

POLICY AND RESOURCES COMMITTEE – 13 JUNE 2013

ROAD MAINTENANCE ASSET MANAGEMENT – ADDITIONAL RESOURCES

1 Recommendations

- 1.1 It is recommended that Policy and Resources Committee agree to identify an additional £2 million as set out in paragraph 3.10, spread over 13/14 and 14/15 to address extraordinary network damage.**

2 Background/Discussion

- 2.1 Aberdeenshire has just over 10% of the total council maintained road network in Scotland. With over 5,400 kilometres (3,400 miles) of roads, Aberdeenshire is second only to Highland Council, which has approximately 6,700 kilometres (4,200 miles) of roads. Associated with this network there are some 1,327 road bridges, 1,500 kilometres of footway, and over 44,000 street lights and illuminated traffic signs.
- 2.2 The annual number of vehicle kilometres travelled on Aberdeenshire's roads is 2.8 billion. Our roads are of major importance to business and commerce in the region, with 81% of freight tonnage being moved by road, compared to 18% by sea and just 1% by rail. Around 30 million tonnes of goods (excluding oil and gas) are moved to, from or within North East Scotland each year.
- 2.3 In a rural area like Aberdeenshire, the road network provides a particularly vital link for communities, for users of both private and public transport. Aberdeenshire has the highest rate of car ownership in Scotland, with around 87% of households having access to at least one vehicle.
- 2.4 The general powers and duties of the Council in relation to its road assets are set out in section 1 of the Roads (Scotland) Act 1984: "... a local roads authority shall manage and maintain all such roads in their area as are for the time being entered in a list (in this Act referred to as their "list of public roads") prepared and kept by them under this section ...". It should be noted that although the Council exercises full control over its roads this does not necessarily mean that it owns or could sell them as assets.
- 2.5 However, their value to the community is very high and a depreciated replacement cost approach, as adopted by the Chartered Institute of Public Finance & Accountancy in their Transport Infrastructure Assets Code, would value the Aberdeenshire Council road network at some £4.5 billion, as at April 2012.
- 2.6 The main performance indicator for the condition of carriageway assets is the "Overall percentage of Road Network that should be considered for maintenance treatment". This is derived from the results of the Scottish Road Maintenance Condition Survey, a partnership project by all Scottish Councils to undertake a standard annual programme of machine based surveys to measure network condition. When compared to the other Councils in

Scotland, Aberdeenshire has ranked in the top quartile each year that this indicator has been published starting in 2003/04.

- 2.7 This position has been maintained by continued balanced investment in both planned preventative and reactive maintenance in line with our Asset Management Plan. It is important that sufficient “early intervention” is carried out to arrest network deterioration, as failure to do so would lead to a heavier requirement for reactive works – effectively the philosophy is one of “prevention is better than cure”.
- 2.8 While this has served the network well over recent years, and has been supported through the release of additional funds from time to time for preventative maintenance, such as the additional £1 million in 2012/13, there is no doubt that the network is under currently under considerable strain.
- 2.9 The Risk Assessment associated with the Asset Management Plan identifies “Bridge Scour” and “Carriageway damage following extreme weather” as two of the main threats to the network. Unfortunately, this winter we have experienced conditions that cause concern.
- 2.10 Two storms in December 2012 and a prolonged period of winter weather has had a substantial impact on the overall network condition. There is no doubt that this will lead to additional pressures on reactive maintenance, such as pothole repairs. Without release of additional funding to address these issues at a more strategic level, these pressures will lead to a reduction in planned maintenance, and we risk entering into a negative spiral.
- 2.11 The Head of Finance and the Monitoring Officer within Corporate Services have been consulted and are in agreement with the contents of this report.

3 Staffing and Financial Implications

- 3.1 An equalities impact assessment is not required because the recommendations do not have a differential impact on people with protected characteristics.
- 3.2 Under the auspices of SCOTS, the Scottish Road Maintenance Condition Survey results have already been used to estimate the annual programme of structural maintenance necessary to maintain a “steady state” road condition.
- 3.3 In the case of Aberdeenshire Council, the structural maintenance steady state funding level is estimated to be £13.8 million per year. In 2013/14 some £8.985 million is allocated to structural maintenance operations from the Capital Plan. This will be augmented by approximately another £2 million for other sources, such as the Revenue Budget and contributions from Nestrans. Including these additional funding streams, in an “average” year around £11 million will be committed to the roads structural maintenance programme.
- 3.4 As Aberdeenshire has consistently been ranked among the top councils in the Scottish Road Maintenance Condition Survey, it would be reasonable to conclude that the Aberdeenshire maintenance strategy is currently relatively effective. Our road condition indicator has been fluctuating around the same level from year to year, with no apparent long term trend either upwards or

downwards. It is, therefore, reasonable to conclude that our current spending level combined with our maintenance strategy is, in practice achieving a steady state road condition.

- 3.5 For a number of years, to achieve this level of investment, a strategic decision has been taken to divert some resources from other routine road maintenance tasks, such as drainage works, footway works, grounds maintenance, traffic and signing work, to support the necessary investment in the structural maintenance programme. This is a prudent maintenance strategy based on the principles of long term asset management, where investment decisions are prioritised on a long term whole life cost basis.
- 3.6 The existing level of investment leaves the network somewhat exposed to extreme events. The damage suffered over this winter is a case in point and has been estimated at around £2 million across the wider network, including carriageways, roads and bridges. Planned investment in structural maintenance will be necessary to address this damage.
- 3.7 There is a finite capacity for the planning, design, and construction of structural maintenance. In addition we must take into account the impact on the travelling public, of the associated traffic restrictions.
- 3.8 It is therefore planned to phase this investment across 13/14 and 14/15, rather than “flooding the market” with £2 million additional investment in one financial year.
- 3.9 There are wider economic benefits for Aberdeenshire by releasing this additional investment. The National Road Maintenance Review (NRMR) concluded that every £1 invested in road infrastructure delivers a benefit of £1.50 to the overall economy. This additional investment is therefore “worth” £3 million to the Aberdeenshire economy.
- 3.10 Maintaining and improving the condition of Aberdeenshire's road network has been a priority for a number of years. In order to continue with this priority additional resources of £2 million are required. As the timing of expenditure can be variable due to weather conditions and the wish of the Service to control the release of work to the market place, it is proposed to identify additional funds from the Capital Plan and the Roads Maintenance Fund. The Roads Maintenance Fund balance is expected to increase as a result of year end balances, by £500,000 and the Capital Plan is currently being reviewed. This review will now include additional expenditure of £1.5 million. A revised and detailed Capital Plan will be reported to this Committee in due course.

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