

# Report

8

|                  |  |
|------------------|--|
| Report to:       | <b>Risk and Audit Scrutiny Forum</b>                           |
| Date of Meeting: | <b>17 September 2013</b>                                       |
| Report by:       | <b>Executive Director (Community and Enterprise Resources)</b> |

|          |  |
|----------|--|
| Subject: | <b>Audit Scotland - Maintaining Scotland's Roads</b> |
|----------|--|

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise the Forum of the conclusions of the most recent Audit Scotland report on the condition of Scotland's roads and provide commentary on these conclusions.

## 2. Recommendation(s)

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

- (1) That the content of the report be noted.

## 3. Background

3.1. In November 2004, Audit Scotland published a major audit entitled "Maintaining Scotland's Roads". The main findings were:-

- 13% of Scotland's roads should be considered for repair and 31% require further investigation. Only 66% of roads were considered to be in an acceptable condition
- Councils may have a road maintenance backlog of £1.7b but further work is needed to refine this figure
- Council spending on road maintenance was reducing
- Councils should establish a long term road maintenance strategy, need to work together to achieve economies of scale and should improve their data quality through better use of IT

3.2. In February 2011, a follow-up report to the 2004 audit was published. The key messages from this report were:-

- Limited progress had been achieved relative to the previous audit with less than half of Councils reporting a maintenance backlog figure to elected members and a third had still to develop asset management plans
- Road conditions had worsened with only 63% now in an acceptable condition
- There was considered to be scope to achieve greater value for money via performance comparisons and shared services
- In real terms, Councils were spending 13% less in 2009/2010 relative to 2004/2005 on road maintenance

The recommendations were:-

- A national review of road maintenance with a view to stimulating service redesign and accelerating shared services
- Councils should ensure priority is given to main roads
- Greater collaborative working was recommended across the sector
- Maintenance backlog and road condition data to be regularly reported to elected members
- Improve benchmarking and performance management
- Support the SCOTS Asset Management project including adopting a common set of performance indicators

#### **4. Current Position**

4.1. On 17 May 2013, a further audit report was received which was an update on progress since the 2011 audit. The conclusions/recommendations were:-

- The condition of Council roads had improved marginally despite a 21% real terms cut in funding
- More work is required to improve the quality of performance data to facilitate meaningful benchmarking
- While acknowledging that a national review of road maintenance had been undertaken, there was concern with regard to evaluating its outcomes and looking at alternative structural models
- Asset management plans should be completed and implemented and progress monitored
- Data should be input to the SCOTS/APSE benchmarking exercise
- The impact of changing levels of expenditure on road conditions should be monitored
- Respond actively to innovation, knowledge sharing and shared services initiatives
- There is a need to increase the pace of progress in improving road condition

#### **5. South Lanarkshire Council Input**

5.1. The most recent audit report was compiled by Audit Scotland having regard to individual local follow up audits prepared by external auditors for each Council.

5.2. The scope of these local follow up audits was to consider the extent to which individual Councils had addressed the findings of the previous (2011) audit.

5.3. South Lanarkshire's local follow up report was positive. Good progress and innovations in many areas were recognised and the only findings identified for inclusion in an improvement Action Plan were:-

- The need to maintain progress, and avoid slippage, in the preparation of the Road Asset Management Plan  
(Note: Updated plan since published in March 2013)
- The need to ensure target timescales for road repairs were met in 1 (of 3) operational areas)  
(Note: Target timescales are currently being met in all operational areas)

- The need to continue development of our (Exor) Roads Maintenance Management System  
(Note: Progress continues to be achieved, albeit we have slipped with regard to aspirations to fully match the physical road network and the electronic model, this being due to other operational priorities).

