

**Cost of maintaining the Highways Agency’s motorway and A road network per lane mile**

Field	Notes
<b>Short title</b>	Cost of maintaining the Highways Agency’s motorway and A road network per lane mile.
<b>Technical definition</b>	Cost of maintenance extracted from the Highways Agency (HA) management accounts in line with the guidance set out below, which is converted into a unit cost by dividing by the number of lane miles on the HA network.
<b>Rationale</b>	<p>This is a measure of cost per unit of asset available to the public which can be benchmarked on a year on year basis and potentially against other road operators.</p> <p>The measure will be used to demonstrate the cost of maintaining the strategic road network. It should be considered in the context of the overall condition of the network and the asset management plan / strategy which aims across the life of the asset to achieve best value.</p>
<b>Formula</b>	<p>Cost of maintaining the HA motorway &amp; A road network per lane mile = <math>\frac{\text{Maintenance Costs}}{\text{No. of lane miles}}</math></p> <p>Maintenance Costs derived from the HA Management Accounts are:</p> <ul style="list-style-type: none"> <li>• All Renewal of Roads and Structures expenditure</li> <li>• A proportion of the Managing Agent Contractor’s Routine and Winter Maintenance expenditure</li> <li>• A proportion of the PFI/DBFO Service Payments calculated from contract data</li> <li>• All Technology Maintenance and Renewals expenditure</li> </ul> <p>Notes:</p> <p>a) Maintenance costs are based on HA assessment</p> <p>b) The No. of lane miles is derived from the Highways Agency Pavement Management System (HAPMS)</p> <p>c) Routine and Winter Maintenance expenditure is combined and reported as ‘Current Maintenance’</p> <p><u>Example (illustrative)</u></p> <p>Maintenance costs in 10/11 = £709m</p> <p>No. of lane miles on HA network in 10/11 = 22,000 lane miles</p>

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	<p>Cost of maintaining the HA motorway &amp; A road network per lane mile =</p> $\frac{\pounds 709,000,000}{22,000} = \pounds 32,227$
<b>Start date</b>	April 2011
<b>Latest data</b>	Data for 2011-12 will be made available in June 2012.
<b>Performance</b>	<p>Assuming that the overall condition of the network is maintained at the same standard and if the costs are adjusted for inflation, improved performance will be demonstrated if the indicator decreases.</p> <p>This is a new indicator, performance should ideally be considered over a number of years to identify trends.</p>
<b>Behavioural impact</b>	<p>The indicator will focus behaviours on spending less and identifying more efficient and innovative ways of doing things.</p> <p>The indicator could drive perverse decision making not to renew or maintain part of the road asset, which will lead to greater risk of asset failure, a reduced customer service and experience and a need to spend more in future periods to repair a further deteriorated asset.</p> <p>Mitigation measures include an asset management plan/strategy, reliability and network condition measures.</p>
<b>Comparability</b>	This is not a recognised standard indicator that can be used to provide a comparison between other countries or road authorities. Similar indicators might be available but there is no consistent agreed definition of costs / cost allocations.
<b>Collection frequency</b>	Data collected on an annual basis.
<b>Time lag</b>	Around 2 months following end of financial year.
<b>Data source</b>	HA accounting system (Oracle) and HAPMS asset database.
<b>Type of data</b>	Management information.

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<b>Robustness and data limitations</b>	Independent financial audit of HA accounts by National Audit Office annually. Internal validation by Internal Audit of business plan indicators.
<b>Collecting organisation</b>	Highways Agency
<b>Return format</b>	£s per lane mile
<b>Geographical coverage</b>	England
<b>How indicator can be broken down</b>	HA Region.
<b>Further guidance</b>	None.