

Agenda Item	<b>9</b>
Report No	<b>ECI/6/21</b>

## HIGHLAND COUNCIL

**Committee:** Economy and Infrastructure

**Date:** 4 February 2021

**Report Title:** Roads Investment Budget Distribution - Capital

**Report By:** Executive Chief Officer Infrastructure and Environment

### **1 Purpose/Executive Summary**

- 1.1 This report explains the proposed distribution method to be used to allocate the capital element of the Road Maintenance Budget during years 2021/22 and 2022/23.

### **2 Recommendations**

2.1 Members are asked to:

- i. agree to continue with the current distribution method for the £7.2M base allocation for road maintenance as detailed in section 6.1 of this report; and
- ii. approve the distribution of the additional £20M for road maintenance as detailed in this report, subject to future reports coming to this Committee and Local Committees on the detail of the spend.

### **3 Implications**

3.1 Resource - as detailed in this report.

3.2 Legal - No implications.

3.3 Community (Equality, Poverty and Rural) - There is a risk that if road conditions deteriorate, access to low trafficked roads in rural areas and urban streets may become more restrictive as precedence is given to maintaining the strategic road network.

- 3.4 Climate Change / Carbon Clever - Although improving road conditions is unlikely to have a significant effect on carbon emissions, keeping the road surface in a condition which allows the free flow of traffic will assist in reducing them. The allocation of funding towards active travel will also be a significant aid to ensuring that alternative modes of travel are promoted and supported
- 3.5 Risk - managed under Section 34 of the Roads (Scotland) Act 1984.
- 3.6 Gaelic – All replacement signage will follow the Council’s policy in respect of the Gaelic language.

## **4 Background**

- 4.1 The capital budget for road maintenance has an annual base allocation of £4.5M.
- 4.2 Capital road maintenance monies must be spent on activities that “add value to or improve the existing asset”. Maintenance activities which come under this definition include tasks such as re-surfacing of the road, surface dressing, road markings, bridge refurbishment or replacement, safety barrier renewal, footway improvements, sign replacements and cattle grid renewals.
- 4.3 In 2016 the Council awarded an additional £24M for road maintenance improvements. The £24M was awarded on the basis that it would be spent over a 9-year period giving, in round terms, an additional £2.7M per annum. The combination of the base allocation of £4.5M and this additional £2.7M brings the current capital budget to £7.2M per annum. Although £7.2M sounds a substantial investment it has to be put into context in relation to the size of the road asset. It equates to just over £1,000 per km to cover maintenance and renewal of all the assets listed in 4.2 of this report.
- 4.4 In early 2020 the Council awarded an additional £20M capital allocation for road maintenance with the requirement that it be spent over two years.
- 4.5 Initial budget planning had allocated £5M out of the £20M to the 2020/21 budget with the remaining £15M being added to the 2021/22 budget. This would have resulted in a total of £12.5M being available for road maintenance in 2020/21 and £22.2M in 2021/22.
- 4.6 The global Covid19 pandemic during 2020/21 brought significant challenges to the Council and as a consequence many previously planned maintenance works had to be postponed or cancelled.
- 4.7 At a special meeting on 1 October 2020 the Council agreed the £20M capital budget for road maintenance in full.

## **5 Spend profile - 2021/22 to 2022/23**

- 5.1 As welcome as the decision was to reinstate the budget in full, it was clear that the ability to spend the remaining capital allocation in 2020/21 would not be possible and a reprofiling of the capital programme would be required for future years.
- 5.2 To allow for realistic works programming it is considered that the best solution would be to reprofile the additional £20M over years 2021/22 and 2022/23 with each year being allocated £10M. For clarity Table A, shown below, details the overall budget allocation for years 2021/22 to 2022/23. For the avoidance of doubt, the current

underspent budget for the 2020/21 financial year will be rolled forward, ensuring that projects already committed will progress.

**Table A - Roads Capital Budget – Spend Profile 2021/22 to 2022/23**

<b>Year</b>	<b>Base allocation (£7.2M per annum)</b>	<b>Additional Allocation (£20M over 2 years)</b>	<b>Total</b>
2021/22	£7.2M	£10.0M	£17.2M
2022/23	£7.2M	£10.0M	£17.2M

## **6 Distribution Methods**

### **6.1 Base Allocation (£7.2M)**

It is not proposed to change the method of distribution for the base allocation of £7.2M. This budget will be split as in previous years as detailed in Table B below:

**Table B**

<b>Activity</b>	<b>Allocation</b>	<b>Comments</b>
Road resurfacing and surface dressing	£5.2M	Distributed between the Areas using the Road Condition Survey Results
Bridge Maintenance	£650K	
Strategic Timber Transport Schemes	£500K	Match Funding to support bids to Scottish Forestry e.g. 2021 grant funding of £1.2M secured.
Road markings, cattle grids, road signs, safety fencing, weather stations (winter), drainage and footways.	£850K	Discrete schemes applicable across all areas (to be considered at a strategic level)

## **7 Additional £20M**

7.1 It is proposed to introduce five categories of investment to allocate the additional £20M:

- Investment in the road network at a strategic level
- Investment in the road network at an area level
- Investment in the road network at a ward level
- Investment in specialised road maintenance vehicles/plant
- Investment in Active Travel

### **7.2 Investment in the road network at a strategic level**

7.2.1 A budget of £3.7M per annum will be allocated to strategic road maintenance schemes. These schemes will be assessed initially, at a strategic level, by the roads management team. Area staff will be consulted on local issues that may be relevant at the time, but the aim will be to target some of the larger, more costly schemes, where significant investment may be required.

- 7.2.2 Results from the SRMCS will be utilised along with engineering knowledge to produce scheme lists. These schemes may include drainage works, signage and other assets within the road boundary. There is a legal requirement for all Roads Authorities to register all its works on the roads works register. This includes location, duration and dates. Advanced notification timescales are dependent on the size and duration of works. All larger scale works will be expected to require 3 months' notice of starting.
- 7.2.3 Members will also be aware that there are strategic projects relating to assets that will benefit from investment and help reduce pressure on existing networks, not least as part of partnership working arising out of the economic recovery work currently underway. Any such projects will be considered within the work underway and reported to Committee at regular intervals. Examples of such schemes include building on the excellent approach used in South Loch Ness to match fund developer contributions from large scale wind farms (which it is intended to replicate to other areas), strategic schemes such as Portree Link Road or Kinnairdie Link Road in Dingwall which tie in with investment from developer contributions and potential match funding for improvements, other schemes that are not currently in the funded capital programme and emergency works on assets such as the Infirmary Bridge in Inverness (where match funding can be identified and delivered).
- 7.3 **Investment in the road network at an area level**  
A budget of £3.6M per annum will be distributed across the Operational Areas using the same historic methodology which utilises the road condition survey results (SRMCS). This is the same method as is used to distribute the base capital budget. Area Road Managers will consult Members on their proposals for the next two years. Members should recognise that there are technical reasons for promoting schemes to ensure safety of the travelling public.
- 7.4 **Investment in the road network at ward level**
- 7.4.1 It is proposed that an allocation of £100,000 per annum will be allocated to each ward. Projects will be at the discretion of ward Members but must relate to the improvement of the road asset, within the road boundary, and ideally be delivered by the Area workforce. Members will be given the opportunity to review Area scheme lists which will highlight sections of roads or pavements requiring treatment as per the road condition survey and local intelligence available, and ward decisions will be reported to the relevant Area Committees for approval in line with governance arrangements.
- 7.4.2 For clarity £100,000 will be allocated to each ward annually, meaning a total investment of £200,000 per ward over the 2-year life of the programme.
- 7.5 **Fleet – Specialised Vehicles**
- 7.5.1 A budget of £0.5M will be allocated, annually, towards the purchase of specialised vehicles which will assist in the general maintenance of the road network. Wherever possible, fleet investment will focus on delivering the most up to date low carbon plant and machinery.
- 7.6 **Active Travel**
- 7.6.1 It is anticipated that there will be further opportunities to promote active travel initiatives. Within the next two years, therefore it is proposed to allocate £100,000 per annum to support any potential funding bids.
- 7.6.2 It is recognised that the regeneration of Academy Street, Inverness which is likely to be linked to an active travel project, is a corporate priority for the Council. Structural maintenance works for the road have been identified but has been previously delayed

pending a coordinated approach to Academy Street. The Service is now actively taking this forward. An allocation from the Strategic Assets and Structural Maintenance line will be earmarked for this.

7.6.3 A summary of the above budgets is shown in table C below: -

**Table C**

<b>Description</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Totals</b>
Strategic Assets and Structural Maintenance	£3.7M	£3.7M	£7.4M
Area Structural Maintenance	£3.6M	£3.6M	£7.2M
Ward Allocation (£100k per ward)	£2.1M	£2.1M	£4.2M
Fleet (specialised vehicles/plant)	£0.5M	£0.5M	£1M
Active Travel	£0.1M	£0.1M	£0.2M
Totals	£10M	£10M	£20M

Designation: Executive Chief Officer Infrastructure and Environment

Date: 11 January 2021

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