



---

**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 22 MARCH 2022**

**SUBJECT: ROADS MAINTENANCE REVENUE AND CAPITAL BUDGET  
2022/2023**

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

**1. REASON FOR REPORT**

- 1.1 To ask the Committee to note outturn position for 2021/22 and to approve detailed plans for the expenditure of funds allocated from the Revenue Budget 2022/23 to Roads Maintenance and from the Capital Budget 2022/23 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 2022/23, 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 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.
- 3.2 The allocation of capital funds for 2022/23 has been taken from the latest budget setting report approved by Council on 22 February 2022. Following this approval, work is progressing on preparing the detailed lists of proposed maintenance works, which is envisaged to be completed by 30 April 2022.
- 3.3 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.

### 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 07/02/22)**

|            |                                    |            |
|------------|------------------------------------|------------|
| <b>(a)</b> | <b>LENGTHS</b>                     |            |
|            | A Class roads                      | 157.3 km   |
|            | B Class roads                      | 296.3 km   |
|            | C Class roads                      | 365.7 km   |
|            | Classified roads (A+B+C)           | 819.4 km   |
|            | Unclassified roads                 | 740.5 km   |
|            |                                    |            |
|            | Total road length                  | 1,559.8 km |
|            |                                    |            |
|            | Footways, footpaths & cycle tracks | 55.3 km    |
|            |                                    |            |
| <b>(b)</b> | <b>INVENTORY</b>                   |            |
|            | Street lights                      | 18879 no   |
|            | Illuminated signs & bollards       | 1106 no    |
|            | Vehicle restraint systems          | 31638 linm |
|            | Road Gullies                       | 18720 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 2020/21 are shown in Table 2 below:-

**Table 2 – Roads Asset Value (as at 07/02/22)**

| <b>Asset Group</b>   | <b>Gross Replacement Cost<br/>£'000</b> | <b>Depreciated Replacement Cost<br/>£'000</b> |
|----------------------|---|---|
| Carriageway          | £ 1,250,958                             | £ 1,087,268                                   |
| Footway              | £ 93,347                                | £ 61,035                                      |
| Structures           | £ 128,410                               | £ 123,710                                     |
| Street Lighting      | £ 51,851                                | £ 34,318                                      |
| Street Furniture     | £ 18,712                                | £ 9,254                                       |
| Traffic Man. Systems | £ 2,242                                 | £ 1,529                                       |
| Land                 | £ 132,573                               |   |
| <b>Total</b>         | <b>£ 1,549,682</b>                      | <b>£ 1,193,403</b>                            |

## **5. FINANCIAL POSITION**

- 5.1 Due to current staffing resources the priority has been to spend the Capital Carriageway Resurfacing/Reconstruction/Surface Dressing budget of £3.456m and it is reported in Table 3 below that we are on target to achieve this during 2021/22. The works undertaken are having a positive impact on our most recent RCI indicators and rankings.
- 5.2 The Carriageway Resurfacing/Reconstruction/Surface Dressing budget during 2021/22 was £3.456m which was made up of £3m and included carry-over of £0.456m. The 10 year capital plan has been approved to include a phased increase of £0.5m which results in our budget for 2022/23 being £3.5m. It is proposed that we continue to closely monitor our 2022 and 2023 RCI results and, subject to the outcome of these (assuming they show a deterioration), undertake a more detailed analysis that would provide a more up to date long term prediction on our road condition based on different budget scenarios for the years 2024/5 onwards. In the meantime we will continue to work to the current standards.
- 5.3 Unfortunately, some of our capital budgets will not achieve full spend, mainly as a result of staff capacity, staff vacancies and delays in the supply of materials due to global supply chain issues. The impact of Covid has continued and it can be reported that productivity has been reduced as a result of social distancing and control measures that have remained in place.
- 5.4 Table 3 below includes a summary of the estimated outturn expenditure for 2021/22 and the proposed allocation for 2022/23.

