

Highway Maintenance

Interim report of a review of Highway Maintenance by a
Working Group of the Environment, Culture and Communities
Overview & Scrutiny Panel



July 2011

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The following officers from Bracknell Forest Council:

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1. Executive Summary

- 1.1 Bracknell Forest Council (the Council) has a statutory duty to manage and maintain the (public) highway network within the Borough (the Department for Transport is responsible for motorways and trunk roads and town/parish councils for some footpaths). The network is the single most important and valuable asset managed by the Council. Well maintained highways are essential places where residents and visitors live, work and travel upon. The network contributes to delivery of the Council's strategic objectives, to the shared priorities of national and local government and to the character and environment of the Borough.
- 1.2 Efficient transport links are vital for a thriving population and economy, providing access to employment, education, healthcare, retail outlets, leisure and to all the other services and supplies relied upon to support people's needs. Maintenance of the network is vital to ensure it can continue to provide the principal element of the overall transport network.
- 1.3 Being mindful of the importance of maintaining the Borough's highway network and the associated significant investment, a working group of the Environment, Culture and Communities Overview and Scrutiny Panel was established to undertake a review of the plans and performance of highway maintenance and to determine whether improvements could be made, within a realistic understanding of the constraints on the Council's resources.
- 1.4 The Working Group has met on five occasions to date, having been suspended for a period of time until staffing resources became available to resume the review, and has produced this interim report to summarise work carried out to date and proposed for the future following the Borough Election in May 2011.
- 1.5 During its meetings the Working Group received presentations from Council officers concerning management of the highway asset and from a representative of the Council's highway maintenance contractor. It has also considered the reported condition of the Borough's roads, highway maintenance performance and funding arrangements.
- 1.6 This report describes the work of the Working Group to date and sets out its interim findings as a basis for continued work in the future.
- 1.7 The Working Group comprised:
 - Borough Councillor McLean (Lead Member)
 - Borough Councillor Beadsley
 - Borough Councillor Brossard
 - Borough Councillor Leake
 - Town Councillor Mrs Cupper
 - Parish Councillor Edwards
 - Town Councillor Kensall
 - Parish Councillor Withers
 - Parish Councillor Young

2. Background

- 2.1 Highway maintenance is a major statutory Council service of importance to all users and the wider community. Traffic growth in recent years highlights the importance of highway maintenance. The consequences of failure to invest adequately and effectively maintain the local highway network include the progressive deterioration of safety, reliability and quality, eventually requiring greater levels of investment in the future. Highway maintenance has not been the subject of an Overview and Scrutiny review previously and it has been included in the Overview and Scrutiny work programme since 2009/10.
- 2.2 A working group was established by the Environment, Culture and Communities Overview and Scrutiny Panel in September 2009 to review the plans and performance of the maintenance of the local highway network (principally roads, cycle paths and footpaths) and to determine whether improvements can be made. Although highway maintenance is a large and complex area of Council activity with many inter-connected factors, the Working Group decided that a narrowly focused review was necessary in order to keep it to manageable proportions and has therefore consciously set aside other interesting aspects of highway maintenance which could be worthy of separate Overview and Scrutiny reviews in their own right e.g. pathways and cycleways.
- 2.3 The Working Group met on three occasions between September and December 2009. At its first meeting, the Working Group received an introductory briefing in respect of highway maintenance and discussed the scope of the review. The scope was agreed by the Working Group at its second meeting when it received a presentation concerning highway asset management. The Working Group received a briefing at its third meeting in respect of the financial and other resources given over to highway maintenance, the sufficiency of the current level of investment to maintain the quality of the highway asset, whether the Council maximised government funding and how the Council's expenditure compared to other local authorities. In the light of the proposed 2010/11 highway maintenance budget reduction of £315,000, Members decided that in times of financial constraint, safeguarding the existing highway asset had a higher priority than improving that asset and submitted a report to this effect to the Panel to consider at the time they met to consider the proposed budget for 2010/11. Although this report was agreed and drawn to the attention of the Council's Executive, in the event funding for both highway maintenance and improvement was reduced. The Government subsequently allocated additional funds to repair roads damaged by the severe weather during the 2009/10 winter.
- 2.4 The highway maintenance review was discontinued in January 2010 owing to a reduction in Overview and Scrutiny staffing resources. However, as other Overview and Scrutiny review work was subsequently completed, resources become available to resume the review and the Working Group has been reconvened. It was agreed that the review should adhere to the original scope which is confined to the direct maintenance of the highway network in Bracknell Forest. The key objectives of the review are to:
- review the Council's plans, policies and legal obligations on highway maintenance;
 - review the Council's performance on highway maintenance;
 - review the key factors affecting the achievement of value for money; and

- make recommendations for improvements as appropriate and having regard to the budgets available.

2.5 Owing to the forthcoming Borough Elections in May 2011 and probable resulting changes in membership, the Working Group has decided to temporarily suspend its work until after the Election and has therefore prepared this interim report to inform its new membership of progress achieved to date and the future direction of the review.

3. Investigation, Information Gathering and Analysis to Date

Introduction to Highway Maintenance and Review Scoping

3.1 The Chief Officer: Environment and Public Protection, who is responsible for highway maintenance, gave an introductory briefing to Members at their first meeting in respect of highway maintenance in Bracknell Forest, setting out various factors to consider, and key questions which could be asked in order to help the Working Group better define what might be considered 'maintenance' and thereby set the terms of reference for its review. In the light of suggestions and observations made by the Chief Officer and information concerning highway asset management received at its second meeting, the Working Group agreed the scope of the review. The scoping document is attached at Appendix 1 (amended to reflect the changed timescales resulting from the suspension and reconvening of the review).

Highways Asset Management

3.2 The Working Group received a presentation in respect of highways asset management from the Head of Highways Asset Management, who is responsible for the maintenance but not improvement of the highway network including roads, bridges, footways, cycleways and streetlighting. The presentation included: the financial and other resources given over to highway maintenance; the sufficiency of the current level of investment to maintain the quality of the highway asset; whether the Council maximised government funding; and how the Council's expenditure compared to other local authorities. The presentation provided the following information:

- The highway consisted of: 456 km of roads; 700 km plus of paths and cycle ways; over 200 highway structures including bridges, underpasses, and other structures; 16,000 street lights; 270,000 drainage units; roadside gulleys; and signs.
- Section 41 of the Highways Act 1980 placed the Council under a statutory duty to maintain the highway in a 'safe condition'. Whilst the term 'safe' was not defined within the Act, it had been partially determined through case law and there were 3 nationally accepted Codes of Practice giving local authorities clear guidance. Section 111 of the Railways and Transport Safety Act 2003 introduced a new duty on a highway authority to ensure, so far as was reasonably practicable, that snow and ice did not endanger safe passage along a highway. Due to the highway inspection regime currently in place within the Borough, most claims for damages against the Council for non-repair of the highway could be defended successfully and Section 58 of the Highways Act 1980 gave a highway authority a defence where it could prove that it had taken such care as was reasonably required to secure that the relevant part of the highway was not dangerous for traffic.
- 7000 incoming queries from road network users were received each year and approximately 10,800 electronic works orders were issued each year to contractors.