## **6. Roads Service Perspective on Audit Scotland Report**

- 6.1. Against a background of a 21% cut in real terms funding, it is quite remarkable that the decline in local road condition has been halted and indeed a very modest improvement achieved. It might have been expected that this achievement would have been recognised in a more positive perspective by Audit Scotland. It should be noted, however, that annual road condition indicators require to be treated with a degree of caution given the variations in the actual roads surveyed each year.
- 6.2. While there are certainly challenges to be overcome to facilitate meaningful benchmarking on a genuinely like for like basis, this Council has participated fully in the first APSE/SCOTS benchmarking exercise. This has aligned a common set of performance measures for the first time with the first set of returns being made in autumn 2012. We have also led on a separate benchmarking exercise which compared the cost of undertaking two typical packages of work across seven authorities in the west of Scotland.
- 6.3. The Service participated actively in the National Review of Road Maintenance (NRMR) and considers this to have been a challenging but fruitful piece of work. We would agree there is further work to be done in evaluating outcomes, albeit many of the benefits will be qualitative rather than quantitative.
- 6.4. The NRMR included a substantial consultancy commission evaluating potential alternative service delivery structures nationally ranging from a single national road service to 32 authorities each having responsibility for both local and trunk roads. The conclusion of this work, which evaluated each option against key outcomes, was that there is no case at present to change the statutory basis on which road maintenance services are currently delivered. Instead, greater levels of collaboration between authorities were encouraged and only if this were to fail to deliver benefits would structural change be reconsidered.
- 6.5. The Council completed a second draft of our Roads Asset Management Plan in March 2013 and this includes an Improvement Plan which sets further enhancement targets to be incorporated in a third draft in March 2014. We see this as being a live document which will continue to evolve annually. We have continued to participate fully in the SCOTS Asset Management project and are undertaking a series of material trials over the summer period with the aim of accelerating the pace at which asset management principles are put into practice against the background of the improvement in road conditions achieved to date.
- 6.6. It appears that there remains a view within Audit Scotland that more shared services and more benchmarking will provide a panacea for the prevailing road conditions across the country. This is not a view shared by road maintenance professionals, either at a local authority level or within Transport Scotland.
- 6.7. In terms of pursuing shared road services, this has been actively pursued both in Ayrshire and in the Renfrewshire area. However, both have found this a challenging process which does not yet appear to have delivered substantial savings.

6.8. It should be noted that the NRMR has been succeeded by a governance structure of:-

- Road Maintenance Strategic Action Group – jointly chaired by the Transport Minister and COSLA, with a remit of overseeing collaboration on strategic issues
- Road Maintenance Stakeholder Group – tasked with overseeing implementation of the improvement recommendations generated by the NRMR, other than shared services/structural change
- Shared Capacity/Shared Services Improvement Board – formed to provide capacity to those interested in pursuing shared services and in the longer term to look at options for structural change and associated convergence

Council officers are involved directly in the latter group only.

6.9. In terms of our own road condition indicator results for South Lanarkshire, it should be noted that for the past 3 years the percentage of roads which are either in need of attention, or require further assessment, are as follows:-

| Road Class | 2010/11 | 2011/12 | 2012/13 |
|------------|---------|---------|---------|
| A          | 28.9    | 27.2    | 25.9    |
| B          | 30.1    | 31.8    | 30.3    |
| C          | 41.5    | 44.6    | 41.1    |
| U          | 40.5    | 38.7    | 40.6    |
| Overall    | 38.0    | 37.5    | 36.8    |

6.10. To date, reporting of the Roads Asset Management Plan has been within the context of the Council's wider corporate Asset Management Plan. This has limited exposure of some of the key data (for example, maintenance backlog figures) to elected members. Given that lack of exposure of this data was one of the key concerns of the 2011 Audit report, it is proposed that current arrangements are supplemented via a report to the Enterprise Services Committee during 2014 with regard to the updated (2013/2014) Roads Asset Management Plan.

## **7. Employee Implications**

7.1. There are no employee implications arising from this report.

## **8. Financial Implications**

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

## **9. Other Implications**

9.1. There are no implications for risk or sustainability in terms of the information contained in this report.

## **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.

10.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

**Colin McDowall**  
**Executive Director (Community and Enterprise Resources)**

30 August 2013

**Link(s) to Council Values/Objectives**

- ◆ Improve road network and influence improvements in public transport
- ◆ Accountable, effective and efficient
- ◆ Self Aware and improving

**Previous References**

None

**List of Background Papers**

- ◆ Maintaining Scotland's Road
  - An update on Council's progress  
(Audit Scotland – May 2013)

**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)

E-mail: [gordon.mackay@southlanarkshire.gov.uk](mailto:gordon.mackay@southlanarkshire.gov.uk)