**Table 3 – Outturn 2021/22 & proposed allocation 2022/23**

|  | <b>2021/22<br/>end of year<br/>budget</b> | <b>2021/22<br/>estimated<br/>expenditure</b> | <b>2022/23<br/>allocation</b> |
|--|---|--|-------------------------------|
| <b>Capital Budget</b>  |   |  |                               |
| Carriageway Resurfacing/Reconstruction/Surface Dressing        | £ 3,456,000                               | £ 3,456,000                                  | £ 3,500,000                   |
| Structural works for timber traffic                            | £ -                                       | £ -  | £ 750,000                     |
| Drainage & Other Works   | £ 460,000                                 | £ 230,000                                    | £ 500,000                     |
| Footways, footpaths & steps                                    | £ 300,000                                 | £ 149,000                                    | £ 300,000                     |
| Kerb Edge Replacement  | £ 50,000                                  | £ -  | £ 50,000                      |
| A95 Landslip River Isla  | £ -                                       | £ -  | £ 1,185,000                   |
| Portknockie Landslip   | £ 15,000                                  | £ 15,000                                     | £ -                           |
| A95 Meikle Cantlay Landslip                                    | £ 15,000                                  | £ 1,000                                      | £ -                           |
| Column Replacement   | £ 550,000                                 | £ 340,000                                    | £ 800,000                     |
| Replace SOX & SON lights with LED lights                       | £ 257,000                                 | £ 144,000                                    | £ -                           |
| <b>Capital Sub-total =&gt;</b>                                 | <b>£ 5,103,000</b>                        | <b>£ 4,335,000</b>                           | <b>£ 7,085,000</b>            |
| <b>Revenue Budget (Roads Maintenance)</b>                      |   |  |                               |
| General Maintenance  | £ 1,267,000                               | £ 1,267,000                                  | £ 1,267,000                   |
| Traffic Works  | £ 80,448                                  | £ 80,448                                     | £ 80,448                      |
| Lighting Maintenance   | £ 145,000                                 | £ 145,000                                    | £ 145,000                     |
| <b>Revenue Budget (Roads Maintenance) Sub-total =&gt;</b>      | <b>£ 1,492,448</b>                        | <b>£ 1,492,448</b>                           | <b>£ 1,492,448</b>            |
| <b>Revenue Budget (Winter &amp; Emergency)</b>                 |   |  |                               |
| Winter Maintenance & Other Emergencies                         | £ 1,582,215                               | £ 1,582,215                                  | £ 1,762,215                   |
| <b>Revenue Budget (Winter &amp; Emergency) Sub-total =&gt;</b> | <b>£ 1,582,215</b>                        | <b>£ 1,582,215</b>                           | <b>£ 1,762,215</b>            |
| <b>Revenue Budget (Electricity)</b>                            |   |  |                               |
| Lighting   | £ 373,734                                 | £ 373,734                                    | £ 373,734                     |
| Signs  | £ 12,000                                  | £ 12,000                                     | £ 12,000                      |
| <b>Revenue Budget (Electricity) Sub-total =&gt;</b>            | <b>£ 385,734</b>                          | <b>£ 385,734</b>                             | <b>£ 385,734</b>              |
| <b>Summary</b>   |   |  |                               |
| Capital Budget Total   | £ 5,103,000                               | £ 4,335,000                                  | £ 7,085,000                   |
| Revenue Budget Total   | £ 3,460,397                               | £ 3,460,397                                  | £ 3,640,397                   |
| <b>Capital and Revenue Total =&gt;</b>                         | <b>£ 8,563,397</b>                        | <b>£ 7,795,397</b>                           | <b>£ 10,725,397</b>           |

Note:

The allocation of capital and revenue funds for 2022/23 has been taken from the latest budget setting report approved by Council on 22 February 2022.

## 6. SCHEME PROGRESS - ROADS 2021/2022

- 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 16/02/22) :- |            |                         |             |
|------------------------------|-------------------------|------------|-------------------------|-------------|
|                              | Ongoing                 | Completed  | Cancelled / Not Started | Grand Total |
| Resurfacing / Reconstruction | 16                      | 55         | 3                       | 74          |
| Surface Dressing             | 0                       | 96         | 2                       | 98          |
| Footway Works                | 18                      | 11         | 8                       | 37          |
| Drainage & Other Works       | 21                      | 26         | 29                      | 76          |
| <b>Grand Total</b>           | <b>55</b>               | <b>188</b> | <b>42</b>               | <b>285</b>  |

- 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 Our 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 doesn't 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, instead of Resurfacing which can be anything from £20-50 per m2.
- 6.4 During 2021/22 we have completed 55 resurfacing/reconstruction schemes which is more expensive but does have the advantage of restoring the road surface to a new condition, removing surface problems and most unevenness.
- 6.5 It is proposed that the majority of the cancelled schemes will be rolled forward into next year 2022/23. However, these will be assessed during the programme building exercise and considered along with any other high priority schemes that have come to our attention over the year.

## 7. SCHEME PROGRESS – STREET LIGHTING 2021/2022

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

**Table 5 – Summary of Schemes (Lighting)**

| Work Type                  | Status (at 16/02/22) :- |           |                         |             |
|----------------------------|-------------------------|-----------|-------------------------|-------------|
|                            | Ongoing                 | Completed | Cancelled / Not Started | Grand Total |
| Street Lighting Works      | 3                       | 6         | 27                      | 36          |
| Lighting Improvement Works | 1                       | 0         | 0                       | 1           |
| <b>Grand Total</b>         | <b>4</b>                | <b>6</b>  | <b>27</b>               | <b>37</b>   |

- 7.2 The Council approved a change to the Capital Plan at a meeting of the Moray Council on 11 November 2015 to allow for a LED Spend to Save project (para 24 of the minute refers). This has involved the fitting of new LED Street Lighting Lanterns as a replacement for the existing stock. By changing to LED, the Council has benefitted from lower energy consumption and reduced maintenance visits, resulting in revenue budget savings.
- 7.3 The unit costs are reported to be £375 per unit during 2021/22 which is significantly higher than previous years of the project. This is due to many of the remaining lanterns being non-standard and requiring special LED lantern replacements which cost more to purchase. On site productivity has declined from previous years due to many of the remaining units being located at one off locations throughout Moray.

**Table 6 – LED Cost Installation Summary**

| Year          | Expenditure        | Units Installed | Unit Cost |
|---------------|--------------------|-----------------|-----------|
| 2015/16       | £ 218,000          | 445             | £ 490     |
| 2016/17       | £ 1,110,000        | 3,304           | £ 336     |
| 2017/18       | £ 867,000          | 4,363           | £ 199     |
| 2018/19       | £ 922,000          | 4,877           | £ 189     |
| 2019/20       | £ 666,000          | 3,613           | £ 184     |
| 2020/21       | £ 100,000          | 478             | £ 209     |
| 2021/22*      | £ 150,000          | 400             | £ 375     |
| 2022/23**     | £ 100,000          | 265             |           |
| <b>Totals</b> | <b>£ 4,133,000</b> | <b>17,745</b>   |           |

\* Projection to end of year

\*\* Estimated installation costs & budget to complete project

- 7.4 **APPENDIX 1** highlights the current progress of the LED replacement project. Unfortunately, delays in specialist LED units and their availability and staff resource availability has resulted in this project not being completed. There are a total of 265 units to be installed in 2022/23 to finalise the project.
- 7.5 In addition, the projects annual saving estimate of £540k per year has been surpassed with this project currently saving the council £619k per year as a result of energy, carbon and maintenance savings. This figure will continue to rise through to the completion of all LED lantern installations.
- 7.6 There are currently 5,375 lighting columns in Moray which are beyond their design life. **APPENDIX 2** shows the age profile of these design life expired columns.
- 7.7 The capital allocation for 2022/23 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 and areas with known poor electrical power cabling which are under the control of the Council.

## **8. WINTER GRITTING**

- 8.1 It is difficult to predict whether the actual spend that will be reported at end of season will be an overspend or underspend due to the impact prolonged periods of snow can have on our budgets. Our current expenditure is £1.304m against our budget for 2021/22 of £1.582m.
- 8.2 Our average expenditure on winter maintenance over the last 10 years is £2.052m against an average budget of £1.802m. 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 budget pressure.
- 8.3 Detailed information on the number of winter actions and salt used, including comparisons with previous years, is shown in **APPENDIX 3**. It is worth highlighting that to date, the total number of winter treatments on our routes has decreased this year than previous years and it is reported that the amount of salt used has reduced. This is as a result of the majority of our gritting to date being precautionary treatment and having less continuous days of treating during prolonged snow events.

## **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.

A Growing, Diverse and Sustainable Economy – 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.

Building a better future for children and young people in Moray encouraging active travel options of walking and cycling require well maintained, and adequately treated during the winter months, facilities.

Empowering and connecting communities – road and footway hazards have the potential to cause injury. Winter gritting provision contributes to making communities safer.

### **(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 plan as reported to Full Council on 22 Feb 2022.

**(d) Risk Implications**

Pressure on general maintenance budgets will increase in terms of reactive maintenance as carriageway conditions deteriorate.

**(e) Staffing Implications**

There are no staffing implications as a result of this 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.

**(i) Consultations**

Depute Chief Executive (Economy, Environment & Finance), Principal Accountant (P Connor), the Legal Services Manager, the Equal Opportunities Officer 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 2021/22 roads capital and revenue programme;**
- 10.2 **Note condition of the carriageway asset group and to agree the approach taken in managing the different asset groups;**
- 10.3 **Approve the split of revenue and capital allocation to the various maintenance headings and asset types for 2022/23.**

Author of Report: Mark Atherton, Roads Maintenance Manager  
Background Papers:  
Ref: SPMAN-524642768-695