REPORT NO 513/01

ANGUS COUNCIL

ROADSCOMMITTEE

26 APRIL 2001

WINTER MAINTENANCE EXPENDITURE

REPORT BY THE DIRECTOR OF ROADS

ABSTRACT
This report updates the Committee on the projected expenditure on winter maintenance for 2000/01 taking into account expenditure in March and additional salt costs.

1 RECOMMENDATIONS

It is recommended that the Committee agree:-

(i) to note the updated projected expenditure for Winter Maintenance of £1,775,000 (compared to the Budget of £1,280,000) for third party payments.

(ii) to note that the Director of Roads and the Director of Finance have taken steps to manage the effects of this projected overspend and contain it within the Roads Department's overall Revenue Budget and the Roads and Transport Renewal and Repair Fund.

2 INTRODUCTION

2.1 The Committee was informed at its meeting on 8 March 2001 of a projected overspend on winter maintenance of £380,000 in 2000/01 (Report No 331/01).

This projection was based on actual payments up to the end of January, projected expenditure for the month of February taking into account the abnormally severe weather experienced during that month, and projected expenditure for the month of March estimated on the basis of the "normal" expenditure for March in previous winters.

2.2 These projections have now been revised to take into account actual expenditure for February and the actual service provided in March which in fact suffered a continuation of the abnormally severe winter weather which has been a feature of the whole winter maintenance period.

3 DETAILS

3.1 It is now clear that the winter of 2000/01 has emerged as a "very severe" winter compared to the "average" winter on which the budget for winter maintenance is established. Three periods of prolonged and heavy snowfalls have punctuated protracted spells of sub-zero overnight temperatures
interspersed with frequent wintry showers which led to an abnormally high number of days on which gritting, snow-clearing and salting were necessary and numerous occasions when heavy salting was necessary to deal with either extreme cold or snow conditions. (The normal rate of spread of salt for precautionary gritting is 10 – 20 gms/m². However for each degree below minus 5°C the amount of salt needed to maintain the equivalent melting effect increases by about 14 gms/m².)

3.2 As a result of continual heavy salt usage it was necessary to order an additional 3515 tonnes of salt in January/February to supplement the 12,000 tonnes of salt stockpiled prior to the start of the winter maintenance period. Salt purchased “in season” (when numerous other roads authorities are also seeking additional supplies) carries a price premium due to the normal market forces of supply and demand. The additional standing charges arising from this increased demand for salt amounted to £15,000 and this is included in the project out-turn expenditure figure.

3.3 The overall net effect of these additional costs for winter maintenance results in a projected out-turn for third party payments of £1,775,000 for 2000/01 compared to the budget (based on an “average” winter) of £1,280,000 (i.e. a projected overspend of £495,000 compared to the projected overspend reported to the 8 March Committee of £380,000).

3.4 As reported previously this projected overspend can be managed within the overall cash-limited budget by transferring an equivalent value of Revenue funded projects to the Roads and Transport Renewal and Repair Fund in 2000/01. This will however obviously have a serious impact on the balance available in the Roads and Transport Renewal and Repair Fund for infrastructure renewal projects which could be required in 2001/02. Consideration of additional “top-ups” to the Roads and Transport Renewal and Repair Fund will be required to deliver works programmes at current levels.

4 FINANCIAL IMPLICATIONS

4.1 As outlined above the projected expenditure on winter maintenance in 2000/01 is £1,775,000 compared to the budget for third party payments based on an “average winter” of £1,280,000 giving a projected overspend of £495,000.

4.2 This additional £495,000 unavoidable expenditure can be accommodated within the overall cash-limited budget by drawing £495,000 from the available balance in the Roads and Transport Renewal and Repair Fund and allocating it to an equivalent value of revenue projects thereby containing the projected cost of winter maintenance within the overall Roads Revenue Budget.

4.3 The Director of Finance will take into account the resultant impact on the available balances in the Roads and Transport Renewal and Repair Fund when considering recommendations to the Policy and Resources Committee on any possible top-up proposals to the various Renewal and Repair Funds in 2001/02, depending on the overall Revenue balances available to the Council.
HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising from this report.

CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Finance have been consulted in the preparation of this report.

CONCLUSION

7.1 The abnormally severe weather (compared to an “average winter”) over the 2000/01 winter maintenance period has resulted in a projected overspend of £495,000 against the winter maintenance budget of £1,280,000.

7.2 Actions have been taken to ensure that this unavoidable overspend situation will be managed within the overall Roads budget for 2000/01.

7.3 Cognisance of this ‘unexpected’ £495,000 additional expenditure will be taken into consideration as part of any possible further allocations to the Renewal and Repair Funds in 2001/02.

Dr Bob McLellan
DIRECTOR OF ROADS

NOTE:

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this Report:-


REPORTS/wint.maint.exp.
RWM/PP
11 April 2001