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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 16 APRIL 2019**

**SUBJECT: ROADS MAINTENANCE REVENUE AND CAPITAL BUDGET  
2019/2020 – RESURFACING, PASSING PLACES, LED LIGHTING  
IMPROVEMENTS AND LIGHTING COLUMN REPLACEMENT**

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,  
PLANNING AND INFRASTRUCTURE)**

**1. REASON FOR REPORT**

- 1.1 To ask the Committee to approve detailed plans for the expenditure of funds allocated from the Revenue Budget 2019/2020 to roads maintenance and from the Capital Budget 2019/2020 including resurfacing/reconstruction, surface dressing, footways, drainage, passing places, 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 2019/2020, to Roads Maintenance activities, as outlined in Section 7 of this report;**
- (ii) approve the detailed allocation of funds, from the Capital Budget 2019/2020, 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 2019/2020 has been taken from the latest budget setting report approved by Council on 27 February 2019 (paragraph 4 of the minute refers). 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 2019.
- 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 2019.

### 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 20/03/19)

|            |                                    |             |
|------------|------------------------------------|-------------|
| <b>(a)</b> | <b>LENGTHS</b>                     |             |
|            | A Class roads                      | 157.228 km  |
|            | B Class roads                      | 296.332 km  |
|            | C Class roads                      | 366.092 km  |
|            | Classified roads (A+B+C)           | 819.652 km  |
|            | Unclassified roads                 | 736.804 km  |
|            |                                    |             |
|            | Total road length                  | 1556.456 km |
|            |                                    |             |
|            | Footways, footpaths & cycle tracks | 593.937 km  |
|            |                                    |             |
| <b>(b)</b> | <b>INVENTORY</b>                   |             |
|            | Street lights                      | 18348 no    |
|            | Illuminated signs & bollards       | 1112 no     |
|            | Vehicle restraint systems          | 31642 linm  |
|            | Road Gullies                       | 18583 no    |

- 4.2 The roads asset is by far the largest asset owned by the Council at a replacement value of almost £1.6 billion. The roads asset values at the end of 2017/18 are shown in Table 2 below:-

**Table 2 – Roads Asset Value**

| <b>Asset Group</b>         | <b>Gross Replacement Cost £000</b> | <b>Depreciated Replacement Cost £000</b> | <b>Confidence in asset data</b> |
|----------------------------|------------------------------------|--|---------------------------------|
|                            |                                    |  |                                 |
| Carriageway                | £1,162,024                         | £855,868                                 | 90%                             |
| Footway                    | £91,586                            | £59,883                                  | 40%                             |
| Structures                 | £115,271                           | £110,572                                 | 85%                             |
| Street Lighting            | £34,811                            | £21,335                                  | 85%                             |
| Street Furniture           | £16,955                            | £8,221                                   | 45%                             |
| Traffic Management Systems | £1,352                             | £965                                     | 90%                             |
| Land                       | £126,127                           | £126,127                                 | 65%                             |
|                            |                                    |  |                                 |
| Total                      | £1,548,126                         | £1,182,971                               |                                 |

## **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 2018/19 and the proposed allocation for 2019/20.

**Table 3 – Outturn 2018/19 & proposed allocation 2019/20**

|  | <b>2018-19<br/>end of year<br/>budget</b> | <b>2019-20<br/>allocation</b> |
|--|---|-------------------------------|
| Carriageway<br>(Resurfacing/Reconstruction/Surface Dressing) | £ 2,042,000                               | £ 2,042,000                   |
| Structural works for timber traffic                          | £ 250,000                                 | £ 250,000                     |
| Drainage & Other Works                                       | £ 460,000                                 | £ 750,000                     |
| Footways, footpaths & steps                                  | £ 300,000                                 | £ 300,000                     |
| Column Replacement   | £ 725,000                                 | £ 600,000                     |
| Replace SOX & SON lights with LED lights                     | £ 1,034,000                               | £ 1,100,000                   |
| <b>Capital Budget Sub-total =&gt;</b>                        | <b>£ 4,811,000</b>                        | <b>£ 5,042,000</b>            |
| General Maintenance  | £ 1,278,000                               | £ 1,152,000                   |
| Footway Works  | £ 0                                       | £ 0                           |
| Traffic Works  | £ 130,448                                 | £ 80,448                      |
| Drainage & Other Works                                       | £ 10,000                                  | £ 0                           |
| Lighting Maintenance   | £ 195,000                                 | £ 195,000                     |
| <b>Revenue Budget (Roads Maintenance) Sub-total</b>          | <b>£ 1,613,448</b>                        | <b>£ 1,427,448</b>            |
| Winter Maintenance & Other Emergencies                       | £ 1,647,718                               | £ 1,416,718                   |
| <b>Revenue Budget (Winter &amp; Emergency) Sub-total</b>     | <b>£ 1,647,718</b>                        | <b>£ 1,416,718</b>            |
| Lighting   | £ 388,300                                 | £ 388,300                     |
| Signs  | £ 12,000                                  | £ 12,000                      |
| <b>Revenue Budget (Electricity) Sub-total</b>                | <b>£ 400,300</b>                          | <b>£ 400,300</b>              |
| Capital Budget Total   | £ 4,811,000                               | £ 5,042,000                   |
| Revenue Budget Total   | £ 3,661,466                               | £ 3,244,466                   |
| <b>Capital and Revenue Total</b>                             | <b>£ 8,472,466</b>                        | <b>£ 8,286,466</b>            |

Note:

The allocation of capital funds for 2019/20 has been taken from para 4 of the latest budget setting report approved by Council on 27 February 2019.

