



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 1ST JULY 2014

SUBJECT: APPORTIONMENT OF HIGHWAY MAINTENANCE BUDGET 2014/2015

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To seek comments from scrutiny on the details of the proposed apportionment of the highway maintenance budget for 2014/2015.

2. SUMMARY

- 2.1 The 2014/2015 Highway Maintenance budget detailed within the report provides information to members on how the £8,590,203 has been allocated.
- 2.2 The street lighting budget allocation included above is £2,225,000 which is inclusive of £1,570,000 energy costs.
- 2.3 There is a capital budget allocation of £525,000 which is directly related to highway resurfacing. Details of the specific schemes where appropriate are provided. Further reference to other capital budgets are made in the report.
- 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 to Regeneration and Environment Scrutiny Committee on 20.5.2014.
- 2.5 The ongoing approach to actively achieving the most effective highway management arrangements is to maximise planned maintenance and reduce reactive maintenance where appropriate whilst always ensuring that the safety of the highway user is not compromised. This also takes into consideration savings that have to be achieved as a result of the MTFP.
- 2.6 The highway network with its many associated items 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 continue to be widely utilised as there is insufficient funding available to undertake much needed reconstruction or structural maintenance on all assets.

3. LINKS TO STRATEGY

- 3.1 The report links directly to the regeneration of the county borough making Caerphilly County Borough a better place to live and work.
- 3.2 The report links directly to the Council's priority to improve accessibility throughout the county borough by improving the transport network throughout the county to enable communities to

move around the borough freely.

3.3 The report links directly to the Council's priority to ensure that communities are safe, green and clean places to live and to improve residents quality of life by reviewing, renewing and installing energy saving technologies.

3.4 The report supports the Prosperous, Safer and Greener themes of 'Caerphilly Delivers' the the single integrated plan.

4. THE REPORT

4.1 The authority has recently confirmed that the available highways budget allocation for 2014/2015, as indicated in 2.1. The Medium Term Financial Plan (MTFP) 2014/2015 details that savings of £235,000 need to be made from the Highway Maintenance budget. These savings have been applied to the budget apportionment.

4.2 In addition to the above revenue allocation, there has also been a capital allocation of £525,000 to undertake carriageway resurfacing works. This capital money, when added to the revenue apportionment of £1,565,730 will provide £2,090,730 for carriageway surface treatments to be undertaken during 2014/2015.

4.3 Overall, there are further capital allocations of £59,000 for land drainage issues which will assist with flood prevention schemes, £42,000 for vehicles restraint systems (safety fencing) that are sub-standard, £100,000 for much needed repairs and maintenance to authority owned tips, £467,000 for retaining wall improvements and £297,000 for bridge maintenance/strengthening.

4.4 The highway asset is currently valued at almost £2 billion. Using simple comparatives it is evident that a maintenance budget of £7,020,203 (excludes energy costs of £1,570,000) will only allow assets to be renewed approximately every 285 years, well in excess of assets intended lifespan. The Capital allocation and LGBI funding figures are excluded from this calculation as they are regarded as one off contributions (LGBI funding ceases after 2014/15). It is therefore essential that the current approach is continued to be developed to preserve the life of the authorities existing assets for as long as it practical. With this in mind and that of safety, the proposed budget apportionment is detailed in appendix 1.

4.5 The approach taken has to ensure that any work undertaken is selected on a risk prioritised basis. In order to assist this process the authority is continually 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 highway asset management approach in Wales and to achieve efficiencies in its development via 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 has now been awarded and is designed to create HAMP's that drive efficiencies in highway maintenance.

4.6 Additional works which include carriageway reconstruction, highway resurfacing, footway resurfacing, street lighting improvements, drainage upgrades and bridge strengthening schemes are being undertaken this financial year utilising approximately £2.8m of prudential borrowing capital money (LGBI) which is being funded by Welsh Government over the next 22 years. A list of the carriageway and footway schemes are included in Appendix 2. These works were initially approved by Council on 23-02-2012 and a subsequent report was provided to Scrutiny Committee on 15-11-2012 and 20-5-2014.

4.7 Due to decreasing budget, ageing infrastructure, increasing demands, expanding network, additional legislation etc, 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 continue to be used in 2014/2015.

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 principal routes. The majority of the authorities A road network has been treated over previous years. 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 allocate the budget spend to the most needed areas at this time. The approach is also targeted at attempting to reprofile the reactive spend into planned maintenance. It should be noted that this will be inherently difficult given the average renewal time of 285 years as stated in 4.3 combined with proposed MTFP savings.
- 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 2014/2015. However, the LGBI funding has allowed some long-standing priorities to be progressed. 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 2014/2015 is included in Appendix 6. Appendix 2 includes a list of footway schemes currently ongoing that is funded via the LGBI capital monies as previously reported to Scrutiny Committee and highlighted in 4.5 above.
- 4.12 Street Lighting funding is being maintained at around previous year levels. There are some significant energy saving proposals being put forward as part of the MTFP options for 2015/2016 and 2016/2017.
- 4.13 It should be noted that energy costs for street lighting are to significantly increase for 2014/2015. The energy increase has been confirmed as 4.57% which equates to an increase of approximately £70,000. 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. The proposed list of works for 2014/2015 are included in Appendix 7. It should be noted that there maybe some amendments made to the programme should there be weather, ecological or other design concerns be identified 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 £297,000 for bridge strengthening/refurbishment, £467,000 for major works to culverts and retaining walls along with £189,000 for corporate land drainage culverts that are 900mm diameter or above.
- 4.15 It should be noted that a budget of £100,000 in relation to Tips Maintenance has been maintained and supplemented by £100,000 capital allocation. When significant items of work have been previously identified generally Welsh Government have assisted with funding. However, this funding is no longer available. 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 budget allowance is to reflect these additional demands, but it is considered insufficient to address all the problems being identified.

- 4.16 It is evident that there is a trend in more severe weather events. Flooding and snow have caused major problems both locally and nationally over previous years. These incidents are inherently difficult to predict. Some additional provision has been provided within the drainage and winter maintenance allocation which has resulted in a decrease in the proposed planned footway and carriageway allocation when compared to previous years. The drainage and winter maintenance budgets have been increased by approximately £50,000 and £450,000 respectively to provide additional provision for increased service demands.
- 4.17 An exercise is currently continuing which is 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 council's in-house contractor in the most up to date plant and resources to undertake these vital works.
- 4.18 A budget of £50,000 has been allocated to Traffic Management in 2014/2015. Appendix 8 identifies the programme for traffic regulation orders and minor works following consultation with relevant Members. Every effort will be made to deliver the programme but resources will be prioritised to meet commitments for ongoing schemes.
- 4.19 Included in Appendix 9 is a plan detailing the highway inspector area boundaries for members information.
- 4.20 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 full EqlA has been carried out, however the projects support a number of the Council's Strategic Equality Objectives (SEO). For example repairs to footpaths help make areas accessible to people with mobility issues (SEO 3 - Physical Access) and improvements to street lighting supports both this SEO and SEO 1 - Tackling Identity Based Hate-Crime by helping with community safety issues.
- 5.2 Any equalities related issues (such as around disability access) identified as part of any design concerns may also impact on the maintenance programme proposals.

6. FINANCIAL IMPLICATIONS

- 6.1 Financial implications are detailed within the report.

7. PERSONNEL IMPLICATIONS

- 7.1 None.

8. CONSULTATIONS

- 8.1 Refer to attached list.

9. RECOMMENDATIONS

- 9.1 The report is provided for information. It is recommended that members consider and note the

report, providing comments as appropriate on the proposed apportionment and approach to delivering Highway Services. The Head of Engineering Services will be responsible for any appropriate decision making that will be required during the financial year.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 For officers to consider Regeneration and Environment Scrutiny comments and review the budget apportionment for 2014/2015 and the proposed approach to highway maintenance.

11. STATUTORY POWER

- 11.1 Highway Act 1980.

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Background Papers:

Appendices:

- Appendix 1 – Highway Maintenance Budget Apportionment 2014/2015
- 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 – Traffic Management Priorities
- Appendix 9 – Highway Inspectors Areas