- Annual major maintenance programmes were compiled from highway condition surveys, routine and reactive maintenance histories, recorded road traffic collision statistics, user observations and on-site checks.
- The Department for Transport (DfT) Local Transport Plan (LTP) financial settlements were calculated by reference to road length and condition. To date, the Council had 'passported' these sums through to highway maintenance, but the sums were not ring-fenced.
- It costs on average £60 per 1 metre square of road patching; £40 per 1 metre square of footpath patching; £3–£12 for re-surfacing per 1 metre square of road; £56 to maintain a street light annually; £800 – £1000 for replacing a single lighting column; £1.4 million to replace Mill Lane footbridge; and a total of £5,164,000 for highway maintenance as a whole in 2009/10 (including street lighting and bridges). Road repairs at night cost approximately 40% more than in daylight.
- Carrying out a temporary repair when a permanent repair would have been more appropriate was sometimes unavoidable as the priority was to effect the repair which was undertaken by a rapid reaction crew. Once completed, the work could be scheduled and a crew with the necessary skills and equipment would undertake any necessary follow up work.
- The estimated gross replacement cost of the highway assets was £800 million to £1 billion. 0.65 - 0.52% was the amount invested in 2009/10 in maintaining the assets, expressed as a percentage of the gross replacement value.
- Pressures on the budget included:
 1. Inflation on construction costs; which since 2004 had risen at an average of 7% annually.
 2. Growth; the network expanded as new roads were adopted.
 3. Deterioration due to wear and tear, weeds and the weather.
- Without sustained and adequate levels of investment in maintenance it was predicted that highway conditions would deteriorate leading to escalation of future maintenance costs, roads would receive patching in place of resurfacing, the defect repair intervention level would be delayed and public liability exposure would increase possibly resulting in higher insurance premiums.
- Concerns had been raised in the past in respect of issues such as signage and perceived over design which could potentially lead to a higher level of expenditure than might be necessary.
- Possible 'carbon agenda' issues could include the use of alternative materials or methods of construction in addition to the use and need for street lighting.
- The Council had inherited a large number of highway assets from the former Berkshire County Council and was continually building its knowledge of the highways and the condition of its assets to facilitate planned maintenance in preference to reactive maintenance. Although

the Highway Asset Management Plan, essentially an inventory of highway condition, was not complete at the time of the meeting, the Highway Maintenance and Management Plan had been produced and this set out how the Council currently delivered the services. The DfT encouraged each highway authority to have such a plan, although it was not mandatory.

- Highways asset management aspirations were the completion of a full asset (location and condition) inventory, development of whole-life cost road maintenance strategies and ascertainment of a depreciation replacement cost valuation for the total asset. Funding for these aspirations was an issue.
- Difficult asset management decisions lay around the standard to which estate streets should be constructed and maintained, whether to provide the additional street lights sought by residents or to reduce night time illumination to improve carbon reduction, and whether to recycle more road construction materials in-situ although this was currently more costly than importing new.
- Measurement against other authorities was necessary in order to address Bracknell Forest's value for money as a highway authority.

3.3 At its first reconvened meeting, the Working Group received a recap of past work and considered financial matters relating to highway maintenance and highway asset management data concerning the condition of the Borough's highways.

Highway Maintenance Finance

3.4 The Working Group received an extract from a Transport Spending Review press notice dated 20 October 2010 setting out the Government's spending plans in respect of transport over the next four years, which reflected its commitment to reduce the current financial deficit, facilitate long-term sustainable growth and tackle carbon emissions. The extract indicated that the budget for English national roads would reduce incrementally from £1,124m in 2010/11 to £947m in 2014/15 equating to a 23% decrease resulting in a reduction in the Council's grant through the Local Transport Plan (LTP). The funding was divided between highway authorities according to the length and condition of their networks. The mechanism for allocating funding through the LTP process was being reviewed following a consultation in summer 2010 and it was felt that Bracknell Forest's grant would reduce in all anticipated allocation scenarios being considered. However, this has not in fact been what has transpired in that the highway maintenance allocation for 2011/12 onwards equates to an increase of £705k over the 2010/11 allocation. The Government has also announced that it will allocate additional funds to highway authorities in 2011/12 for repairing potholes resulting from severe winter weather.

3.5 Financial budgets for Bracknell Forest from 2009/10 through to 2012/13 are set out below:

	2009/10	2010/11	2011/12	2012/13
Highway Maintenance	£1.070M	£1.162M	£1.867M	£1.867M
Integrated Transport	£0.945M	£0.958M	£0.526M	£0.526M
Section 106 Integrated Transport (highway infrastructure contributions from developers)	£0.750M	£0.750M	£0.750M	£0.750M

- 3.6 The highway maintenance budget relates to repairs to the highway infrastructure and integrated transport is the funding utilised to invest in highway improvements and safety projects in addition to supporting / encouraging bus travel. The Section 106 spend is more complex. Highway improvement schemes can only be progressed when sufficient Section 106 contributions have been collected for the works identified as part of the planning process. The £750k annual budget equates to the amount typically spent in recent years reflecting the number and complexity of schemes that can be developed each year. The total amount collected by way of Section 106 and as yet unspent as at 31 March 2011 was £3.3m. Section 106 agreements specify the time limit, area and radius of spend and require a direct link to the consequences of the development and therefore cannot legally be spent on other non-related schemes or on highway maintenance. The Working Group expressed some dissatisfaction with a perceived lack of transparency associated with the current system of formulating and prioritising Section 106 schemes. Although the current practice of the Council has been to allocate the LTP grant funds as suggested by the Government, the grant is not ring-fenced as such and the Council is able to reallocate it according to its own priorities. A statement must however now be given as to how the money is to be spent.
- 3.7 A note from the Chief Officer: Financial Services explaining the financial regime associated with highways maintenance was provided (attached at Appendix 2) and defined capital expenditure; explained capitalisation of highways maintenance; set out accounting arrangements and spending streams; and identified sources of external funding. The Working Group recognised that the capitalisation of highways maintenance funding was a complex area.
- 3.8 The Government grant of £1.867m for highway maintenance in 2011/12 was higher than in past years. Although the grant was not ringfenced, it was intended that it would be spent on highway maintenance in the next financial year. The grant equated to the cost of re-constructing the southbound carriageway of Bagshot Road between Coral Reef and Swinley Roundabout.
- 3.9 The additional Government funding of £135k for the repair of potholes and other damage resulting from the 2009/10 severe winter weather had been topped up by the Council to in excess of £300k and was spent in spring 2010. More than 50 roads were affected and it was felt that they had resumed their pre-weather condition and no complaints relating to damage had been received. Potholes were 'plugged' as a temporary measure until a full repair, such as patching the relevant section of the road, could be undertaken. Opladen Way had been adversely affected by the winter weather and was in good condition at the time of the meeting following the plugging of potholes and resurfacing.

Highway Asset Management Data – Condition Assessment

- 3.10 The Head of Highways Asset Management gave a presentation to the Working Group in respect of Highway Asset Management Data concerning assessment of the condition of the Borough's roads.
- 3.11 The presentation included the amount of highway assets in the Borough, the methods of assessing and scoring the structural condition of classified and unclassified roads, highway maintenance performance against relevant national performance indicators and road condition comparison with the other Berkshire unitary authorities. The information in the presentation concerning the condition of the highway network was based on the 2009 annual survey data as the results of the 2010 survey were yet to be fully analysed at the time of the meeting. The 2010 survey would include the effects of the severe weather during the 2009/10 winter.
- 3.12 Performance against National Indicator 168 (Principal roads where maintenance should be considered) had improved from 8% defective in 2007/08 to 6% in 2008/09 and performance against National Indicator 169 (Non-principal classified roads where maintenance should be considered) had also improved, from 11% to 8%. These results refer to the proportions of the networks in the worst condition category only. The underlying trend shows that the remaining greater proportion of the networks are not improving or are vulnerable to deterioration.
- 3.13 The surface skid resistance of the classified road network was measured by a Sideway-Force Coefficient Routine Investigation Machine (SCRIM), which could travel at 50km per hour and was capable of surveying many kilometres of road during a day.
- 3.14 To protect road network users, the Highways Officer Team inspected every road and pathway at regular intervals; the town centre was inspected weekly; strategically important highway roads were driven monthly; street lights were checked at night, higher frequency inspections during winter months; the road condition was assessed by machine each year; and skid resistance surveys were also carried out. The Council maintained one of the lowest successful public liability claims records in the country.
- 3.15 Surface Condition Assessment for the National Network (SCANNER) of classified roads was undertaken by automated road condition survey machines which travelled at road speed and at 5 metre intervals measured a number of aspects of the road surface condition including cracking, rutting, potholes, texture depth and edge condition. The same survey technique, developed by the UK Roads Board, was used across the country to achieve a national picture of highway condition. Results were analysed by industry standard software (UK Pavement Management System) which awarded every section of road surveyed with a score. Three companies in the country owned SCANNER vehicles which were annually accredited at the Transport Research Laboratory. Road collision investigation reports also indicated areas where roads may be in need of maintenance or safety improvement such as high speed bends and roundabout approaches. An example of innovative approach was given in relation to the works to the surface of the on-slip road of Mill Lane. This was to be retexturised using a special machine that fired (and then recovered) small ball bearings down on the tarmac to improve its skid resistance.

- 3.16 Unclassified roads were visually surveyed as the large SCANNER vehicles were not always able to negotiate them due to parked cars etc. The visual surveys were subjective as opinions of inspectors varied, however, they remained the best available technique until a machine based survey method was developed which was unlikely in the current economic climate. Visual surveys consisted of either a Coarse Visual Inspection, usually carried out from a slow-moving vehicle allowing a large part of the Borough's roads to be assessed each year, or the more comprehensive Detailed Visual Inspection, a walked survey which categorised defects against a larger number of more detailed classifications and was typically targeted at stretches of road already identified as potentially being in need of treatment.
- 3.17 Analysis of SCANNER survey data resulted in the scoring of each 10 metre section of road surveyed within a Road Condition Index which indicated the condition of the road against a score from 1 to 70 plus where a low score represented a road in good condition whilst a high score represented a road that needed further investigation and may require maintenance treatment. Highway condition was also evaluated on the basis of a traffic light system, with green rated roads having the fewest defects and achieving a score below 40, amber rated roads scoring between 40 – 70 and red roads scoring over 70. Roads with a score of over 70 were considered to be in need of repair. The following national performance indicators (NIs) related to road condition:
- 3.18 The condition of 'A' roads in Bracknell Forest had improved over the past 5 years with 76% receiving a green rating, 19% an amber rating and 5% a red rating. Gradual improvements to 'B' and 'C' roads in the Borough had also been achieved with 69% green, 20% amber and 10% red. There had been a requirement to report nationally on the condition of unclassified roads since 2008/09. 57% of local unclassified roads were green rated whilst 19% were amber rated and 24% red rated. All these figures are to be regarded with caution as measurement and analysis processes have developed and altered over the period quoted. 25% of unclassified roads were surveyed each year as part of a 4 year rolling programme and 27% of those surveyed in 2009 fell into the red category. Overall, the percentage of roads categorised as red had reduced from 16% to 8% over the last 3 years and 500,000 m² of road had been repaired over the last 4 years. Investment in amber rated roads was undertaken to prevent them from deteriorating to the red level which required significant cost to repair. Scotland and Wales reported on amber and red rated roads whilst England reported on red roads only.
- 3.19 An unclassified road data set in the form of a spreadsheet was demonstrated to the Working Group. The data showed the condition of each unclassified road at 10m intervals. All raw data was entered into computer software which analysed and distilled data scoring it from 1 to 70. An overview map of 'A', 'B' and 'C' roads indicated that work to evaluate the quality of the condition analysis was in progress. Although resurfacing of an entire road was favoured, it was sometimes necessary to undertake a small repair to lift the road out of the red category. The footway network was surveyed visually in the same manner as unclassified roads and was also graded using the traffic light system. Although some of the footways were in poor condition, there was currently insufficient funding to repair / replace them. It was necessary for the Council to provide a highway asset valuation based on the gross replacement cost. In future the depreciated cost would be shown. The Council needed to demonstrate highway stewardship and indicate that sufficient funds were being invested to maintain the highway network.

3.20 Bracknell's new town legacy could potentially result in parts of the highway infrastructure nearing the end of their useful lives simultaneously. Although the original road network had generally been built to a high standard and was ageing well, some more recent estate roads were exceptions such as those in Owlsmoor.

3.21 The following points arose from subsequent questions and discussion:

- It was noted that Millennium Way fell into the red rating. Utility companies were due to carry out work under the road and therefore repairs would not be made until afterwards in 2011. Repairs to other roads which were due to be affected by the town centre redevelopment would now be considered as aspects of the redevelopment had been delayed or were no longer proposed.
- Members expressed some surprise that the Borough's unclassified estate roads were in as poor condition as the figures indicated. The Head of Highways Asset Management advised that there was a level of subjectivity and the condition could be the result of worn surface dressing.
- Being rated red did not signify that a road was in a dangerous condition. 8% of roads being red rated was considered to be a suitable break even point for investing in the Borough's roads.
- Developers were in future to be required to construct new estate roads in accordance with the standards specified in the Council's Highway Design Guide and roads would not be adopted unless they met the required standards¹. Highways were inspected during construction and specification compliance certificates were issued during and at the completion of construction. This work was not part of the Highway Asset Management team. Adoption was a function of the other half of the Highway Authority function. Private roads were inspected prior to adoption to ascertain whether they met the required specification. A pragmatic approach to adoption was assumed as it was not necessary for all roads to meet motorway or dual carriageway standards. Although it was necessary for the Highway Authority to await a developer's request that a road be adopted, some pressure could be applied to expedite the process which involved the adoption of all other aspects such as sewers prior to the road itself.
- Prioritising maintenance of classified roads to facilitate commuting to / from / through the Borough was seen as being economical although a Member expressed some concern that this approach would not deliver the condition of estate roads sought by residents.
- Although whitelining was undertaken to restore road markings following repairs, insufficient funding was available to match new and existing road markings perfectly. There was also a general programme of renewing road markings.

¹ When highways are adopted they fall into the ownership of the highway authority and are maintained at its expense.

- The purpose of the red surfacing on roads approaching pedestrian crossings was to increase skid resistance and extend the life of the section of road involved. It was provided as part of the highway improvement function.

Highway Maintenance Contract

- 3.22 The Working Group's second reconvened meeting featured a presentation from, and discussion with, a representative of Ringway, the Council's highway maintenance contractor concerning how the company delivered the highway maintenance contract and whether any service improvements and economies could be identified. The presentation addressed the structure of Ringway and the products and services it delivered. The company, which was a privately owned subsidiary of Eurovia, was divided into the three sections of Term Services, Contracting & Production and Joint Ventures.
- 3.23 Term Services featured a wide range of varying forms of term contracts; a self delivery strategy; a full network management service; construction, design and management services; early contractor involvement; health and safety services; traffic management; vehicle restraint systems; street lighting; and pollution mitigation. Associated innovation included United Kingdom Accreditation Service testing laboratory, Ringway's technical centre, the Eurovia Central Laboratory and Technical Network, and learned bodies and academia.
- 3.24 The Contracting & Production teams operated nationally and delivered asphalt production and contracting, major construction schemes, specialist maintenance activities, thermoplastic manufacture, provision and surveying of roadmarkings, high performance markings, signs manufacture and installation, vehicle graphics including livery for police forces and ambulance services, bus shelters and other structures, light emitting diode developments, specialist and traditional surface treatments and dressings, footway treatments, decorative systems, stress absorbing layers, joint maintenance and repair, bondcoats between layers of tarmac and retexturing.
- 3.25 Joint ventures were undertaken with BEAR Scotland Ltd, South West Highways, Jacobs Engineering (which had acquired Babtie), Transport for London, Buckinghamshire County Council and the London Borough of Newham. Ringway also provided airport and runway services.
- 3.26 During the course of the presentation the Working Group was advised that:
- All of Ringway's term services contracts differed in terms of specification, services provided and payment arrangements. Some were on the basis of a client 'shopping list' up to a certain value whilst others featured target prices and schedules of costs.
 - The company rarely sub-contracted as it operated a self delivery strategy involving the up-skilling of the local workforce and any sub-contracting would utilise its own departments. However, specialist third parties would be drawn upon in the event that any operations were beyond Ringway's skills, or when the use of a local contractor with historical specialist knowledge would add some value.
 - Early contractor involvement was favoured to enhance service design and mitigate any potential problems.

- Pollution mitigation measures sought to reduce emissions by utilising a component that attracted and absorbed emissions which later washed away in a harmless form during rain.
- Vehicle restraint systems included crash barriers and specialist measures.
- Ringway's activities were regulated and required sector scheme accreditation.
- Industry innovations included the development of bitumen which was malleable at a lower temperature without a reduced melting point and which featured a colour changing component for road marking material that indicated when temperatures reduced to freezing point.
- The Contracting & Production teams provided the more specialist services such as bridge construction, surfacing with low noise asphalt, use of fibres to keep bitumen in place and white lining with a material which remained visible and dispelled water at times of rain.
- A white lining inspection service which operated in a similar way to the SCRIM and SCANNER assessments of road condition was available.
- Ringway was working towards reducing the carbon emissions of its own vehicle fleet which was compliant with the carbon credit scheme. Consideration was being given to the use of alternative types of fuel such as hydrogen. Electric vehicles were used in London. 89-90% of the company's carbon emissions were generated by producing the heat required to manufacture and lay tarmac and it was working with the UK Highways Term Maintenance Association to reduce its emissions and carbon rating.

3.27 The following points arose from subsequent questions and discussion:

- Ringway work with clients to provide value for money which could be achieved by increasing contracted services to realise economies of scale. They had changed the way it treated potholes and surface patching resulting in inspection regime cost savings for the Council. The provision of a local depot and salt barn as part of the current contract filled a gap in service and changed the Council's relationship with Ringway. Although the value of this change might not be fully realised under the current arrangement, it was an example whereby the Council was able to influence benefit.
- The company was also able to assist local authorities to reduce their spend in times of financial constraint by early involvement to advise on cost saving technical solutions without the need to make use of third party designers who could design unnecessarily complex schemes. This early involvement by Ringway in Bracknell Forest's highway solutions was identified as a beneficial improvement to contractual arrangements and high level quarterly meetings were held to facilitate this process and float any suggestions to maximise use of resources. At an operational level, meetings were held fortnightly to progress the contracted works. An IT system was currently shared between the Council and Ringway to

process work orders electronically although further work was required to achieve full integration. The Council had adopted Ringway's hand held technologies.

