



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 30 APRIL 2024**

**SUBJECT: ROADS MAINTENANCE REVENUE AND CAPITAL BUDGET
2024/2025**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 To ask the Committee to note the interim outturn position for 2023/24 and to approve detailed plans for the expenditure of funds allocated from the Revenue Budget 2024/25 to Roads Maintenance and from the Capital Budget 2024/25 including resurface/reconstruction, surface dressing, footways, drainage, lighting column replacement and lighting improvements.
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) and (F) (16) of the Council's Scheme of Administration relating to the consideration of Capital and Revenue Budgets and exercising the functions of the Council as Roads Authority.

2. RECOMMENDATION

2.1 **The Committee is asked to:**

- (i) approve the detailed allocation of funds, from the Revenue and Capital Budget 2024/25, to Roads Maintenance activities, as outlined in Section 5 of this report;**
- (ii) grant delegated authority to the Roads Maintenance Manager to proceed with necessary roads maintenance works whilst noting that the Roads Maintenance Manager will, as soon as possible, publish a main list of schemes, which can be funded from the budget provision recommended in this report, and a reserve list of desirable schemes, which cannot presently be funded, along with a list of projects to be funded from the Capital allocation; and**
- (iii) note that the list of schemes will be drawn up in accordance with the principles and objectives detailed in this report, in the Roads Asset Management Plan and in the Capital Plan.**

3. BACKGROUND

- 3.1 The Roads (Scotland) Act 1984 places the statutory responsibility for local roads improvement, maintenance and repair with Local Authorities.
- 3.2 In addition, Local Authorities are recommended to adopt the principles of the Code of Practice for Highway Maintenance Management and to adapt these as necessary based on consideration of local circumstances and apply them consistently. The first Code of Practice for Highway Maintenance endorsed by the local government associations was published in 1983 and has subsequently been revised at intervals to take account of new and emerging developments in technology, policy and good practice.
- 3.3 The road network represents by far the largest asset owned by the Council and therefore regular and adequate maintenance is vital to ensure it does not deteriorate, become dangerous and that considerable past investment is not lost.
- 3.4 The allocation of capital funds for 2024/25 was approved by Council on 24 January 2024. Following this approval, work is progressing on preparing the detailed lists of proposed maintenance works, which is envisaged to be completed by 30 April 2025.
- 3.5 The process will be adopted as previous years that a main list of schemes which can be funded from the budget provisions will be made available as soon as possible. The proposed information will be supported by a reserve list of schemes and will be circulated to Elected Members and published on the Council's website.
- 3.6 The main list of schemes will be compiled from the highest priority identified works that officers have prepared by taking an asset management approach which involves using robust data to make good, informed decisions about how we manage and maintain the road network and its associated assets as effectively as possible.
- 3.7 This approach ensures our proposed schemes achieve the best long-term value for money as opposed to a short-term approach which might prioritise immediate repairs over preventative work to preserve the asset and extend its life. In taking this approach, officers look at the long-term costs and consequences of the choices being made.

4. **STATISTICS**

- 4.1 An idea of the extent of the road network and associated assets can be gauged from Table 1 below:-

Table 1 – Road Asset Inventory (as at 01/04/2024)

(a)	LENGTHS	
	A Class roads	157.3 km
	B Class roads	296.3 km
	C Class roads	365.4 km
	Classified roads (A+B+C)	819.0 km
	Unclassified roads	744.3 km
	Total road length	1,563.3 km
	Footways, footpaths & cycle tracks	57.7 km
(b)	INVENTORY	
	Street lights	19,114 no
	Illuminated signs & bollards	1,083 no
	Vehicle restraint systems	31,669 linm
	Road Gullies	19,167 no

- 4.2 The roads asset is by far the largest asset owned by the Council at a replacement value of almost £1.7 billion. The roads asset values at the end of 2022/23 are shown in Table 2 below:-

Table 2 – Roads Asset Value (as at 31/03/23)

Asset Group	Gross Replacement Cost £'000	Depreciated Replacement Cost £'000
Carriageway	£ 1,243,366	£ 1,079,404
Footway	£ 94,687	£ 61,911
Structures	£ 128,410	£ 123,726
Street Lighting	£ 36,006	£ 14,181
Street Furniture	£ 19,270	£ 9,481
Traffic Man. Systems	£ 4,123	£ 2,846
Land	£ 132,476	
Total	£ 1,658,337	£ 1,291,550

*These figures are based on the SCOTS Road Asset Valuation template – part of the RAMP tools. The basis of valuation in the annual accounts is different.

