

ROADS CAPITAL RECONSTRUCTION PROGRAMME 2022/23 UPDATE

1.0 EXECUTIVE SUMMARY

1.1 Each year the Council through its annual budget setting process allocates budget for various capital projects. During this year's budget setting process, the Council allocated £8m for roads reconstruction works. A programme of work was endorsed by the Environment, Development and Infrastructure (EDI) Committee in March 2022, following which information on projects for each administrative area was sent to Members. The March Environment, Development and Infrastructure Committee report and appendix can be found at item 6 in the link appended below, for ease of reference.

[Environment, Development and Infrastructure Committee - 3 March 2022](#)

1.2 Since the programme was set, there have been significant international occurrences which have affected the prices of both fuel and bitumen. At the time of writing this report (early May) there has been a price increase of approximately 20% for coated roadstone. Whilst each of the planned schemes will be delivered, there will be less surfacing delivered than originally planned as a direct consequence of the price increase.

1.3 It is recommended that the Environment, Development and Infrastructure Committee:

- i. Endorses the approach taken to deliver the programme within budget given the price increases; and
- ii. Note that the 2022/23 footway programme will be reported to the September Environment, Development and Infrastructure Committee.

ROADS CAPITAL RECONSTRUCTION PROGRAMME 2022/23 UPDATE

2.0 INTRODUCTION

2.1 This report provides details of the roads reconstruction programme for 2022/23. The programme was initially based on an allocation of £5.378m which was increased to £8.0m at the Council's Budget Meeting on 24 February 2022.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Environment, Development and Infrastructure Committee:

- i. Endorses the approach taken to deliver the programme within budget given the price increases; and
- ii. Note that the 2022/23 footway programme will be reported to the September Environment, Development and Infrastructure Committee.

4.0 DETAIL

4.1 A programme of work was endorsed by the Environment, Development and Infrastructure Committee in March 2022 following which information on projects for each administrative area was sent to Members. Since the programme was set there have been significant international occurrences which have affected the prices of both fuel and bitumen. At the time of writing (early May) there has been a price increase of approximately 20% for coated roadstone. Consideration was given to pausing the roads reconstruction programme however this was discounted on the basis that bitumen prices are not expected to reduce any time soon and more importantly pausing the programme would lead to an acceleration in deterioration which would ultimately cost more to correct.

4.2 In order to manage the programme within the budget, the following methodology has been applied, this has resulted in individual schemes being reduced in length:

- Surface dressing schemes to remain as is, no reduction in length/area – this is to ensure that the road network receives protection from surface dressing and that maximum benefits are achieved, thereby reducing the need for reactive revenue maintenance.
- Urban schemes where full streets are to be treated to remain as is (i.e. don't leave 20m untreated on a 100m long street if it is all to a similar standard and requiring treatment).
- Linear schemes (inlays/overlays etc) as part of a longer section of road to be reduced in length to ensure that the overall programme is managed within budget.
- Scheme specification (material type, depth etc) to remain as is i.e. do not reduce thickness, keep with the original design to ensure good value is achieved and there is no compromise to whole life costs etc which shall be maintained by using the original design.

4.3 Whilst there will be a need to adjust some scheme costs based on the above, the four area allocations shall remain as approved - no redistribution of funds across areas. The 2023/24 programme will be developed based on the overall network requirements at that time – this may or may not include sections of network programmed for this year not treated due to increasing prices, depending on deterioration etc (continue with the asset management approach of programming sections of road where the treatment will deliver the best return in terms of value for money/whole life costs). The list of schemes taken through and endorsed by the March 2022 EDI Committee shall continue to be the list of schemes/road numbers delivered.

Future Price Increase

- 4.4 There continues to be uncertainty regarding the future price of coated roadstone. Currently there is an expectation that there will be further price increases of around 20% over the coming weeks. If this is the case, then it is likely that we would be unable to carry out all projects in the current scheme unless further budget is allocated. The Council set aside a contingency for capital contract increases when it set the budget on 24 February 2022 and it may be that a request will come forward to access some of that funding.
- 4.5 Officers have submitted a grant application to the Strategic Timber Transport Scheme (STTS). This funding, should the grant be successful, will be used to match fund existing schemes on the council network where timber extraction was programmed to be carried out.

Footway Programme

- 4.6 As part of the February budget setting process Members allocated £500k for footway works. Officers are developing an area based programme of works which will be reported to the September ED&I Committee. It is proposed that these works are delivered in the latter part of this financial year, as in previous

years, allowing the carriageway works to be delivered during the more favorable weather window.

5.0 CONCLUSION

- 5.1 This report provides and update on the roads reconstruction programme for 2022/23, details the price increase and advises that a report will be brought to the EDI Committee in September in respect of the footway programme.

6.0 IMPLICATIONS

- 6.1 Policy - works assessed and carried out under the current Roads Asset Management Plan.
- 6.2 Financial - programme will be based on capital allocation for year 2022/23. The increase in prices means that less work on the ground will be delivered than in previous years.
- 6.3 Legal – None known
- 6.4 HR - reconstruction works delivered by a combination of in-house roads operations team and sub-contractors.
- 6.5 Fairer Scotland Duty: None known
 - 6.5.1 Equalities - protected characteristics – None known
 - 6.5.2 Socio-economic Duty – None known
 - 6.5.3 Islands – None known
- 6.6 Climate Change – due regard will be given to climate change with a view to minimising any climate change impact and these will be considered as and when they arise.
- 6.7 Risk - completed works will reduce requirement to repair roads and will arrest the carriageway/footway deterioration.
- 6.8 Customer Service - overall improvement in road surfaces and the quality of driven journeys.

Executive Director with responsibility for Roads and Infrastructure Services:
Kirsty Flanagan

Policy Lead for Roads and Transport: Councillor Andrew Kain

20 May 2022

For further information contact:

Jim Smith, Head of Roads and Infrastructure Service

APPENDIXES

Appendix 1 – Scheme List