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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE SERVICES COMMITTEE ON 5 MARCH 2013**

**SUBJECT: REVENUE BUDGET 2013/2014 – ROADS MAINTENANCE AND CAPITAL BUDGET 2013/2014 – RESURFACING, BRIDGES, PASSING PLACES, LIGHTING COLUMN REPLACEMENT AND LIGHTING IMPROVEMENTS**

**BY: CORPORATE DIRECTOR: ENVIRONMENTAL SERVICES**

**1. REASON FOR REPORT**

- 1.1 To ask the Committee to approve detailed plans for the expenditure of funds allocated from the Revenue Budget 2013/2014 to roads maintenance and from the Capital Budget 2013/2014 to resurfacing/reconstruction, surface dressing, bridges, footways, drainage, passing places, lighting column replacement and lighting improvements.
- 1.2 This report is submitted to the Committee in terms of Section III G (1) and (16) of the Council's Administrative Scheme in relation to Capital and Revenue Budgets and relating to the functions of the Council as Roads Authority.

**2. RECOMMENDATION**

**2.1 The Committee is asked:**

- (i) to approve the detailed allocation of funds, from the Revenue Budget 2013/2014 to Roads Maintenance activities, as detailed in APPENDIX 1 of this report;**
- (ii) to approve the detailed allocation of funds, from the Capital Budget 2013/2014 to the various roads asset groups and work types, as outlined in APPENDIX 1 of this report;**
- (iii) note that the detailed allocations are subject to Policy and Resources Committee approving the projected capital underspends to be carried forward to 2013/14;**
- (iv) to agree that the capital allocation for drainage and ironworks becomes the allocation for drainage and other works;**
- (v) to grant 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;**

**(vi) to 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;**

**(vii) to grant delegated authority to the Roads Maintenance Manager to approve, in the event of any project being unable to proceed, the substitution of high priority schemes as replacements; and**

**(viii) to grant delegated authority to the Roads Maintenance Manager to amend the programme of planned works should works of higher priority emerge, due, for example, to a sudden deterioration in condition, to the consequential effects of winter or flooding.**

### **3. BACKGROUND**

3.1 Reference is made to the allocation of capital and revenue funds for 2013/2014 at the special meeting of the Moray Council on 13 February 2013 (Item 3 refers).

3.2 In approving capital funds, the Council agreed to detailed reports being submitted to the appropriate Service Committee for approval. This report satisfies the above requirement as well as presenting proposals for all roads maintenance expenditure.

3.3 This report is submitted before the start of the next financial year to meet the committee cycle. Consequently it has not been possible to prepare detailed lists of proposed maintenance works in the various categories to accompany this report. Detailed lists will be circulated to Members at a later date.

3.4 The first Roads Asset Management Plan was published in April 2012. This plan describes the roads asset, its condition, a financial summary and identified risks. There are associated lifecycle plans for:

- Carriageway
- Footways, footpaths and cycle tracks
- Structures
- Street lighting
- Street furniture

3.5 Lifecycle plans further describe the asset and its condition, applicable policies and procedures, if and how forward works programmes are developed and performance measures.

3.6 Once staff complete their asset inspections (required to draw up detailed proposals for 2013/2014 works) the asset management plan will be updated to reflect their findings.

#### **4. PROGRESS DURING 2012/2013**

##### **General**

- 4.1 The table in **APPENDIX 1** includes a summary of estimated outturn expenditure for 2012/2013 and proposals for 2013/2014.
- 4.2 It is estimated that budgets will be underspent in 5 areas and overspent in 2 areas, although this is, in part, dependant on the extent to which winter weather diverts in-house resources away from planned works.

##### **Drainage and Other Assets Replacements**

- 4.3 The main reason for a projected underspend of £162k was a decision not to carry out a major earthworks repair on the C57H near Glenlivet Primary School. The road verge and embankment slipped at this location in February 2012. Staff quickly considered 4 options for repairing this area. A scheme was entered in the programme to construct a new rock embankment estimated at £188,500. The slip area has been monitored through the summer and autumn. As no further slippage has occurred, a far less costly repair was undertaken before Christmas. This area continues to be monitored.

##### **Footways, footpaths and steps**

- 4.4 This projected underspend of £89k is the consequence of delays due to weather and availability of resources.

##### **Bridges Non-routine Works / Bridge Assessment and Strengthening / Revenue Funded Bridge Works**

- 4.5 These capital budgets will underspend by an estimated £369k mainly due to having lost two bridges staff this financial year and another technician on HNC release. The section is now back to full strength. The Revenue allocation is likely to overspend by £35k. The revenue works are primarily small works, mainly on masonry bridges.

##### **Carriageway Resurfacing/Reconstruction**

- 4.6 If the weather allows, some carriageway resurfacing will be carried out before the end of the financial year however it is prudent to anticipate an underspend of £140k.

##### **Winter Maintenance & Other Emergencies**

- 4.7 At the end of January 2013, it was estimated that the winter and other emergencies budget would overspend by £218k. The budget for roads winter maintenance is based on mild winter weather and any adverse weather conditions will result in a budget overspend. **APPENDIX 2** shows some trends related to winter maintenance.

### **General Maintenance**

4.8 It is anticipated that general maintenance expenditure from the revenue budget will underspend by £130k. This will compensate, to an extent, for the anticipated winter maintenance overspend.

### **5. GENERAL PROPOSALS**

5.1 The table in **APPENDIX 1** contains summary details of recommended expenditure against work type for 2013/2014. Revenue budgets are subject to a one year reduction of £400k and capital budgets to a deferment of £1,500k.

5.2 To facilitate planning it is assumed that the projected underspends from the areas described in section 4 above will be approved by Policy and Resources Committee to be carried forward, in conformance to past practice. **APPENDIX 1** also details proposed expenditure if such carry forward is not approved.

5.3 Routine maintenance works cannot be funded from Capital – the Prudential Code requires that works funded from capital add value to the asset as against maintaining the asset value. The allocation to general maintenance covers reactive and cyclical work which is vital to ensuring the safety of users of the network.

5.4 The mix of work proposed for funding in the 2012/2022 capital plan was determined to maintain or improve on current asset group condition.

5.5 Annual road construction inflation of 8% was assumed.

5.6 The Scottish Road Maintenance Condition Survey (SRMCS) is undertaken annually and determines the condition of carriageways as a Road Condition Index.

5.7 Changes in the Road Condition Index for Moray since 2008 are shown below.

<b>Roads &amp; Lighting</b>	<b>2008/2010</b>	<b>2009/2011</b>	<b>2010/2012</b>	<b>2011/2013</b>
Percentage of A class roads that should be considered for maintenance treatment	22.0%	23.5%	22.6%	22.3%
Percentage of B class roads that should be considered for maintenance treatment	20.3%	22.5%	21.3%	18.9%
Percentage of C class roads that should be considered for maintenance treatment	21.6%	23.3%	23.5%	23.3%
Percentage of unclassified roads that should be considered for maintenance treatment	32.1%	30.5%	30.1%	31.3%
Overall percentage of road network that should be considered for maintenance treatment	26.4%	26.6%	26.1%	26.1%

Overall, the road network remains in the same condition. There has been a significant improvement in the state of 'B' class roads which should be viewed with some caution, in case it is a statistical variation over one year. This could, however, also reflect the consequence of a 41% increase in surface dressing during 2012/13.

### **Surface Dressing**

- 5.8 Surface dressing is an important treatment to maintain carriageway condition: to seal road surfaces, to restore texture and to prevent further deterioration of road surfaces.
- 5.9 It is proposed to maintain approximately the same value of surface dressing in 2013/14 – a £1.2 million programme. A reduction in revenue funding for surface dressing is recommended so a bigger proportion of the gross capital allocation for road maintenance would need to be allocated for surface dressing (£76k more than in 2012/13).

### **Footway Works / Drainage and Other Works / Lighting Works**

- 5.10 In recognition of the importance of good footways and drainage, it is not proposed to decrease the capital funding originally allocated to these works as part of the deferment of £1.5 million allocation.
- 5.11 Elsewhere on the agenda is a report to this Committee concerning the reduction of the carbon footprint of the street lighting asset group. That can only happen if there is capital funding to invest in replacing old and inefficient equipment. It is not proposed to reduce the capital allocation to this asset group.

### **Bridges**

- 5.12 For reasons explained in Para. 4.5 above, a significant underspend is anticipated in bridges related capital expenditure. If this Committee recommends, and the carry forward of the underspend is subsequently approved, a lesser amount can be allocated to bridges, from the 2013/14 total allocation.

### **Carriageway Resurfacing / Reconstruction**

- 5.13 It is recommended that the bulk of the deferred £1.5 million capital allocation is taken from this asset group. If carry forward of underspends are approved, the consequences for this asset group will be lessened by £249k.

### **Traffic Works**

- 5.14 Road signing and lining maintenance is funded from revenue. (New Road Signs & Road Markings have £40k allocated from the Capital programme in

2013/14.) It is proposed to reduce the revenue allocation from £180k to £150k with the reduction managed by reduced maintenance of less essential signs and lines (direction signs, yellow lines, edge lines, etc).

### **Transportation Studies**

- 5.15 The roads revenue budget previously funded such studies by an allocation of £20k. It is proposed that this is removed.

### **Private (Unadopted) Roads**

- 5.16 In line with decisions in 2011/12 and 2012/13 it is proposed not to allocate any funding to the maintenance of private (unadopted) roads.

### **Bridge Works**

- 5.17 It is proposed to reduce revenue funding for bridge works by 50% to £50k. As stated in Para. 4.5 this funds small schemes mainly on masonry bridges. A one year deferral should be sustainable.

### **Lighting Maintenance**

- 5.18 Lighting maintenance funds fault repairs, dealing with emergencies and electrical testing (compulsory). It is proposed to apply a one year reduction of £28k to be achieved by reducing fault repair standards. Rather than considering only the repair target time, consideration will be also be given to not travelling long distances to effect one or a few repairs.

### **Surface Dressing**

- 5.19 As referred to in Para. 5.9 above, it is proposed to reduce the revenue allocation to surface dressing by £102k with an increase in surface dressing funded from capital.

### **General Maintenance**

- 5.20 It is proposed that the sum allocated to general maintenance, the routine, cyclical and day to day maintenance of the network, be decreased by £175k. In particular:

	<b>2012/13 allocation £'000</b>	<b>2013/14 allocation £'000</b>
Gully emptying *	£150	£125
Footway and cycletrack reactive repairs	£60	£50
Carriageway patching	£765	£695
Drainage and culvert routine maintenance	£45	£35
Remedial earthworks	£45	£35
Technical items	£100	£50

\* Gullies will either not being cleared twice during the year (previously only in flood prone areas) or not cleaned at all (in non-critical areas). Reactive cleaning will be carried out where problems arise.

## **6. DETAILED PROPOSALS**

- 6.1 As in previous years, the Roads Maintenance Manager will, as soon as possible, publish a main list of schemes that can be funded by 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 Capital. Practicalities dictate that some of these works will have started in advance of the full list being available. Notwithstanding budget constraints, response repair works will be required throughout the forthcoming year, to maintain the roads in a safe condition.
- 6.2 Members are asked to appreciate that priority will be given to schemes on the basis of engineering judgement and safety issues, and many of those will have been placed ahead of schemes identified from public requests.
- 6.3 Funding priorities will therefore continue to be directed towards essential maintenance works – resurfacing, surface dressing, patching, drainage, street lighting, bridge maintenance, verge maintenance, road markings and signing for safety.
- 6.4 Members are asked to consider that if public requests for additional works are received during the course of the financial year, they be assessed, and unless they constitute an immediate safety hazard, are added as appropriate to the Reserve Lists for consideration in future years programmes based on priority and budget provision.
- 6.5 In formulating these recommendations, staff have given, and will give, their best consideration, from the information available, to recommending works that will maintain the roads network in as serviceable a condition as possible whilst aiming to minimise whole life costs in so far as budgets allow.

## **7. SUMMARY OF IMPLICATIONS**

### **(a) Council / Community Planning Priorities**

Roads infrastructure assets is a Council priority in the Single Outcome Agreement covering the period 2012 – 2013.

### **(b) Policy and Legal**

The Council is responsible for the maintenance of 1541km of road, 474 bridges, and 17,097 street lighting units, 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.

The Council have agreed standards for response to identified roads and lighting defects (public performance standards).

The Council's Winter Maintenance Policy and Procedures set out requirements in relation to provision of a winter maintenance service.

**(c) Financial implications**

The proposals detailed in this report can be accommodated within the relevant 2013/14 revenue and capital allocation.

**(d) Risk Implications**

There is a risk of exceeding revenue budget although every attempt will be made not to do so. General maintenance budgets are under additional pressure due to a one year reduction of £400k. In particular, winter budgets are likely to be exceeded as the amount allocated is below the average cost of winter based on the last 9 years.

**(e) Staffing Implications**

Despite the budget reductions, there are no staffing implications because vacancies and overtime will be managed. However the provision of a winter maintenance service does require a minimum workforce so that it can be delivered in line with Council Policy and in accordance with legislation on health and safety, driver's hours and working time directives.

**(f) Property**

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

**(g) Equalities**

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

**(h) Consultations**

L Paisey (Principal Accountant) has been consulted and comments have been taken into consideration.

A Scott, Legal Services Manager has been consulted and is in agreement with the report.

D Toonen, Equal Opportunities Officer has been consulted and is in agreement with the report.

**8. CONCLUSION**

**8.1 The committee is asked to note the estimated outcome against programmed expenditure set for 2012/13, to note condition of the carriageway asset group as described in this report and to agree the split of revenue and capital allocation to the various maintenance headings and asset types for 2013/14.**

Author of Report: Bill Ross, Roads Maintenance Manager

Background Papers: Report to Environmental Services Committee – 13 March 2012

Report to the Moray Council – 13 February 2013.

Ref:

## APPENDIX 1

	2012/13 end of year budget	2012/13 Estimated Expenditure	-	2013/14 Capital Allocation (report to Council 13 Feb 2013)	2013/14 Proposals	plus c/f from 2012/13	2013/14 proposals if no carry forward
<b>Capital</b>			-				
Carriageway Resurfacing/Reconstruction	£3,239,000	£3,099,000	-	£2,325,000	£2,054,977	£140,000	£1,885,977
Surface Dressing (recently resurfaced roads)	£547,000	£547,000	-	£184,000	£623,023	£0	£623,023
Footway Resurfacing/Reconstruction	£64,000	£64,000	-	£64,000	£64,000	£0	£64,000
Drainage and Other Assets Replacements	£562,000	£400,000	-	£560,000	£560,000	£162,000	£560,000
Bridges Non-routine Works	£326,000	£89,000	-	£200,000	£93,000	£237,000	£200,000
Bridge assessment and strengthening	£306,000	£174,000	-	£230,000	£168,000	£132,000	£230,000
Remote Footbridges	£0	£0	-	£40,000	£40,000	£0	£40,000
Footways, footpaths and steps	£330,000	£241,000	-	£330,000	£330,000	£89,000	£330,000
Lighting Improvements	£191,000	£191,000	-	£200,000	£200,000	£0	£200,000
Column Replacement	£439,000	£439,000	-	£465,000	£465,000	£0	£465,000
Lighting - Hydro Network Alterations	£36,000	£0	-		removed	n/a	removed
Passing Places	£38,000	£25,000	-		removed	n/a	removed
<b>Sub-total</b>	<b>£6,078,000</b>	<b>£5,269,000</b>	-	<b>£4,598,000</b>	<b>£4,598,000</b>	<b>£760,000</b>	<b>£4,598,000</b>
			-				
<b>Winter Maintenance &amp; Other Emergencies</b>			-				
Winter Maintenance	£1,886,389	£2,040,000	-		£1,886,389		
Other Emergencies	£0	£65,000	-		£0		
<b>Sub-total</b>	<b>£1,886,389</b>	<b>£2,105,000</b>	-		<b>£1,886,389</b>		
			-				
<b>Electricity</b>			-				
Signs	£16,000	£16,000	-		£16,000		
Lighting	£746,500	£746,500	-		£746,500		
<b>Sub-total</b>	<b>£762,500</b>	<b>£762,500</b>	-		<b>£762,500</b>		
			-				
<b>Revenue Budget (Roads Maintenance)</b>			-				
General Maintenance	£1,660,000	£1,531,000	-		£1,485,000		
Surface Dressing	£678,977	£678,977	-		£576,977		
Footway Works	£20,000	£20,000	-		£20,000		
Bridge Works	£100,000	£135,000	-		£50,000		
Traffic Works	£180,000	£180,000	-		£150,000		
Drainage and Other Works	£20,000	£20,000	-		£20,000		
Lighting Maintenance	£280,000	£280,000	-		£257,000		
Transportation Studies	£20,000	£20,000	-		£0		
			-				
<b>Sub-total</b>	<b>£2,958,977</b>	<b>£2,864,977</b>	-		<b>£2,558,977</b>		
revenue	£5,607,866	£5,732,477	-		£5,207,866		
<b>TOTAL</b>	<b>£11,685,866</b>	<b>£11,001,477</b>	-		<b>£9,805,866</b>		
Items shaded grey were adjustments to budget.			-				

**APPENDIX 2**

**Winter Statistics**