- Spending to the value of the contract was the main service cut off point. A schedule of agreed rates applied in respect of specific work orders and tendered rates were utilised to price large schemes. Economies of scale efficiencies were achieved when the contract value rose above a certain sum to the benefit of both parties.
- Although Ringway currently provided highway maintenance services, there was scope for the Council to make greater use of the company's expertise in areas such as design and build to ensure full use of the £1.867m grant funding as its own staffing resources were limited. Timing and availability of equipment were factors. Moving towards a scenario where the contractor was delegated greater freedom to work under its own initiative within set parameters with outputs monitored by the Council was favoured.
- The Council's contractual model with Ringway was constantly evolving and had sufficient flexibility for service improvements to be introduced. Ringway was pleased to advise on which models operated better than others from a commercial perspective, such as transference of risk to the contractor which would impact on the cost of the contract. Experience gained from the award of the refuse contract had shown that risk sharing could reduce costs. Contracts equated to long term relationships with clients and all of Ringway's contracts had been extended as clients were content with the standard and price of work. The Council enjoyed a good working relationship with Ringway and felt in a position to have an open dialogue regarding contractual matters. Its contract with Ringway was for a duration of five years and open to extension for a further five years. Owing to the lead-in time for re-tendering, which was costly, preparations would be commenced approximately two years before the conclusion of a contract and therefore an eight year contract with an eight year extension clause was favoured as it brought certainty, value and economies for both parties. Break clauses and safeguards could be built into contracts. Multiple one year extensions to contracts represented the worst scenario in terms of economy, investment and future planning.
- The existing contract was due to expire in 3½ years and the officers advised that the re-tendering process would commence in 18 months. Street cleaning had been added to Ringway's contract 18 months after it had been awarded. The core highway maintenance contract (repairs and improvement, winter maintenance and drainage) would be priced and separate prices relating to services which complemented and could be added to the core contract, such as street lighting, the provision and maintenance of traffic lights, gulley emptying and landscaping, could be obtained in the interests of seeking economies of scale. The European Union (EU) contracting regulations applied. The right to award a contract relating to one or more services was reserved. Ringway would be pleased to help and offer advice on the options in use in an attempt to ensure the best approach to delivering services through the contract.
- Although contract work orders specified timing, penalty clauses were not included. Any poor performance would be reported to the joint Bracknell /

Ringway management board. Any need to delay work was by prior agreement with the Council and usually resulted from a more urgent need arising.

- Points raised in discussion included the theft of aluminium road signs. As this had been an issue, alternative materials of lower value were being considered. The Council's contract featured heat resistant tarmac of improved durability. Many resurfacing difficulties arose from the instability of the sub-structure of the highway, and the weight increase from 38 to 42 tonne lorries allowed by EU regulations posed a problem by causing rutting in the highway. Some of the Borough's roads were of concrete structure which, whilst durable, had poor anti-skid qualities and were therefore surfaced with asphalt despite differing properties such as expansion rates between the two materials. The top surface coat was wearing off in some estate roads and the new design standards addressed this. There were set national standards in respect of road construction and, having adhered to Berkshire's standards previously, Bracknell Forest was now working to its own standards.
- Depending upon the nature of highway maintenance projects commissioned, the Council utilised the services of a number of consultants in the designing of schemes. As Ringway was able to advise on highway design and construction, contracting out these services to the company could possibly achieve a cost saving through reductions in consultancy and overhead costs. In Ringway's experience, other Councils had achieved savings from such an approach.
- The Council's Traffic Management Team was responsible for co-ordinating strategic cross boundary highway work programmes with neighbouring authorities and the Highway Agency and for integrating utility company operations. Utility companies were now subject to greater regulation concerning standards of work than in the past. The forthcoming closure of a road in Crowthorne for repairs to a gas main was recognised as a potential opportunity to undertake road maintenance or re-surfacing work to minimise future disruption.
- Members questioned the effectiveness of highway works being commissioned in respect of the same asset by two teams. The highway maintenance and improvement functions of the Council are split into two divisions and it was felt that it could be cost effective to combine them. This was notwithstanding the management arrangements in place that sought to achieve collaboration between the two services. The new Highway Design Guide was a welcomed step.

Future Work

- 3.28 Remaining activities for the Working Group to pursue following the Borough Election include meeting the Executive Member for Planning, Transport and Economic Development to establish the Council's Executive's position on highway maintenance; engaging with residents, key road users and public transport providers to ascertain their views in respect of the condition of Bracknell Forest's highways; possibly undertake site visits to see at first hand examples of road maintenance works; and study the Highway Asset Management Plan, Highway Maintenance and Management Plan and background data and research.

4. Interim Conclusions

From its investigations, the Working Group concludes that:

- 4.1 The worth of the local road network extends far wider than transport and its asset value of approximately £800m as it can make a powerful and wide contribution to Bracknell Forest. It is fundamental to the economic, social and environmental wellbeing of the community, and its management and maintenance should seek to maximise this wider contribution. Effective management of the local road network has the potential to aid regeneration, social inclusion, community safety, health and the environment, and this requires a planned long-term programme of investment, adequately resourced, efficiently managed and supported by effective technical and management systems.
- 4.2 Although the Government's spending review has resulted in an incremental budget reduction for English national roads by 23% over the next four years causing a reduction in the Council's grant through the LTP, its highway maintenance allocation for 2011/12 has increased by £705k over the 2010/11 allocation to £1.867m. The allocation of some further £350k of Government funding in 2011/12 towards pothole repairs is anticipated.
- 4.3 The current policy of the Council is to allocate the LTP grant as suggested by Government. The grant is not ring-fenced and the Council is therefore able to reallocate the grant according to its own priorities.
- 4.4 The accounting rules the Council is required to adhere to, which are largely controlled by statutory based guidance and involve a separation between capital and revenue funding, place greater pressure on revenue expenditure than on capital expenditure and prevent the Council from making the best use of its resources and assets. Accordingly, the Council aims to ensure that whatever flexibility does exist, such as capitalisation, is used to reduce the pressure on its revenue budget.
- 4.5 Performance against National Indicators relating to principal and non-principal classified roads where maintenance should be considered has improved resulting in Bracknell Forest's roads being amongst the best maintained in Berkshire.
- 4.6 At face value, the condition of 'A' roads in Bracknell Forest has improved over the past 5 years with 76% receiving a green rating, 19% an amber rating and 5% a red rating. Gradual improvements to 'B' and 'C' roads in the Borough have also been achieved with 69% green, 20% amber and 10% red. 57% of local unclassified roads are green rated whilst 19% are amber rated and 24% red rated. Overall, the percentage of roads categorised as red appears to have reduced from 16% to 8% over the last 3 years, however, as stated in paragraph 3.18 these figures need to be treated with caution.
- 4.7 Whilst the current condition of the Borough's highways, excluding unclassified roads, compares well to national averages, and there have been improvements in recent years, this improvement trend is at risk of being reversed if there is insufficient funding for future maintenance. The two successive poor winter seasons have demonstrated how vulnerable to deterioration the network is. The Working Group was concerned that the thinking behind the final budget

settlement for 2010-11 was driven more by the amount of funding available than by an objective assessment of need.

- 4.8 The current level of investment is only sufficient to deal with those roads in worst condition and at highest level of user risk. Priority therefore must be given to the primary and secondary routes. The network within the housing estates is being maintained at a basic safety level only. Many of those roads are suffering from the breakdown of the top surface layer and whilst this is not a safety issue, it results in a significant visually negative impact upon the area and in time jeopardises the structural integrity of the road. Surface dressing is a relatively inexpensive way of prolonging the life of a deteriorating highway. Although the 2009/10 highway maintenance budget reduction of £315k resulted in a cessation of the surface dressing programme, the negative result of this was partly off-set by the additional funds made available by the Government and the Council to deal with the significant detrimental impact of the winter weather on the highway network.
- 4.9 Full use should be made of the 2011/12 highway maintenance grant for maintenance purposes as, without sustained investment in maintenance, it is predicted that highway conditions will deteriorate leading to escalation of future maintenance costs and the risk of increased public liability exposure leading to higher insurance premiums and injury settlements threatening the Council's currently low public liability claims record.
- 4.10 The current system of formulating and prioritising Section 106 schemes lacks transparency and could be improved.
- 4.11 The performance of the Council's highway maintenance contractor, Ringway, is satisfactory and an effective partnership relationship is in place. The contractual model with Ringway is constantly evolving and has sufficient flexibility for service improvements to be introduced.
- 4.12 Although Ringway currently provide highway maintenance and street cleaning services in Bracknell Forest, there is scope for the Council to make greater contractual use of the company in additional related service areas to achieve economies of scale and greater use of its expertise in areas such as design and build as an economic alternative to using consultants. The company is also able to assist the Council to reduce its spend in times of financial constraint by early involvement to advise on cost saving technical solutions and to mitigate any potential problems as a beneficial improvement to contractual arrangements.
- 4.13 Owing to the lead-in time for contract re-tendering, which is costly, moving from the current five year contract with a five year extension clause to an eight year contract with an eight year extension clause may be preferable as it will bring certainty, increased value for money and economies for both parties.
- 4.14 The form of the Council's current highway maintenance contract is partly based on a schedule of rates. Ringway has explained that in its experience there are several models in use around the country. Contracts vary in levels of flexibility and some contracts do not serve the best interests of either party.
- 4.15 The recent provision of a local depot and salt barn has changed the Council's relationship with Ringway and offers potential benefits to both parties.

4.16 Although highway maintenance and improvement engineering works are currently split into two separate functions (falling under different Chief Officers), it is felt that it could be cost effective to combine them. The need is to ensure that both teams work to best effect to ensure that money is dedicated to greatest need and all works are designed to take account of future maintenance requirements.

5. Interim Recommendations

It is recommended to the Executive Member for Planning, Transport and Economic Development that:

- 5.1 As part of the Highway Maintenance and Management Plan, options be explored as to the potential to include percentage targets for the condition to be achieved for each type of highway in the Borough, utilising the SCANNER green/amber/red ratings as the principle driver for determining the resources required for highway maintenance each year, in recognition of the need for a structured, comprehensive and adequately resourced maintenance programme for a highly important and necessary community asset;
- 5.2 In the event that the Council's available resources do not permit full funding of the highway maintenance programme requirement each year:
 - the costs and benefits of alternative funding opportunities, such as borrowing external funds, be explored in recognition of the current low interest rates, the average annual increase of 7% in highway construction costs and the adage 'a stitch in time saves nine';
 - budget consultation papers provide a clear exposition of the impact of under-funding the highway maintenance programme;
- 5.3 The tackling of the restraints on borrowing and capital expenditure in the current accounting rules and other barriers be explored and include asking the Government to reconsider the current accounting regime referred to in paragraph 4.4 e.g. with a view to allowing borrowing to finance revenue expenditure and spending capital for highway maintenance purposes;
- 5.4 Full use be made of the 2011/12 highway maintenance allocation of £1.867m together with any other Government monies provided for maintenance purposes to sustain investment in maintenance to avoid deterioration leading to escalation of future maintenance costs and the risk of increased public liability exposure and associated higher insurance premiums;
- 5.5 The Council's new administration review its allocation priorities as part of the LTP process to ensure that such funding is allocated according to greatest need;
- 5.6 The process by which the spending of Section 106 monies is formulated be amended to allow for the early involvement of Ward Members and Town and Parish Councillors. This would enable greater transparency in the process of the formulation and prioritisation of local highway schemes prior to the agreement of the LTP by the Executive;
- 5.7 Priority be given to reinstating the surface dressing programme as it represents a relatively inexpensive way of prolonging the life of a deteriorating asset;
- 5.8 Current practices are reviewed as part of the ongoing budget review process to test the merits of contracting additional highway maintenance services, for example design and build, through the current contract with Ringway. Related

contractual changes be made should the review establish that such measures will achieve economies without giving rise to unacceptable levels of risk;

- 5.9 The practice of securing early contractor involvement to identify cost saving technical solutions and to mitigate any potential problems be continued and developed wherever possible;
- 5.10 The benefits of making greater contractual use of Ringway to provide additional services which complement highway maintenance, such as provision and maintenance of street lighting and traffic signals, be reviewed with a view to identifying economies and to ensuring that the contract provides for the best overall fiscal advantage to the Council and includes sufficient flexibility to allow for the continually changing financial environment;
- 5.11 All existing and potential opportunities for achieving savings in both client and service costs be explored as part of the contract renewal process. The potential scope, length and method of delivery should be examined through the scrutiny process with a view to helping ensure that the contract as tendered best fits the needs of the community;
- 5.12 Officers should review the current arrangements with Ringway upon completion of the depot and salt barn works and the transfer of the contractor's offices to ensure that the Council maximises the opportunities that arise both in the context of fiscal and value added service delivery; and
- 5.13 The existing management arrangements in relation to the split of the highway engineering functions are reviewed in the interests of cost effectiveness and collaboration between the two services to avoid conflicting objectives and to ensure that improvements are designed to take account of future maintenance requirements.

It is recommended to the Environment, Culture and Communities Overview and Scrutiny Panel that:

- 5.14 This review be completed once the Panel has been reconstituted following the Borough Elections in May 2011.

6. Glossary

DfT	Department for Transport
EU	European Union
LTP	Local Transport Plan
NIs	National Performance Indicators
SCANNER	Surface Condition Assessment for the National Network
SCRIM	Sideway-Force Coefficient Routine Investigation Machine
S106	Section 106 developer contributions to infrastructure
UK	United Kingdom



Repairs to the Borough's roads following severe winter weather

BRACKNELL FOREST COUNCIL

ENVIRONMENT, CULTURE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL

WORK PROGRAMME 2009 – 2010

Terms of Reference for

HIGHWAY MAINTENANCE OVERVIEW AND SCRUTINY WORKING GROUP

Purpose of this Working Group / anticipated value of its work:

- | | |
|----|---|
| 1. | To review the plans and performance of highway maintenance and to determine whether improvements could be made. |
|----|---|

Key Objectives:

- | | |
|----|---|
| 1. | To review the Council's plans, policies and legal obligations on highway maintenance. |
| 2. | To review the Council's performance on highway maintenance. |
| 3. | To review the key factors affecting the achievement of value for money. |
| 4. | To make recommendations for improvements as appropriate and having regard to the budgets available. |

Scope of the work:

The scope of this review will be confined to the direct maintenance of the highway network in Bracknell Forest.

Not included in the scope:

Anything not directly related to the maintenance of the principal highway network ie roads, footpaths and cycleways, for example traffic management, road design, the condition of bridle ways and unadopted roads, road signage, street lighting, street cleaning, landscape maintenance of verges, winter gritting, the impact on carbon reduction and climate change, the links between traffic speed, road maintenance investment and road safety, and review of how Section 106 money is allocated and spent.
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Terms of Reference prepared by: R M Beaumont

Terms of Reference agreed by: The Working Group

Working Group structure: Borough Councillors Beadsley, Brossard, Leake & McLean
 Councillor Mrs Cupper, Sandhurst Town Council
 Councillor Edwards, Binfield Parish Council
 Councillor Kensall, Bracknell Town Council
 Councillor Withers, Crowthorne Parish Council
 Councillor Young, Winkfield Parish Council

Working Group Lead Member: Councillor McLean

Portfolio Holder: Councillor Mrs Ballin

BACKGROUND:

Highway maintenance is a major Council service of importance to everyone who lives, works or travels through Bracknell Forest. It has not been the subject of an Overview and Scrutiny review previously, and it has been included in the O&S work programme for 2009/10.

Highway maintenance is a large and complex area of Council activity with many inter-connected issues. At its most basic level, the topic could be confined for example to the Council's performance in repairing pot-holes in roads. However the review could be as wide as to embrace issues such as traffic management, road design, road signage, street lighting, street cleaning, landscape maintenance of verges, winter gritting, the links between traffic speed, road maintenance investment and road safety, the impact on carbon reduction and climate change, and how Section 106 money is allocated and spent.

The Working Group has decided that a very focussed review is necessary, in order that it can be kept to a manageable size and be completed within a reasonable time-scale. The Working Group have therefore consciously set aside other interesting aspects of highway maintenance which could be worthy of separate O&S reviews in their own right.

The overall purpose of the review is to review the plans and performance of highway maintenance (principally roads, cycle paths and footpaths) and to determine whether improvements could be made. The scope of this review will be confined to the highway network and concentrates on the following issues which we consider are of greatest overall significance to highway maintenance.

SPECIFIC QUESTIONS FOR THE PANEL TO ADDRESS:

1. What are the Council's plans and arrangements for highway maintenance?

1. What makes up the Borough's highway network, and what is its current condition?
2. What are the Council's legal obligations and policy commitments?
3. The main features of the Highway Management and Maintenance Plan; the involvement of Town and Parish Councils, Ward Members and others in the production of maintenance plans.
4. The planned and actual balance between planned and reactive maintenance.
5. The Council's internal organisation and the use of contractors.
6. How are members of the public and Ward Members informed and kept up to date about highway work being done, particularly in cases where works could potentially cause traffic delays?
7. How can a highway defect be reported? How are the public made aware of this?

2. How has the Council performed on Highway maintenance?

8. Performance indicators:
 - How satisfied are residents?
 - What is the performance against the government's national indicators?
 - How does that performance compare to other councils?
 - Does the Council communicate its performance to residents?
 - The outcome of highway inspections.

- Is the quality of roads getting better or worse?
- 9. What is the rate of complaints from residents in relation to roads maintenance, and the outcomes?
- 10. Are works usually completed on time? What percentage overrun?
- 11. Keeping the Borough moving: to what extent are traffic delays and disruptions due to highway maintenance?
- 12. The number of traffic casualties attributed to inadequately maintained roads.

3. Achieving Value for Money

- 13. The financial and other resources given over to highway maintenance, and the extent to which the roads maintenance is needs or resources-driven.
- 14. Is the current level of investment sufficient to maintain the quality of the highway asset?
- 15. Does the Council maximise government funding?
- 16. How much is BFC spending on highway maintenance compared with other councils in Berkshire and other former New Towns?
- 17. Procuring and managing the contractor (Ringway) on roads maintenance, particularly in carrying out lasting repairs.
- 18. The level of compensation payments for roads imperfections.
- 19. Working arrangements with the Utility companies and others who dig up roads.

**INFORMATION GATHERING:
Witnesses to be invited**

Name	Organisation/Position	Reason for Inviting
Steve Loudoun	Chief Officer: Environment and Public Protection, Bracknell Forest Council	Responsible Chief Officer and Departmental Link Officer
Councillor Mrs Ballin	Executive Member for Planning, Transport and Economic Development	To establish the Council's Executive's position on highway maintenance
Brian Moss	Ringway	To explore their experiences and how that might be put to better effect locally
TBC/Chairman	Bracknell Forest Theme Partnership for Transport (no longer exists)	To establish the Partnership's position on highway maintenance

During the course of our review we will also ask residents, First Bus and other key organisations to send us their views, with reference to the best and worst maintained roads in the Borough, which we may then visit to see at first hand.

Site Visits

Location	Purpose of visit
TBC	To see at first hand examples of roads maintenance works

Key Documents / Background Data / Research

- | |
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| <ol style="list-style-type: none">1. Highway Asset Management Plan2. Highway Maintenance and Management Plan3. Background data and research as shown in detailed questions above |
|--|

TIMESCALE

Starting: October 2009

Ending: July 2010

(The review was discontinued in January 2010 owing to a reduction in staffing resources and was reconvened in November 2010 when resources became available and is expected to be completed in autumn 2011.)

OUTPUTS TO BE PRODUCED

1. Report of the Working Group with recommendations to the Executive
2. Build Members' knowledge of highway maintenance issues
3. Further build productive relationships between Borough, Town and Parish Councils through joint working.

REPORTING ARRANGEMENTS

Body	Date
Report of the Working Group with recommendations to the Executive, to be adopted by the Environment, Culture and Communities Overview and Scrutiny Panel and the Overview and Scrutiny Commission.	Autumn 2011

MONITORING / FEEDBACK ARRANGEMENTS

Quarterly progress reports to the Environment, Culture and Communities Overview and Scrutiny Panel and the Overview and Scrutiny Commission.
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ENVIRONMENT, CULTURE & COMMUNITIES OVERVIEW & SCRUTINY PANEL

WORKING GROUP ON HIGHWAY MAINTENANCE
11 NOVEMBER 2010

OVERARCHING PRINCIPLE

Because of the pressure on the Council's revenue budget the aim is to capitalise the maximum amount of expenditure that is permissible.

DEFINITION OF CAPITAL EXPENDITURE

Capital expenditure is defined within statutory based guidance. The following extract is taken from the Council's internal guidance and is designed to assist officers when bringing forward proposals to be included in the capital programme:

Under standard accounting practices local authorities are required to account for revenue expenditure and capital expenditure differently. Capital expenditure is defined in the Local Government 2003 Act as expenditure which, in accordance with proper accounting practices, falls to be capitalised. Proper accounting practice is currently accepted to be the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting.

Generally speaking capital expenditure results in a fixed asset which is reported separately in the Council's accounts from other expenditure. On this basis, capital expenditure essentially relates to the provision and improvement of significant fixed assets including land, buildings and equipment (such as schools, new houses and machinery) which will be of use or benefit in providing services for more than one financial year.

However, in practical terms, it is often quite difficult to easily distinguish between capital and revenue expenditure and as such there are a number of ways that we should consider expenditure in order to identify what is capital and what is revenue.

Revenue expenditure is expenditure incurred for the purpose of the organisation's daily activity, services or to maintain fixed assets. For example employees' pay; travel expenses and IT consumables are all deemed to be revenue expenditure.

The common definition of capital expenditure is

"Capital expenditure is expenditure that results in the acquisition or construction of a fixed asset (land, building, vehicle, equipment) or enhancement of an existing fixed asset."

Determining the acquisition or construction of a new asset is relatively straight forward and as such the greatest difficulty is often associated with identifying expenditure that can be said to enhance an existing asset.

To be an enhancement, the work undertaken must either

- **Lengthen substantially the useful life of the asset** – beyond the current assessment of the useful life of the asset. For example, the assessment would usually assume that a property would always have effective paint coverage and therefore painting would only ensure that the property remained useful for the period originally anticipated. In contrast, the assessment might assume that the property will continue to have a flat roof in good repair. Its subsequent replacement with a pitched roof will be more effective at protecting the building from degradation by the elements and should result in a more optimistic assessment of the prospective useful life.
- **Increase substantially the market value of the asset** – if the asset were valued after the works substantially higher than prior to the works.
- **Increase substantially the extent to which the asset can or will be used for the purpose of or in conjunction with the functions of the authority** – for example extending a building to provide a wider service or making a building fit for a purpose that it would not otherwise be fit for.

Distinguishing between expenditure on existing assets that maintains the use or value of that asset and expenditure that improves use or value can be difficult and judgement will always be required. The following key words can be indicators of whether expenditure is more likely to be Capital or Revenue expenditure.

Key words indicating Capital expenditure	Key words indicating Revenue expenditure
<p>Enhance Upgrade Extend Improve Construct Purchase</p>	<p>Repair Maintain Replace Like-for-like Remedial Renew</p>

CAPITALISATION OF HIGHWAYS MAINTENANCE

The Chartered Institute of Public Finance and Accountancy has published specific guidance on the capitalisation of highways maintenance and the following paragraphs attempt to illustrate the difference between capital and revenue expenditure:

Activities that do not improve the inherent strength or performance of the structure cannot be capitalised. For example, filling potholes in a carriageway would not normally be regarded as capital works because while they improve safety, they are in effect temporary repairs that do not directly affect the structure of the asset or prolong its life.

Preventative treatments may be categorised as either capital or revenue depending on the nature of the treatments. Gully cleansing, for example, is current (revenue) expenditure even though a failure to clean sufficiently often eventually leads to damage to the structure of the carriageway. This is because cleaning is not actually enhancing or restoring the service potential of a physical asset or component. On the other hand, surface treatments that prevent water penetration are capital works because they are providing a new or replacement component.

Works carried out for purely aesthetic reasons should not be capitalised.....for example, .if a bituminous footway has been dug up for statutory undertaker works and satisfactorily reinstated, but the authority chose to resurface it to produce a consistent appearance.

ACCOUNTING ARRANGEMENTS AND FUNDING STREAMS

The funding streams available to the Council in the financial years 2009/10 and 2010/11 can be summarised as follows:

Description	2009/10 £000	2010/11 £000
Capital – Council Funding		
Highways Maintenance & Integrated Transport Measures	1,640	1,501
Local Transport Plan Top Up Funding	250	0
Roads & Footway Resurfacing	200	200
Junction of John Nike Way/London Road & Dualling on London Road	470	0
	2,560	1,701
Capital – Externally Funded		
Local Transport Plan (Highways Maintenance)	400	0
Local Transport Plan (Integrated Transport)	315	319
Road Safety	44	43
Section 106 Schemes (Local Transport Plan)	750	750
Section 106 Junction of John Nike Way/London Road & Dualling on London Road	930	0
	2,439	1,112
Revenue – Council Funding		
Winter Maintenance	299	299
Lighting	1,108	1,080
Traffic Signals	57	57
Maintenance (resurfacing, bridges, verge maintenance, gully cleaning, road markings, patching, drainage, fencing etc.)	3,139	2,804
	4,603	4,240

As part of the Coalition Government's in year savings the 2010/11 budgets for integrated transport measures were subsequently reduced by £240,000 and the road safety budget by £43,000. The savings have been achieved by delaying the Maidens Green crossroads traffic scheme and deferring other minor junction safety schemes until funding is available in the future.

It should also be noted that within the revenue funding for 2009/10 provision was made for some surface dressing works. Based on the definitions above surface dressing can be treated as capital expenditure and at the end of the financial year £229,000 was capitalised in order to reduce the pressure on the Council's revenue budget. The Council's revenue

budget assumes that £400,000 of revenue expenditure will be available to be capitalised each year from a combination of highways, property and ICT works. No provision has been made for surface dressing works in the 2010/11 revenue budget.

EXTERNAL FUNDING

The table above indicates that the Council receives substantial external financial support for its highways works. This usually takes the form of government grants or Section 106 contributions from developers. Each grant or Section 106 contribution will have conditions attached to it. These vary, but will usually include:

- The requirement to spend the money by a specified date
- The need to spend the money on a specific project or specific types of work, and
- The condition that the money be spent at a specific location or within a certain distance of a specified location.