



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 21 JANUARY 2020**

SUBJECT: ROADS ASSET MANAGEMENT PLANNING

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the latest road network condition information, and how it compares with the 2016 condition modelling forecast.
- 1.2 This report is submitted to Committee in terms of Section III (F) 15 of the Council's Scheme of Administration relating to the function of the Council as Roads Authority.

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- (i) **notes the latest road condition indicator (RCI) results for Moray Council, and our position when compared nationally; and**
- (ii) **recommends that the RCI results continue to be monitored and reported back on an annual basis to this committee.**

3. BACKGROUND

- 3.1 The road network represents the Councils' single largest asset and therefore regular and adequate maintenance is vital to ensure it does not deteriorate or become dangerous, and that considerable past investment is not lost. Roads maintenance covers those activities aimed to preserve the existing roads asset and have recently been valued at over £1.667 billion.
- 3.2 The network and associated asset liabilities are increasing year on year as new developments are built and adopted. The charts highlighted in **APPENDIX A** clearly show how revenue and capital budgets have significantly reduced over a period of time yet more assets are added to the list of public roads for the Council to maintain. This leads to increased costs of complying with statutory duties; however this has not been recognised by a corresponding increase in budget allocation.
- 3.3 In simple terms, the base allocation needs a similar enhancement if standards are to be maintained.

Roads maintenance activities have four primary purposes:

- Structural maintenance to repair and maintain the fabric of the road network.
- The continued lighting of the network to ensure a safe and free flow for both vehicular and pedestrian traffic.
- Traffic management and road safety aspects to provide for the safe movement of traffic, including cyclists, pedestrians and other vulnerable groups.
- Other routine functions of a reactive or environmental nature needed to remove hazards to road users, to prevent deterioration to the fabric of the road, and to keep the network clean and attractive.

3.4 On 11 February 2014 Moray Council made the decision to allow Moray's road condition to deteriorate, with a target to be at mid-point in the national table across the network as a whole by the end of the following 5 year period (paragraph 3 of the Minute refers). A reduced capital investment since then has caused our network condition to deteriorate.

3.5 We monitor the deterioration in our road network via the Scottish Road Condition Maintenance Survey (SRMCS) which is a Scotland-wide machine based survey, the results of which are used to calculate a Road Condition Indicator (RCI). The RCI provides information about which sections of a network should be considered for planned maintenance soon, which sections should be investigated to determine the optimum time for maintenance and which sections are generally in a good state of repair (these three categories are colloquially known as "red", "amber", and "green" lengths). The Road Condition Indicator in Scotland is the proportion of the network falling within Red and Amber. Therefore the higher this percentage is, the worse the road network's condition is in.

3.6 This report summarises the latest road condition indicator (RCI) & rankings and presents a number of investment options for our road asset. The scenarios presented and the issues raised are designed to assist with the budget setting process.

4. LATEST ROAD CONDITION INDICATOR (RCI) & RANKINGS (2018/20)

4.1 Following the completion of the road condition surveys undertaken in 2019, we have now received our latest RCI % figures. Table 1 below details the current RCI % figures and ranking position in comparison with other Scottish Authorities.

Table 1: RCI (%) and ranking position

Network	2015-17		2016-18		2017-19		2018-20	
	RCI	Ranking	RCI	Ranking	RCI	Ranking	RCI	Ranking
Whole Network	26.9%	4	27.9%	4	29.1%	4	30.6%	8
A Class	25.2%	17	25.9%	15	28.6%	21	29.2%	20
B Class	22.8%	8	23.5%	7	25.6%	13	25.8%	12
C Class	21.9%	5	24.9%	5	28.1%	8	25.2%	7
A,B,C Class	22.9%	5	24.6%	5	27.3%	9	26.2%	8
Unclassified	31.4%	5	31.6%	5	31.1%	6	35.5%	16

