



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 17 MARCH 2020**

**SUBJECT: ROADS MAINTENANCE CAPITAL AND REVENUE BUDGET
2020/2021**

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

1. REASON FOR REPORT

- 1.1 To ask the Committee to approve detailed plans for the expenditure of funds allocated from the Revenue Budget 2020/21 to Roads Maintenance and from the Capital Budget 2020/21 including resurfacing/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 Budget 2020/21, to Roads Maintenance activities, as outlined in Section 7 of this report;**
- (ii) approve the detailed allocation of funds, from the Capital Budget 2020/21, to the various roads asset groups and work types, as outlined in Section 7 of this report;**
- (iii) 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**

- (iv) 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 2020/21 has been taken from the latest budget setting report subject to approval by Council on 3 March 2020. Following this decision work is progressing on preparing the detailed lists of proposed maintenance works which will be expected to be completed by 30 April 2020.
- 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 by 30 April 2020.

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 03/02/20)

(a)	LENGTHS	
	A Class roads	157.228 km
	B Class roads	296.332 km
	C Class roads	366.097 km
	Classified roads (A+B+C)	819.657 km
	Unclassified roads	739.100 km
	Total road length	1,558.757 km
	Footways, footpaths & cycle tracks	54.385 km
(b)	INVENTORY	
	Street lights	18648 no
	Illuminated signs & bollards	1136 no
	Vehicle restraint systems	31638 linm
	Road Gullies	18707 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 2018/19 are shown in Table 2 below:-

Table 2 – Roads Asset Value

Asset Group	Gross Replacement Cost £'000	Depreciated Replacement Cost £'000
Carriageway	£ 1,244,505	£ 1,072,449
Footway	£ 93,263	£ 60,979
Structures	£ 128,410	£ 123,710
Street Lighting	£ 50,298	£ 32,941
Street Furniture	£ 17,640	£ 8,609
Traffic Man. Systems	£ 2,132	£ 1,407
Land	£ 131,482	£ 131,482
Total	£ 1,667,728	£ 1,431,579

5. FINANCIAL POSITION

- 5.1 There are no major variances against budget allocation and profile spends to report at this time.
- 5.2 Table 3 below includes a summary of the estimated outturn expenditure for 2019/20 and the proposed allocation for 2020/21.

Table 3 – Outturn 2019/20 & proposed allocation 2020/21

	2019-20 end of year budget	2020-21 allocation
Carriageway (Resurfacing/Reconstruction/Surface Dressing)	£ 2,380,000	£ 2,500,000
Structural works for timber traffic	£ 490,000	£ 250,000
Drainage & Other Works	£ 550,000	£ 460,000
Footways, footpaths & steps	£ 300,000	£ 300,000
Kerb Edge Replacement		£ 50,000
A95 Landslip River Isla		£ 40,000
Column Replacement	£ 618,000	£ 800,000
Replace SOX & SON lights with LED lights	£ 700,000	£ 300,000
Capital Budget Sub-total =>	£ 5,038,000	£ 4,700,000
General Maintenance	£ 1,152,000	£ 1,152,000
Footway Works	£ 0	£ 0
Traffic Works	£ 80,448	£ 80,448
Drainage & Other Works	£ 0	£ 0
Lighting Maintenance	£ 195,000	£ 145,000
Revenue Budget (Roads Maintenance) Sub-total	£ 1,427,448	£ 1,377,448
Winter Maintenance & Other Emergencies	£ 1,398,068	£ 1,413,568
Revenue Budget (Winter & Emergency) Sub-total	£ 1,398,068	£ 1,413,568
Lighting	£ 398,734	£ 398,734
Signs	£ 12,000	£ 12,000
Revenue Budget (Electricity) Sub-total	£ 410,734	£ 410,734
Capital Budget Total	£ 5,403,000	£ 4,700,000
Revenue Budget Total	£ 3,236,250	£ 3,201,750
Capital and Revenue Total	£ 8,274,250	£ 7,901,750

Note:

The allocation of capital funds for 2020/21 has been taken from the latest budget setting report subject to approval by Council on 3 March 2020.

6. SCHEME PROGRESS - ROADS 2019/2020

- 6.1 A summary of progress against budget heading is highlighted in Table 4 below.
- 6.2 There have been 11 timber route improvement schemes completed during 2019/20 with contributory grant funding received from the Scottish Timber

Transport Group. In total, the value of works has been £318k with £222k being received from STTG, which represents 70% of the total cost of the improvement works.

Table 4 – Summary of schemes

Work Type	Status (at 03/02/20) :-		
	Ongoing	Completed	Grand Total
Resurfacing / Reconstruction	8	38	46
Surface Dressing		76	76
Footway Works	15	31	46
Drainage & Other Works	17	13	30
Street Lighting Works	15	4	19
Lighting Improvement Works			0
Timber Route Improvements	1	10	11
Grand Total	56	172	228

7. **SCHEME PROGRESS – STREET LIGHTING 2019/2020**

- 7.1 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.
- 7.2 The LED capital replacement programme is predicted to underspend by £400k during 2019/20. This is due to a combination of factors including operational efficiencies, reduced purchase price of the new LED lanterns, and decreased installation numbers.
- 7.3 The unit costs are expected to be significantly higher in 2020/21 as many of the remaining lanterns are non-standard and will require special LED lantern replacements.

Table 5 – LED Cost Installation Summary

Year	Installed	Budget spend (£)	Cost per unit (£)
2015/16	453	218,000	479.12
2016/17	3,310	1,110,000	343.65
2017/18	4,412	867,000	197.05
2018/19	4,751	922,000	194.06
2019/20*	4,151	700,000	168.63
2020/21**	900	300,000	333.33
Totals	17,977	4,117,000	

* Projection to end of year

** Estimated installation costs & budget

- 7.5 **APPENDIX 1** highlights the current progress of the LED replacement project. It is envisaged that the project will be fully completed during 2020/21.
- 7.6 In addition, the electrical and carbon savings targets have been achieved this current year and are expected to exceed the original saving projections for 2018/19.
- 7.7 There are currently 4,736 lighting columns in Moray which are beyond their design life. **APPENDIX 2** shows the age profile of these design life expired columns.
- 7.8 The capital allocation for 2020/21 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 The average cost of winter maintenance over the last 10 years is £2,206k against an average budget of £1,851k. 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.
- 8.2 At the time of writing this report, it is estimated that the winter maintenance budget will likely report an overspend due to the number of treatments carried out to date and amount of salt currently used.
- 8.3 Detailed information on the number of winter actions and salt used, including comparisons with previous years, is shown in **APPENDIX 3**. In previous years Appendix 3 has reported the total number of winter actions however, with the reduction in the number of P1 routes this winter (from 17 to 13) this years total can no longer be compared directly with previous years. The graph within Appendix 3 this year is therefore based on the number of actions carried out on a single P1 route - Route EL5 (Rothies).
- 8.4 When comparing the actual expenditure to date against previous years, it can be noted that the actual expenditure has reduced during 2019/2020 yet the number of days with operations has increased. This would suggest the change from 17 routes down to 13 has resulted in the financial reductions to date.

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.

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.

Codes of Practice for Highway Maintenance Management, Management of Highway Structures and for Highway Lighting Management identify good practice and consideration has to be given to this advice.

(c) Financial implications

It is proposed to continue with the capital expenditure required in 2020/21 to 2022/23 from that included in the current indicative 10 year plan as reported to Full Council on 3 March 2020.

(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) Consultations

Corporate Director (Economic Development, Planning and Infrastructure), Paul Connor, Principal Accountant, the Legal Services Manager, the Equal Opportunities Officer and L Rowan, Committee Services Officer have been consulted and any comments taken into consideration.

10. CONCLUSIONS

Committee are asked to:

- 11.1 Note the outturn position of the 2019/20 roads capital and revenue programme;**
- 11.2 Note condition of the carriageway asset group and to agree the approach taken in managing the different asset groups;**
- 11.3 Approve the split of revenue and capital allocation to the various maintenance headings and asset types for 2020/21**

Author of Report: Mark Atherton, Roads Maintenance Manager
Background Papers:
Ref: