

Report

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Report to:	Risk and Audit Scrutiny Forum
Date of Meeting:	8 November 2016
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Audit Scotland - Maintaining Scotland's Roads A Follow-up Report
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Forum of the conclusions of the most recent audit report focusing on the national road maintenance landscape
- ♦ note the specific recommendations made in respect of actions which Council should take, together with the Council's position on each

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the contents of the report be noted.

3. Background

3.1. The Accounts Commission, published, on 4 August 2016, its latest in a series of reports prepared by Audit Scotland which have considered issues around road maintenance. Previous reports have included:-

- ♦ Maintaining Scotland's Roads (2004)
 - 13% of Scotland's roads require repair and a further 31% require further investigation. Only 66% were in acceptable condition.
 - Investment in road maintenance was reducing, with investment some 9% less than 1994/95.
 - Councils need to work together to achieve economies of scale.
- ♦ Follow up Report (2011)
 - Limited progress on developing asset management plans and sharing relevant data with elected members.
 - Road condition had worsened, only 63% now acceptable (from 66%).
 - Scope to achieve greater value for money via shared services.

- Real terms investment had reduced by 13% (2004/5 to 2009/10).
- National review of road maintenance was recommended.
- ♦ Maintaining Scotland's Roads (2013 update)
 - Road condition had improved marginally.
 - 21% reduction in investment.
 - Outcomes from national roads maintenance review recognised but concern about pace of progress, particularly in developing Asset Management Plans and improving performance reporting.
 - Strategy recommended for developing the best structural models to deliver road maintenance.
 - Need to increase the pace of progress in improving road condition.

3.2. From the latter part of 2011 through to mid 2012, the National Road Maintenance Review reported in various stages. Most significantly the "option 30" recommendation advocated further exploration of shared services models pending any further discussion regarding potential changes to the structural frameworks within which road maintenance services are delivered. To support the shared services agenda, and other actions arising from the review, a "Strategic Action Group" was established, jointly chaired by the Transport Minister and COSLA, and a "Roads Collaboration Board", chaired by Colin Mair of the Improvement Service. These groups remain in place today with local authorities being represented via SCOTS and SOLACE.

3.3. Much of the recent history of audit interest in road maintenance has, therefore, centred on the shared services agenda, albeit the view of the professional organisations has generally been that, while this may deliver some benefits for some authorities, it will not be a panacea for historical underfunding of road maintenance across Scotland.

4. Current Position

4.1. On 4 August 2016 the most recent audit report, "Maintaining Scotland's Roads – A Follow-up Report" was published. The main body of the report is in two parts, the first focusing on road condition and maintenance cost, the second part about improving the management of roads. This audit report, in contrast to the previous report in 2013, also covers matters in relation to the trunk road network which is the responsibility of Transport Scotland.

4.2. Part 1 (the condition and cost of maintaining Scotland's roads) explains who is responsible for what and the basic component parts of a road maintenance service.

- 4.3. Linkage is made to the importance of road condition in terms of improving road safety and the report suggests poor road condition may have been a contributory factor in 6 fatal, 64 serious and 234 slight injury road accidents over a 5 year period. The danger which poor road condition represents for the increasing number of cyclists on our roads is also highlighted.
- 4.4. Reference is also made to public concern about road condition, specifically the Scottish Household Survey of 2014 where 57% of respondents were dissatisfied with road condition.
- 4.5. Attention also focused on the national reduction in road maintenance investment with the level of cuts quoted as almost twice Council's net spending reduction on general services.
- 4.6. Wide variations in road maintenance investment levels was also identified across different custodians:-
- ♦ Scottish Council average - £4,935 per km
 - ♦ English Council average - £12,238 per km
 - ♦ Scottish Trunk roads - £47,200 per km
 - ♦ English Trunk roads - £137,200 per km

Comparative information relating to the Council is provided at section 5.

- 4.7. Part 2 (improve the management of road maintenance) covers a range of topics including asset management, performance information, comparison between investment and road condition, research activity, staffing reductions and collaboration/shared services.
- 4.8. Good progress was noted with regard to the development of Asset Management Plans although it was recognised that the situation was variable and further work is required.
- 4.9. Progress in developing a common suite of performance indicators was also recognised although, again, further work is considered necessary particularly around unit cost data.
- 4.10. Good progress was also recognised in terms of the establishment and progress of the Scottish Road Research Board (comprised of representation from Transport Scotland, SCOTS and the Road Works Commissioner) although, again, there was considered potential to go further.
- 4.11. Concerns were expressed with regard to staff reductions, in particular the loss of technical and commercial skills and expertise. The demographics of the national workforce, with 40% over 50 years old, is also highlighted. This mirrors the situation in South Lanarkshire.
- 4.12. Finally the report focused on shared services and collaboration. Reference is made to Tayside Contracts and the Ayrshire Roads Alliance as positive examples of shared services, however, commentary is generally negative in terms of the pace of change and the extent of ambition. It is, however, recognised that there are many examples of Councils collaborating, whether with other Councils, with private sector partners or with the trunk road operating companies. The potential of trunk road maintenance being included in shared services models is also referenced.

4.13. The main findings of the report were:-

- ♦ the proper maintenance of the road network is vital to Scotland's economic prosperity and for road users to travel safely.
- ♦ Roads authorities, locally and nationally, urgently need to demonstrate a much greater commitment to innovation, comparing relative efficiency and being clearer with the public about the impact on road condition of agreed spending levels. It is clear the status quo is no longer an option if there is to be any improvement in road condition.
- ♦ The condition of Council maintained roads has remained stable at around 63% in acceptable condition over the period 2011/12 to 2014/15, despite investment reducing by 14%.
- ♦ The condition of trunk roads declined from 90% to 87% in acceptable condition, with a 4% reduction in investment from 2011/12 to 2014/15.
- ♦ Progress with introducing a shared services approach to roads maintenance, a central theme of the 2012 National Road Maintenance Review, has been disappointingly slow.

5. South Lanarkshire Context

5.1. The audit report compares performance across Councils in a number of areas and, for the Council, these comparisons are generally positive:-

- ♦ Comparing the percentage of roads in acceptable condition (exhibit 2), we are 12th of 32 Councils.
- ♦ Comparing progress in improving road condition, (exhibit 3), we are the 7th most improved of 32 Councils.
- ♦ Comparing investment per km (exhibit 7) we are 5th of 32 councils.
- ♦ In 2014/2015, we invested more than "steady state" levels and hence would expect to see an overall improvement in road condition (exhibit 9) in that year.
- ♦ Our long term investment strategy to improve road condition is recognised as good practice (exhibit 10).

5.2. While the above reflects a relatively positive position, primarily as a consequence of our long term Roads Investment Plan, with this ending in 2019, successor funding arrangements will be crucial to maintaining this position. Roads maintenance is very much cyclical in nature and many roads resurfaced in the early stages of the Roads Investment Plan are now reaching a point where resurfacing requires to be considered once again.

6. Audit Report Recommendations

- 6.1. The report makes a series of specific recommendations with regard to what Councils (alone) should do or which both Councils and Transport Scotland should do. These are set out below with appropriate commentary from a Roads Service perspective:-

Recommendation 1

Ensure that they (Councils) work closely with the Roads Collaboration Programme and regional group partners to determine the extent of shared service models for roads maintenance operations.

Response

We are currently considering, with partner Councils in the Glasgow City Region, via the Transport and Connectivity sub-group, exploration of potential opportunities for further collaboration. Having said that, any options will require to deliver clear benefits for the Council.

Recommendation 2

Ensure that they implement the findings of the consultant's review of Roads Asset Management Plans (RAMPs) where relevant.

Response

We will accept the consultant's findings where we consider they are relevant and add value. It should be noted the "consultant" referred to was appointed by SCOTS to review the Asset Management Plans of all Councils.

Recommendation 3

Implement methods for assessing and comparing Council's roads maintenance efficiency with the aim of identifying and learning from Council's delivering services more efficiently.

Response

This is being progressed as a national (SCOTS) initiative.

Recommendation 4

Use the National Highways and Transport (NHT) Network Survey, or similar, to obtain user views and perceptions of roads services consistently.

Response

We already do this. We participate every second year with the first survey being in 2013 and the second in 2015. We would intend to participate again next year. The survey is done by mail on the basis of a random sample.

Recommendation 5

Use the results of user surveys to develop more proactive ways of engaging with the public over roads maintenance issues, and to help inform scrutiny and challenge of roads maintenance budgetary proposals.

Response

We will explore, with colleagues in Finance and Corporate Resources, how opportunities for more focused public engagement may be realised. It is understood this recommendation refers, in part at least, to the use of social media.

Recommendation 6 (for both Councils and Transport Scotland)

Ensure that they use their RAMPs to inform elected members and Scottish ministers of long-term investment plans for maintaining roads that take into account the whole-life costing of treatment options.

Response

We already report annually to the Enterprise Services Committee with an update on our Asset Management Plan. This report projects anticipated condition trends for our main asset groups based on current and anticipated levels of investment.

Recommendation 7 (for both Councils and Transport Scotland)

Ensure that the consequences of spending less than that necessary to maintain current road condition adequately features in budget-setting processes to allow elected members and Scottish Ministers make informed choices which take account of competing demands and priorities.

Response

The consequences of different funding scenarios are currently being modelled by specialist external consultants. Spending below 'steady state' levels would be expected to see a regression in road condition, increased reactive maintenance (pothole) costs, increased third party claims and a reduction in customer satisfaction. This information can be considered for presentation to elected members in due course.

7. Employee Implications

- 7.1. There are no employee implications associated with this report.

8. Financial Implications

- 8.1. There are no financial implications arising from this report.

9. Other implications

- 9.1. There are no significant risks associated with this report, nor any environmental implications.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

21 October 2016

Link(s) to Council Objectives and Values

- ♦ Improve road network and influence improvements in public transport

Previous References

- ♦ Report to Risk and Audit Scrutiny Forum - 17 September 2013 – Maintaining Scotland's Roads

List of Background Papers

- ♦ Maintaining Scotland's roads – A follow up report (August 2016)

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact: - Gordon Mackay, Head of Roads and Transportation Services

Ext. 4484 (Tel: 01698 454484)

Email: gordon.mackay@southlanarkshire.gov.uk