- 4.2 The above table shows our current RCI % figures against each road classification type. It is clear that these figures are now increasing more aggressively than in previous years. Moray's road network is now deteriorating at a pace which will likely result in us being either at or below mid table before the end of the revised 5 year period, which commenced in April 2017.
- 4.3 The information provided to the Council also reports that Moray have the highest shift change in RCI, (worsening condition of our roads) in comparison with other Scottish Authorities over the past 6 years. During this period 20 Authorities have improved their RCI and 10 have deteriorated. Moray has had the largest network deterioration during the last 6 years.
- 4.4 It can be noted that our A class roads have already surpassed the mid - table point and we are now placed 20th and a steady % increase is noted of 0.6% from the previous condition surveys. It is clear that additional investment on A Class roads will be necessary over the next few years to arrest that deterioration and maintain the current condition.
- 4.5 B class roads have also deteriorated with a 0.2% increase this year. Despite that deterioration our national ranking has improved from 13th place last year to 12th place this year, which is still close to the targeted 16th place mid - table position.
- 4.6 Our C class roads have seen a 2.9% decrease in the RCI. This has moved our national ranking for these from 8th place last year to 7th place this year. This improvement may be due to the investment we made in C class roads in 2018-19 using Scottish Timber Transport Scheme grant funding.
- 4.7 The biggest change following this year's survey is a significant 4.4% increase to our unclassified network RCI which resulted in a national ranking move from 6th place last year to 16th place this year. This is the most volatile indicator as just 10% of the unclassified network is surveyed each year. Each year's RCI includes the last 4 years surveys so are based on just 40% of the overall unclassified network, which could be the best or worst 40%.
- 4.8 Our whole network ranking has cumulatively risen by 1.5% and has resulted in the Council moving from 4th place last year to 8th place this year in the national rankings.

- 4.9 The latest RCI results will be used to influence the works programmes that are currently being developed for 2020/21 with greater spend allocated to address the deterioration in the road network, in particular the A and U classification roads.
- 4.10 A detailed breakdown of the current RCI % against each road classification type is highlighted in **APPENDIX B**.
- 4.11 There are 32 local authorities, so the mid-table target is considered to be a ranking of 16th place. It is important to note that the mid-table position is a moving target as other authorities roads will constantly be improving or deteriorating depending upon how they are prioritising investment in their road network.

5. FINANCIAL MODELLING PROJECTIONS

- 5.1 As members will be aware, the Council commissioned a modelling exercise to project the condition of our road network over a 10 year period from 2016/17 through to 2025/26
- 5.2 WDM limited, who are our current asset management system supplier and also the survey contractor for the SRMCS, were commissioned by Moray Council in 2016 to project the condition of our carriageway network over a five-year period from 2016/17 through to 2021/22. The object of the task was to determine the effect on condition indicators derived from the latest SRMCS surveys for different budget scenarios.
- 5.3 The results of this were presented to this committee on 19 February 2019 and it was agreed that capital funding be continued at £2,042m for 2019/20 (paragraph 11 of the Minute refers). The overall analysis from the modelling exercise undertaken suggests that this strategy would allow the network to deteriorate beyond the mid-table position in the table over 5 years.
- 5.4 The modelling further suggests that when our road condition reaches the targeted mid-table point after 5 years that a significant investment will be necessary from Year 6 onwards to maintain that condition.
- 5.5 The WDM condition modelling carried out in 2016 reported that a budget of around £6.7m would be required in Year 6 (2022/23) to arrest any further deterioration, rising to around £11.5m by Year 9 (2025/26) as shown in **APPENDIX C**. The predicted 'steady state' budget between Years 6 and 10 averages at just under £9.1m.
- 5.6 The graph in **APPENDIX D** shows our actual budget and network RCI over recent years against those of the 3 modelled scenarios, and also the Scottish Average RCI.
- 5.7 Members should be aware that while our Capital budget for carriageway works has been £2.04m, that a successful bid to the Strategic Timber

Transport Scheme (STTS) resulted in an additional £700k being invested in our road network, of which almost £394k was funded by STTS. Without this additional funding it is likely that our C classification and unclassified roads would have deteriorated further. It should also be noted that the amount of grant funding available is considered on an annual basis without any guarantee that this funding will continue for future years.

- 5.8 The STTS funding is ring-fenced for agreed forestry routes, and included a range of different works including carriageway recycling, edge strengthening, construction of new passing places and drainage provision.

6. **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 19/20 will have a significant impact on the repair of potholes and overall condition of the road network.

(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**

The Principal Accountant, Legal Services Manager, the Equal Opportunities Officer and L Rowan, Committee Services Officer have been consulted and any comments taken into consideration.

7. CONCLUSION

7.1 The report highlights that reduced capital investment into the roads network is having an impact on the Council's road condition index (RCI) and our ranking position in comparison with other Scottish authorities. It is clear that the road network is deteriorating and we are on target to be at mid table position at the end of period (2021-22).

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Background Papers:
Ref: