



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE - 2ND JULY 2013

SUBJECT: APPORTIONMENT OF HIGHWAY MAINTENANCE BUDGET 2013/2014

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide members with details of the proposed apportionment of the highway maintenance budget for 2013/2014.

2. SUMMARY

- 2.1 The 2013/2014 Highway Maintenance budget is £9,102,625.
- 2.2 The street lighting budget allocation included above is £2,170,000, which is inclusive of £1,480,000 energy costs.
- 2.3 The 2013/2014 capital budget allocation is £620,000 which is related to highway and flood alleviation works.
- 2.4 The report also makes reference to the Local Government Borrowing Initiative (LGBI) Works valued at £2.8M that are currently ongoing and previously reported and approved by Regeneration and Environment Scrutiny Committee on 15.11.12.
- 2.5 The ongoing strategy adopted is to try and maximise planned maintenance and reduce reactive maintenance where appropriate whilst always ensuring that the safety of the highway user is not compromised.
- 2.6 The highway asset is the authorities largest asset valued at almost £2 billion. In order to try and maintain the highway at an acceptable standard that does not compromise user safety alternate strategies such as preventative maintenance are being more widely utilised as there is insufficient funding available to undertake much needed structural maintenance on all assets.

3. LINKS TO STRATEGY

- 3.1 To make Caerphilly a safer place to live by maintaining a satisfactory safety standard for the developed integrated, efficient local and regional transport system on which public transport, cycling and walking networks operate.
- 3.2 To reduce our carbon footprint and improving our sustainability by improving energy efficiency and reducing emissions of greenhouse gasses within the county borough, whilst taking steps to adapt to the local effects of climate change.

4. THE REPORT

- 4.1 The authority has recently confirmed that the available budget allocation for 2013/2014 is £9,102,625 as indicated in 2.1. The Medium Term Financial Plan (MTFP) details that £50,000 is taken from highway maintenance, £50,000 is taken from street lighting and £30,000 is taken from drainage, this has been considered within the apportionment.
- 4.2 Within the above revenue allocation there is approximately £1.9m for carriageway surface treatments. There has also been a capital allocation of £500,000 to undertake carriageway resurfacing works, this capital money, when added to the revenue apportionment and the LGBI funding of £1.2m will provide over £3.6M carriageway surface treatments to be undertaken during 2013/2014.
- 4.3 Further capital allocations are £70,000 for land drainage issues which will assist with flood prevention schemes and £50,000 for vehicles restraint systems (safety fencing) that are sub-standard. The highest priority areas will be allocated this funding based on risk.
- 4.4 The highway asset is currently valued at almost £2 billion. Using simple comparatives it is evident that a maintenance budget of £7,622,625 (excludes energy costs of £1,480,000) will only allow assets to be renewed approximately every 260 years, well in excess of assets intended lifespan. It is therefore essential that the current strategy is developed to try and preserve the life of the authorities existing assets. The proposed budget apportionment is detailed in appendix 1.
- 4.5 The forward strategy has to ensure that any work undertaken is selected on a risk prioritised basis. In order to assist this process the authority is reviewing its Highway Asset Management Plan (HAMP) which considers the risk prioritisation process. The HAMP has been developed in conjunction with CSS Wales as an All Wales project to ensure there is a consistent approach in Wales and to achieve efficiencies in procurement of specialist expertise. This project is currently supported by WG with a CCBC representative sitting on the project board. A new All Wales and Scotland contract is currently being tendered to provide further collaboration across countries and ensuring additional efficiencies are achieved.
- 4.6 Additional works which include carriageway reconstruction, highway resurfacing, footway resurfacing and bridge strengthening schemes are being undertaken this financial year utilising approximately £2.8m of prudential borrowing capital money which is being funded by Welsh Government over the next 22 years. A list of these works are included in Appendix 2 for members information. These works were initially approved by Council on 23.02.2012 and a subsequent report was provided to Regeneration and Environment Scrutiny Committee on 15-11-2012.
- 4.7 It is essential that highway maintenance is undertaken in the most cost effective manner. In order to achieve this, alternate preservation techniques such as surface dressing, micro asphaltting, and slurry sealing will need to be continued in 2013/2014 along with consideration of investment in a velocity patching vehicle. It is intended that the velocity patcher will be funded via an invest to save proposal. These techniques have become more advanced and innovative over recent years and are being widely adopted by authorities for the value for money obtained in preserving the life of the highway network. The cost of surface dressing is approximately a third of traditional plane out and resurface. This therefore allows approximately three times the surface area to be treated for the same budget spend.
- 4.8 The revenue programme for surface dressing has been prioritised from specialist technical data surveys and is predominantly focussed on the high usage A and B road network. Additionally, the carriageway resurfacing programme is to be utilised on some high priority minor roads and/or where surface dressing is not considered an appropriate option. The priority programmes are identified in appendices 3 & 4 respectively. The resurfacing schemes previously approved using LGBI funding are included in Appendix 2 for information.

- 4.9 The proposed apportionments have been undertaken to try and move the budget spend to the most needed areas at this time. The strategy is also targeted at attempting to reprofile the reactive spend into a more planned maintenance approach. It should be noted that this will be inherently difficult given the average renewal time of 260 years as stated in 4.3.
- 4.10 The drainage replacement/upgrade programme is continually being reviewed and risk prioritised. The current allocation will be insufficient to address the significant backlog of identified schemes. Those with the highest risk prioritisation which will consider risk to life and or property will be undertaken first. There will be insufficient funding to address all the highest risks during 2013/2014. However, the LGBI funding has allowed some long-standing priorities to be progressed during 2012/2013. The current prioritised list is included in appendix 5. This is subject to change dependant on other priorities identified during the year.
- 4.11 The footway resurfacing programme has again been prioritised and pedestrian areas with highest usage and risk have been programmed accordingly. The footway scheme programme for 2013/2014 is included in Appendix 6. Appendix 2 includes a list of footway schemes currently ongoing that is funded via the LGBI capital monies as approved by Scrutiny Committee and highlighted in 4.5 above.
- 4.12 Street Lighting has received extensive funding over previous years and the CCBC asset is considered one of the best in Wales. It is therefore still appropriate to continue re-apportioning some of the budget to areas such as carriageway resurfacing. The proposed street lighting budget is included in the apportionment in Appendix 1. The budget has been reduced by £50,000 in accordance with the MTFP, but growth for energy increases has been allowed for.
- 4.13 It is well to note that energy costs for street lighting are to significantly increase for 2013/2014. The energy increase has been confirmed as 4.55% which equates to an increase of approximately £65,000. It is essential that the street lighting team continue with trials such as Central Management Systems (CMS), dimming and LED's to obtain relevant data to review future approaches and investment options.
- 4.14 The maintenance programme for highway structures has been derived from a risk prioritisation process for bridges, culverts, retaining walls and landslips and erosion and has an allocated revenue budget of £550,000. The proposed list of works for 2013/2014 are included in Appendix 7 in ranked order. It should be noted that there maybe some amendments made to the programme should there be ecology elements that may impact on the proposals. Should this occur, works of similar priority will be substituted. It should also be noted that there is a significant capital investment proposed in this area of £350,000 for bridge strengthening/refurbishment, £550,000 for major works to culverts and retaining walls along with £224,000 for corporate land drainage culverts that are 900mm diameter or above. A full list of capital allocation for Engineering Services which were approved in a report to Council on 27 February 2013 'Budget Proposals 2013/14 and Medium Term financial Strategy 2013/16 (Appendix 3)' are included in Appendix 8 for Members' information.
- 4.15 It can be seen that a new budget line for £100,000 in relation to Tips Maintenance has been added to the budget apportionment. When significant items of work have been previously identified generally Welsh Government have assisted with funding. However, recent indications are that this funding will no longer be available in the future. Further it has been noted from a recent more rigorous inspection that there are additional works that need to be undertaken in both the short and medium term. This new budget allowance is to reflect these additional demands, but it is considered insufficient to address all the problems being identified. Consequently, the work taken forward will be that deemed to be of a higher priority.
- 4.16 There is continued discussion between officers in relation to the housing/highways budget allocation. A minimal allowance has been made to cover emergency situations due to the perceived need to move the previous funding provided by Housing to the WHQS. This area of apportionment may be revisited during 2013/2014 following proposed meetings between Highways and Housing officers.

- 4.17 It should be noted that the Highways Maintenance budget has previously benefited from additional funding in relation to the outcome agreement. Unfortunately, this funding has been removed for 2013/2014 and the highways budget will therefore be reduced by an additional £350,000 which is over and above the other savings detailed within this report.
- 4.18 It is evident that there is a trend in more severe weather events. Flooding and snow have caused major problems both locally and nationally. These incidents are inherently difficult to predict and there is very limited provision to deal with any instances within this budget.
- 4.19 An exercise is currently continuing considering route optimisation for Winter Maintenance activities. The intention is to implement a more efficient route coverage from the data obtained. Further investment is continuing to be made by NCS, the authorities in-house contractor in the most up to date plant and resources to undertake these works.
- 4.20 A budget of £50,000 has been allocated to Traffic Management in 2013/2014. Appendix 9 identifies the programme for traffic regulation orders and minor works following consultation with Members. Every effort will be made to deliver the programme but resources will be prioritised to meet commitments for ongoing schemes.
- 4.21 Included in Appendix 10 is a plan detailing the highway inspector area boundaries for members information.
- 4.22 The budget apportionment continues to meet the requirements and proposals set out within the authorities medium term financial plan.

5. EQUALITIES IMPLICATIONS

- 5.1 An Eqla screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full Eqla has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 The highway maintenance budget funding and medium term financial plan savings as outlined in paragraph 2.1 and paragraph 4.1 above, formed part of the Council budget proposals 2013/2014 and medium term financial strategy 2013/2016, as reported and approved by Council on 27th February 2013.
- 6.2 Reference is also made to the highway maintenance budget for 2013/2014 in a separate report submitted to this Scrutiny Committee entitled Revenue Budget 2013/2014 Environment Directorate (paragraph 4.2.3).
- 6.3 This report and appendix details the proposals for apportioning the approved highway maintenance budget for 2013/2014 across classifications of maintenance work.

7. PERSONNEL IMPLICATIONS

- 7.1 None.

8. CONSULTATIONS

- 8.1 Refer to attached list.

9. RECOMMENDATIONS

- 9.1 That members consider and note the report, providing comments as appropriate on the proposed apportionment and strategy.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To consider Regeneration and Environment Scrutiny comments and review the budget apportionment for 2013/2014 and the proposed strategy for highway maintenance if appropriate.

11. STATUTORY POWER

- 11.1 Highway Act 1980.

Author: Marcus Lloyd, Highway Operations Group Manager

Consultees: Nigel Barnett, Acting Chief Executive

Councillor T J Williams, Cabinet Member for Highways, Transportation and Planning

Councillor D T Davies, Chair Regeneration and Environment Scrutiny Committee

Councillor E M Aldworth, Vice Chair Regeneration and Environment Scrutiny Committee

Sandra Aspinall, Acting Deputy Chief Executive

Nicole Scammell, Acting Director of Corporate Services

Dan Perkins, Head of Legal Services

Mike Eedy, Finance Manager

Terry Shaw, Head of Engineering Services

Gareth Hardacre, Head of People Management

Clive Campbell, Transportation Engineering Manager

Appendices:

Appendix 1 – Highway Maintenance Budget Apportionment 2012/2013

Appendix 2 – Local Government Borrowing Initiative Funded Schemes

Appendix 3 – Surface Dressing/Thin Surfacing Schemes

Appendix 4 – Carriageway Resurfacing Schemes

Appendix 5 – Drainage Priorities

Appendix 6 – Footway Schemes

Appendix 7 – Structures Priorities

Appendix 8 – Engineering Services Capital Allocation

Appendix 9 – Traffic Management Priorities

Appendix 10 – Highway Inspectors Areas