 A summary report detailing the current GRC and DRC is included at the back of this appendix.

5. Other Highway Assets including Land

5.1 In accordance with the CIPFA Code of Practice, the recommendation is for authorities to use rates broadly comparable to the two types of measures used in the Code until national rates have been published. Rural land will, therefore, be valued using the rates for mixed agricultural use and urban land at residential land values, which are at the upper end of the developed land values. These two measures are used because they are believed to provide good representative values for urban and rural land as a whole.

5.2 The urban/rural split has been determined using the standard local road urban/rural classification which is based on speed limits. This provides a good indicator of the nature of the adjacent land and it is one that can be applied readily and consistently.