## **6. SCHEME PROGRESS - ROADS 2018/2019**

- 6.1 The majority of individual scheme works are included in various programmes within different budget headings. These programmes include; resurfacing/reconstruction works, surface dressing works, general footway works and timber routes.
- 6.2 Good progress has been made within all of these programmes and to date 240 schemes have been completed. A summary of progress against budget heading is highlighted in Table 4 below.

- 6.3 There have been 21 timber route improvement schemes completed during 2018/19 with matched funding received from the Scottish Timber Transport Group. In total, the value of works has been £600k with £394k being received from STTG, which represents 70% of the total cost of the improvement works.

**Table 4 – Summary of schemes**

| Row Labels                   | Ongoing  | Completed  | Grand Total |
|------------------------------|----------|------------|-------------|
| Resurfacing / Reconstruction |          | 46         | 46          |
| Surface Dressing             |          | 85         | 85          |
| Footway Works                | 1        | 25         | 26          |
| Drainage & Other Works       | 1        | 40         | 41          |
| Street Lighting Works        | 1        | 22         | 23          |
| Lighting Improvement Works   |          | 1          | 1           |
| Timber Route Improvements    |          | 21         | 21          |
| <b>Grand Total</b>           | <b>3</b> | <b>240</b> | <b>243</b>  |

## 7. **SCHEME PROGRESS – STREET LIGHTING 2018/2019**

- 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 will involve the fitting of new LED Street Lighting Lanterns as a replacement for the existing stock. By changing to LED, the Council will benefit 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 £132k during 2018/19. However, it is worth noting that this is as a result of introducing operational efficiencies and by negotiating a reduced purchase price of the new LED lanterns by buying in bulk.
- 7.3 The table below highlights that there has been an increase in the number of units installed (4,751) during 2018/19 compared to the previous year's total installed of (4,400) units. The total spend against budget has reduced during 2018/19 from the previous year despite an increase in units being installed, which is as a result of operational efficiencies referenced above.

**Table 5 – LED cost installation summary**

| Year     | Installed | Budget spend (£) | Cost per unit (£) |
|----------|-----------|------------------|-------------------|
| 2016/17  | 3,230     | 987,000          | 305.57            |
| 2017/18  | 4,400     | 910,000          | 206.82            |
| 2018/19  | 4,751     | 902,338          | 189.93            |
| 2019/20* | 4,102*    | 779,093*         | 189.93            |

(\*Projected installation costs & budget)

- 7.4 To summarise, if the costs for LED units had continued at the higher cost per unit price in 2016/17, then the initial projected budget of £5.5million to replace

the SOX and Son streetlights with LED units would be significantly overspent. In fact, projections show that the project is likely to be delivered well under the original forecast.

- 7.5 **APPENDIX 1** highlights the current progress of the LED replacement project. The number of units installed has increased each year which should result in the project being completed earlier than originally projected. It is envisaged that the project will be fully completed on target during 2019/20.
- 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 Moray has a number of lighting columns (4,179) which are beyond their design life. This figure has decreased slightly from the previous year due to 211 being replaced this year. These are not isolated to any particular location within Moray, in fact they are located throughout the area, with differing specifications subject to the type and classification of road they are situated on, and when they were installed. **APPENDIX 2** shows the age profile of these design life expired columns.
- 7.8 The capital allocation for 2019/20 has been set to continue the replacement of a number 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 £2,236k against an average budget of £1,749k. 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 a small overspend due to the amount of salt used and number of treatments carried out to date.
- 8.3 Detailed information on the number of winter treatments carried out this year and salt used, including comparisons with previous years, is shown in **APPENDIX 3**.

## **9. OTHER FINANCIAL**

- 9.1 It is anticipated that the Drainage & Other Works budget will underspend by approximately £400k. This is due to money being set aside for the repair of a land slip which occurred adjacent to South Lodge, Glenernie on the A940 Forres to Grantown road. Independent surveys have been carried out to date and contract for the completion of works is to be awarded by the end of March 2019. It is anticipated works on site will commence shortly after this date during the early part of 2019.

## **10. 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**

Approved reduced revenue maintenance budgets as part of the Councils financial savings options approved for 2019/20 will have a significant impact on the repair of potholes and overall condition of the road network.

It is proposed to continue with the capital expenditure required in 2019/20 to 2021/22 from that included in the current indicative 10 year plan as reported to Full Council on 27 February 2019 (paragraph 6 of the Minute refers).

### **(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.

**11. CONCLUSIONS**

**Committee are asked to:**

- 11.1 Note the outturn position of the 2018/19 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 2019/20**

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