5. REVIEW OF 23/24

- 5.1 The overall outturn for 23/24 is in line with budget accounting for an element of slippage as saving. Priority has been to ensure the carriageway resurfacing budget has been used which has the biggest impact on our road network and overall condition. Table 3 below shows that here has been a slight overspend in the carriageway resurfacing budget, mainly attributed to a result of increased material costs, however, this is offset by underspends in other areas. These works should have a positive effect on RCI indicators and rankings in future year's surveys.
- 5.2 Other budget headings have not been fully spent as a consequence of ongoing staff resources. There are currently vacancies within the technical team and this has an impact on capacity to design the schemes and effectively plan the works. In addition, operational staff vacancies impacts on our ability to deliver all elements of planned works.
- 5.3 It is reported that the service have 10 staff vacancies from the approved staffing establishment. The service is actively looking to fill the vacancies to allow the delivery of the 24/25 works programme, as set out in para 6.6.
- 5.4 In addition, a few snow events experienced during the winter season diverted resources from normal planned work activities to winter related duties, to ensure that roads and footways were kept safe.
- 5.5 The General Maintenance revenue budget was increased last year by £300k, as a one off budget increase approved by Council on the 1 March 2023 (para 5 of the minute refers). This additional budget was fully utilised to deliver an additional programme of planned road patching.
- 5.6 Table 3 below includes a summary of the estimated outturn expenditure for 2023/24 and the proposed budget allocation for 2024/25.

Table 3 – Outturn Expenditure for 2023/24 & budget allocation for 2024/25

	2023/24 budget	2023/24 estimated expenditure	2024/25 budget
Capital Budget			
Carriageway Resurfacing/Reconstruction/Surface Dressing	£ 3,812,000	£ 3,941,169	£ 3,500,000
Structural works for timber traffic *	£ 0	£ 0	£ 250,000
Drainage & Other Works	£ 556,000	£ 135,225	£ 500,000
Footways, footpaths & steps	£ 409,000	£ 282,175	£ 300,000
Kerb Edge Replacement	£ 75,000	£ 0	£ 50,000
A95 Landslip River Isla	£ 1,196,000	£ 843,368	£ 0
Column Replacement	£ 800,000	£ 827,404	£ 800,000
Slippage Allowance	(£ 400,000)		(£ 1,184,000)
Capital Sub-total	£ 6,448,000	£ 6,029,341	£ 4,216,000

* budget allocation is for match funding with STTS (Scottish Timber Transport Scheme) – only STTS approved schemes will be taken forward

Revenue Budget (Roads Maintenance)			
General Maintenance	£ 2,379,077	£ 2,044,013	£ 1,979,077
Traffic Works	£ 100,105	£ 94,956	£ 100,105
Lighting Maintenance	£ 171,500	£ 186,917	£ 146,500
Revenue Budget (Roads Maintenance) Sub-total	£ 2,650,682	£ 2,325,886	£ 2,350,682

Revenue Budget (Winter & Emergency)			
Winter Maintenance & Other Emergencies	£ 1,875,530	£ 2,512,988	£ 1,875,530
Revenue Budget Sub-total	£ 1,875,530	£ 2,512,988	£ 1,875,530

Revenue Budget (Electricity)			
Lighting	£ 535,471	£ 561,595	£ 535,471
Signs	£ 0	£ 0	£ 0
Revenue Budget (Electricity) Sub-total	£ 535,471	£ 561,495	£ 535,471

Summary			
Capital Budget Total	£ 6,448,000	£ 6,029,341	£ 4,216,000
Revenue Budget Total	£ 5,061,683	£ 5,400,369	£ 4,636,683

6. **SCHEME PROGRESS - ROADS 2023/2024**

6.1 A summary of progress against our roads related budgets are highlighted in Table 4 below.

Table 4 – Summary of Schemes (Roads)

Work Type	Status (at 22/03/24) :-			
	Ongoing	Completed	Cancelled / Not Started	Grand Total
Resurfacing / Reconstruction	1	71	3	75
Surface Dressing	0	118	3	121
Footway Works	3	17	22	42
Drainage & Other Works	2	27	67	96
Grand Total	6	233	95	334

6.2 Carriageway maintenance treatments can be grouped in to 3 broad categories; Resurfacing, Reconstruction and Surface Dressing. Each has a different range of benefits and costs, and some are only appropriate under certain circumstances.

- 6.3 The Surface Dressing programme continues to have the highest number of schemes delivered. This treatment is based on preventing damage from water getting into the road layers, and restores surface texture to improve skid resistance. Surface Dressing does not add any strength to the road, but it does maintain an already strong road in a strong condition for longer. Surface Dressing is a cost effective treatment and costs approximately £3-5 per m², while the cost of Resurfacing can range from £20-50 per m².
- 6.4 In 2023/24 there were 71 Resurfacing/Reconstruction schemes completed which, although more expensive than Surface Dressing, will have had the added advantage of both restoring the road surface to a new condition and adding structural benefits.
- 6.5 Unfortunately a significant number of schemes within other work categories, and particularly within our Drainage and Other Works category, had to be cancelled due to resources issues (as mentioned above in para 5.2). It is proposed that the majority of the cancelled schemes will be carried forward into our 2024/25 works programme, however these will be assessed during the programme building exercise, and considered in the context of available funds, along with any other high priority schemes that have come to the attention of the service over the past year.
- 6.6 To ensure that the 2024/25 programmes are delivered, it is intended that staffing vacancies are filled as soon as possible, and the service is actively looking at different advertising channels such as Facebook/Twitter and job fairs to increase awareness of the roles available.
- 6.7 The focus for 2024/25 will be to deliver the Carriageway resurfacing, reconstruction and surface dressing budget as outlined above these have the biggest impact on our road network. The capital slippage will be apportioned to the other budget headings such as footway and drainage & other works.
- 6.8 The allocation of £800,000 for column replacement within our street lighting budget is historic. Whilst there is a considerable backlog of life-expired street lighting columns, the workload which can be carried out is limited by the size of the team. A slippage factor of £120,000 has been approved by Council.

