

## SURREY COUNTY COUNCIL

## LOCAL COMMITTEE (ELMBRIDGE)



DATE: 24 June 2013

LEAD OFFICER: Mark Borland, Group Manager (Surrey Highways)

SUBJECT: Operation Horizon\_5 Year Maintenance Plan

DIVISION: ALL

**SUMMARY OF ISSUE:**

Operation Horizon is a new targeted investment programme for road maintenance, and has been achieved through two key actions:

- **Increased Funding** – Cabinet has added £25m to the road maintenance budget over the next 5 years, resulting in a total £100m budget.
- **Contract Savings** – project will deliver 16%-20% saving on existing contract rates, enabling £16m- £20m to be re-invested in Surrey's roads

Combined the actions above will enable a total investment programme of nearly **£120m** to replace the worst 500km (10%) of Surrey roads.

For Elmbridge in particular, the new programme will result in £9m being invested in the local road network and will enable 45km of road (11% of local network) to be re-surfaced over approximately 100 separate road schemes.

This report seeks Local Committee approval for the identified roads which will be resurfaced in Elmbridge under Operation Horizon.

**RECOMMENDATIONS:****The Local Committee (Elmbridge) is asked to agree:**

- (i) They note the decision made by Cabinet on the 26<sup>th</sup> March 2013 to allocate capital monies to Operation Horizon as detailed in the Medium Term Financial Plan.
- (ii) To formally approve the Operation Horizon programme for Elmbridge and that the 45km of road, across the defined scheme list detailed in Annex One, is resurfaced over the investment period.
- (iii) That Surrey Highways produce an annual report in March 2014 confirming to the Local Committee programme progress and success to date.

## **REASONS FOR RECOMMENDATIONS:**

17% of the county's roads are classified as "poor", requiring structural repair. Operation Horizon will seek to address this structural issue by rebuilding a minimum of 10% of the road network and over the investment period will realise £16m to £20m in savings, all of which will be fully re-invested in highway network.

The investment programme will not completely resolve the wider road maintenance backlog (estimated at £200m), however, it is intended to reduce the number roads classified as "poor" by 50% and will be a significant step in improving the overall road network.

## **1. INTRODUCTION AND BACKGROUND:**

- 1.1 In tandem with majority of local highway authorities, Surrey's roads are now deteriorating at a faster rate than ever before.
- 1.2 In 2012 the AA published results of year-long study and expressed serious concern about the state of Britain's roads following a succession of heavy rain, flooding, snow and ice. It concluded that nearly one fifth of the UK network require urgent attention over the next five years, with an estimated cost of up to £10bn to deliver the necessary maintenance.
- 1.3 Radical and urgent action is therefore required to meet resident's expectation for road condition. Consequently over the past 18 months Surrey Highways has been working with its contractors, UK research laboratories and senior stakeholders to develop a new innovative approach to highway road maintenance.
- 1.4 The outcome of this exercise is Operation Horizon, a new investment programme that will significantly increase both the scale and scope of highway repair and is provided in this report for committee review and endorsement.

## **2. ANALYSIS:**

- 2.1 Road condition is measured nationally by the Road Condition Index (RCI), which assesses roads into 3 categories:
  - Green – good road condition
  - Amber – in need of maintenance but not critical
  - Red – road requires structural repair
- 2.2 The RCI indicates that on average **10%** of England's local highway network is classified in the red zone. However, the average in Surrey is higher, with **17%** of the network classified in the red zone.
- 2.3 Further analysis confirms that Surrey has a specific concern in town centres, residential and rural areas, with more than 21% of lower speed roads (SPN3) classed as in need of structural repair.
- 2.4 800km of the road network is therefore classified as poor, with the previous annual programme (12/13) only resurfacing approximately 60km p.a. On

current projections it would take a minimum of 13 years to repair the structural backlog, during which time more roads will deteriorate.

- 2.5 To address this problem Surrey Highways is therefore launching Operation Horizon and will aim to:

- ⇒ Replace a minimum of 500km (10%) of the council's network
- ⇒ Deliver an annual reduction of 20% in number of potholes
- ⇒ Specifically target rural lanes and residential areas
- ⇒ Improve the council's national score for road condition
- ⇒ Improve the appearance and ride quality of network
- ⇒ Support the local economy by reducing disruption

- 2.6 The project outcomes have been delivered not only through a £25m increase in highway budget but also by achieving 16%-20% in contract efficiencies.

- 2.7 To deliver the project savings, five key efficiency areas have been identified:

**a. Longer Term Programme**

A 10% cost discount was secured on condition that Surrey Highways confirm a five year programme in advance and ensure amendments are restricted to the absolute essential changes only. The longer term programme enables contractors to bulk buy and remove costly staff downtime

**b. New Storage Depot**

Significant waste cost was identified in haulage as small amount of materials are required to be transported from Kent for each specific scheme. SCC has offered storage facilities to reduce haulage costs and allowed contractors to reduce their costs by 2%

**c. New Materials**

Following work with contractor's laboratories a new material has been identified which is more durable and due can be delivered using less volume and thus less material. This will deliver a further 2% saving.

**d. Vehicle Relocation**

A time & motion study identified that contractor staff was waiting for up to two hours on-site before commencing scheme. This was due to the need to locate owners of parked vehicles that was preventing re-surface. From 2013/14 SCC will implement new policy allowing contractors to re-locate vehicles to an adjacent road, saving 1%.

**e. Improved Waste Management**

Surrey roads contain high presence of Tar, classified as hazardous waste, and thus can only be disposed in specific UK locations. As part of Project Horizon, Surrey Highways will apply a new chemical process which will make materials safe and save further 1%

- 2.8 In addition to the identified 16% saving, the project team is confident that a further 4% saving could be secured over the five years through improved value engineering and use of new materials.

- 2.9 Operation Horizon will also deliver the following quality benefits:
- **Improved Programme Management** – the five year programme, will ensure all works are published 12 months in advance and allow at least three months for in-depth planning for each scheme
  - **Improved Communication Plan** – A new Communications Plan will be implemented. This will improve the level of communications residents and members receive on schemes in their area
  - **Apprentice Programme** – Horizon will employ an additional 12 apprentices via Surrey Highways and wider supply chain to be appointed.
- 2.10 Operation Horizon is unfortunately not able to resurface the total identified 17% need, it will however, resurface a minimum of 10% of the identified roads and significantly reduce the structural backlog and deliver the single biggest road maintenance programme to Surrey's road network for the last 15 years.
- 2.11 In addition to Operation Horizon, Surrey Highways will also fund two further road maintenance programmes. These additional programmes are intended to reduce the rate of road deterioration and prevent additional roads (over and above the 17% already identified) developing further structural failures:
- ⇒ **Surface Protection Programme** – Surrey Highways will fund a **£5m per annum** programme of surface dressing and micro-asphalt. This programme will not replace the road structure but will add a protective surface layer which will prevent potholes and defects from developing, while also improving ride quality for commuters and residents. The planned programme will be published each year, and the 13/14 Surface Protection Programme for Elmbridge is detailed in Annex One.
  - ⇒ **Local Structural Repair** – Surrey Highways will fund an additional **£2m per annum** to Local Committees to enable them to repair roads not identified by the Operation Horizon or Surface Protection Programme. Funding will be ring-fenced for highway activity, however, committees will have complete discretion to allocate spending as they see fit.
- 2.12 Combined the three programmes (Horizon, Protection and LSR) will ensure that Surrey Roads are maintained to the highest possible standard within existing financial constraints.
- 2.13 Surrey Highways have also commissioned a further project to develop proposals and options to resolve the 7% of the network not addressed by Operation Horizon. These long term proposals will be developed in conjunction with the South East 7 and assessed with Environment Select Committee/Cabinet and will hopefully be brought forward during the term of the existing council.

### **3. OPTIONS:**

- 3.1 Over the past 18 months Surrey Highways have examined a number of alternative options including:
- ⇒ **Large Patch Repair** – a number of other highway authorities have sought to address the maintenance backlog by delivering large pot hole repair crews and patching work. Although it is recognised that this will deliver high volume activity, the analysis confirmed it would only be a short term measure. As due to the significant underlying road conditions, the potholes would reappear within 6-24 months. Surrey Highways have therefore sought to invest in a larger structural repair programme which although delivering less volume, will ensure that all works deliver a minimum of 10 year design life.
  - ⇒ **Annual Programme** – Almost all highway authorities deliver an annual repair programme, this is to enable flexibility and allow works to adapt to changing road conditions. However, our analysis demonstrated that a longer term fixed programme would deliver 16% savings (£16m) and would support improved communications to members and residents, improving forward planning and engagement.
- 3.2 Surrey Highways therefore believe the investment programme delivers the best value and quality for Surrey County Council.

### **4. CONSULTATIONS:**

- 4.1 To ensure the five year programme was fit for purpose, a nine month consultation process was conducted with residents, local associations and county councillors. The consultation included:
- ⇒ Public Road Shows – with Members of the public asked to nominate their worst roads
  - ⇒ Websites – an online publicity campaign was launched seeking residents views
  - ⇒ County/District Councillors – individual 1:1s and ward specific meetings were held with councillors to ensure local priorities were met
  - ⇒ Local Highway Office – large number of meetings to ensure programme was aligned to local priorities
  - ⇒ Planning Office to ensure works planned for year one did not conflict with existing planning decisions
  - ⇒ Transport & Environment Select Committee/Cabinet – work to ensure funding and objectives met strategic priorities
  - ⇒ Utilities Companies – meeting to ensure programme is co-ordinated with utilities replacement programme

- 4.2 As a result of the consultation, 20% of the investment programme has been directly nominated by residents and councillors, with the remainder based upon engineering study and analysis.

## **5. FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:**

- 5.1 The investment programme will be fully funded by Surrey Highways Medium Term Plan and no financial contribution is required from local committee budget.
- 5.2 It is, however, recognised that the fixed five year investment programme will reduce local committee flexibility to promote future maintenance schemes as petitioned by residents.
- 5.3 The scale and scope of investment programme is only sustainable if programme changes are limited, thus Surrey Highways will not be able, over project period, to delivery new schemes not previously identified in Annex One.
- 5.4 Consequently there could be increased pressure on local committee allocation to respond to resident petitions to re-surface roads not already identified in Annex One.
- 5.5 To ease potential budget pressure, cabinet has therefore confirmed that the enlarged funding originally announced as one off for 2012/13 (increasing local committee funding from £2m to £4m) will be maintained throughout the Operation Horizon period (2013 – 2018).
- 5.6 The additional funding will be allocated per committee on the previously agreed formula and it is for local committees to determine funding split between road maintenance and transport improvements.
- 5.7 The additional funding will support the local committee's response to local petitions. For clarity Surrey Highways will continue to ensure that all roads are safe for travel by removing potholes and wider patch repairs, however, it will not deliver larger condition repairs outside of the annual Surface Protection Programme and scheme list provided in Annex 1.

## **6. EQUALITIES AND DIVERSITY IMPLICATIONS:**

- 6.1 Improved road maintenance will support all travelling commuters and minority stakeholders

## **7. LOCALISM:**

- 7.1 The investment proposal will further support localism. Not only have local communities directly influenced programme, it will also enable communities to have clear understanding of Surrey Highways "Level of Service" in regards to major repair and a fuller appreciation of longer term programme.
- 7.2 This appreciation will enable the programme to more effectively co-ordinate with local priorities and support wider initiatives, for example, delivering re-surfacing scheme at the same time as a new safety crossing.

## **8. OTHER IMPLICATIONS:**

8.1 Not applicable

## **9. CONCLUSION AND RECOMMENDATIONS:**

- 9.1 The combined effect of increasing severe weather (impacting the rate deterioration on the road network) and overall reducing budgets in an era of austerity has the potential to have a lasting negative impact on the local road network, reducing resident satisfaction and impacting wider local economy.
- 9.2 However, rather than accept the status quo, Surrey Highways has sought to develop innovative and new ways of working that will not only maintain current investment but indeed radically increase its scope and scale.
- 9.3 The move to a longer term programme has delivered an effective local consultation process. This has enabled a fit for purpose road maintenance programme that not only meets the technical need but also wider local aspirations and concerns.

## **10. WHAT HAPPENS NEXT:**

- 10.1 Following committee approval of Operation Horizon programme detailed in Annex One, the following actions will be delivered:

### **June 2013**

- ⇒ Operation Horizon programme published to residents and communities
- ⇒ Detailed Year One programme published confirming proposed dates for each specific scheme.
- ⇒ Re-surface programme commences, with monthly updates to Surrey county councillors and impacted residents

### **March 2014**

- ⇒ Officers provide annual report confirming progress in delivering year one schemes and detailed dates for Year 2 programme.

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### **Contact Officer:**

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### **Consulted:**

See consultation details above

### **Annexes:**

Annex One\_ Operation Horizon Investment Programme \_Elmbridge

### **Sources/background papers:**

- Environment & Transport Select Committee Reports\_ November 2013
- Cabinet Report\_ March 2013

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