7. **SCHEME PROGRESS – STREET LIGHTING 2023/2024**

7.1 A summary of progress against budget is highlighted in Table 5 below.

Table 5 – Summary of Schemes (Lighting)

Work Type	Status (at 22/03/24) :-			
	Ongoing	Completed	Cancelled / Not Started	Grand Total
Column Replacement Works	14	45	24	83

7.2 There are currently 5,753 lighting columns in Moray which are beyond their design life. **APPENDIX 1** shows the age profile of these design life expired columns.

7.3 The capital allocation for 2024/25 has been set to continue the replacement of columns which are beyond design life. A replacement programme is currently being delivered with an emphasis placed on replacing design life expired columns with the older columns being replaced first.

8. **WINTER GRITTING**

8.1 The actual spend that will be reported at end of season will be an overspend due to the impact of a few weather events of prolonged periods of snow and also the increase of salt prices which is affecting budgets. The current expenditure is £2.512m against budget of £1.771m for 2023/24. Expenditure is driven by the weather conditions and implementation of the approved winter plan (which is a requirement on the council).

8.2 Average expenditure on winter maintenance over the last 10 years is £2.040m against an average budget of £1.710m. It is worth noting that the winter maintenance budget has been historically set based on a mild winter. An average or severe winter will result in additional cost to the Council. However, there is an element of offsetting as in bad weather roads maintenance works cannot proceed as staff are diverted.

8.3 Detailed information on the number of winter actions and salt used, including comparisons with previous years, is shown in **APPENDIX 2**. The 2023/24 winter season (up to end of March) had a similar number of route actions to 2022/23, though the number of days with action was significantly higher. Salt usage is around 500 tonnes less than last year, but still above both the 5 and 10 year averages. Winter outturn expenditure for 2023/24 is around £230k less than in 2022/23 but, as already mentioned in 8.1 above, well in excess of the allocated budget.

9. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Several objectives of these plans are influenced by the condition of the public roads network. Effective budget management is an essential component of delivery of Council priorities on a sustainable basis.

Whilst not directly driven by the Corporate Plan there are links between the functions and projects for the year ahead and the current Corporate priorities:

Tackle Poverty and Inequality – the public road network is used by all sections of society, to access shops and services and to transport goods within and to and from Moray.

Build Stronger Greener Vibrant Economy - encouraging active travel options of walking and cycling require well maintained assets, and adequately treated during the winter months.

Build thriving, resilient, empowered communities – road and footway hazards have the potential to cause injury. Winter gritting provision contributes to making communities safer. A well maintained network contributes to vibrant town centres and communities.

(b) Policy and Legal

The Council is responsible for the maintenance of 1555km of road network which have been adopted by the Local Authority in terms of the Roads (Scotland) Act 1984. The Act places a duty on the Local Authority to maintain the roads, lighting units and structures so adopted, but does not prescribe the level of maintenance to be delivered.

The Well Maintained Highway Infrastructure Code of Practice which identifies good practice and consideration has been taken into consideration.

(c) Financial implications

It is proposed to develop appropriate programmes to reflect the budgets approved as part of the Council's budget setting process and what was included in the current indicative 10 year capital plan as reported to Full Council on 28 February 2024.

(d) Risk Implications

Pressure on general maintenance budgets will increase in terms of reactive maintenance as carriageway conditions deteriorate. There is the risk of a budget pressure in relation to winter maintenance.

(e) Staffing Implications

The staffing implications relating to recruitment are covered in the body of the report.

(f) Property

There are no property implications as a result of this report.

(g) Equalities/Socio Economic Impact

There are no equalities implications as a result of this report.

(h) Climate Change and Biodiversity Impacts

There are no climate change implications as a result of this report. Whilst efforts are made to be mindful of the carbon implications of roads maintenance there are not yet active measures in place to reduce the carbon impact, outside sustainable and active travel which is reported via Transportation. Any trials of alternative products are being led by research bodies rather than directly by the council.

(i) Consultations

Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, the Legal Services Manager, the Equal Opportunities Officer, Climate Change Team and Committee Services Officer (L Rowan) have been consulted and any comments taken into consideration.

10. CONCLUSIONS

10.1 Note the outturn position of the 2023/24 roads capital and revenue programme;

10.2 Approve the expenditure for 2024/25.

Author of Report: Mark Atherton, Roads Maintenance Manager

Background Papers:

Ref: SPMAN-524642768-1039