

**ANNUAL STATUS AND OPTIONS REPORT (ASOR) and AUDIT SCOTLAND REPORT
– MAINTAINING SCOTLAND’S ROADS**

1.0 EXECUTIVE SUMMARY

Annual Status and Options Report

- 1.1 The Annual Options and Status Report (ASOR) presents a summary of the Council’s road assets as at April 2016. It details the current condition of the asset, future investment options and the impact of these options.
- 1.2 The ASOR demonstrates that investment in the Roads Reconstruction Programme over recent years has improved the Road Condition Index (RCI), and we are now the 5th most improved authority in Scotland.
- 1.3 Despite recent investment, our roads are still in the worst condition of all authorities in Scotland, emphasising the need for continued funding to improve standards. The report estimates the level of funding required to maintain a steady state position and to improve the network in the longer term. It includes a recommendation for an optimum level of investment which:
- balances steady improvement over a 20 year period
 - without an overly ambitious target
 - and maintaining a minimal risk to health and safety.

This should help inform Members’ future investment decisions.

The report provides detailed information for Members to consider whilst preparing budgets.

- 1.4 Like all local authorities we are facing drastically reduced funding, which we have prepared for. Prudent financial planning over the past few years has allowed us to invest £30million in long-term preventative maintenance measures, upgrading almost 400 miles of strategic routes, securing the for the next few years and ensuring our communities stay connected.. Going forward we will continue to closely monitor the financial forecasts and explore partnership working opportunities with other public bodies, as well as looking at opportunities to generate income which can be re-invested in our roads

Audit Scotland's Maintaining Scotland's Roads

- 1.5 Following the National Roads Maintenance Review in 2012, a number of follow-up audit reviews have been undertaken by Audit Scotland on behalf of the Accounts Commission and the Auditor General. The outcomes of the most recent review were published in August 2016 and, alongside the key findings and a presentation of a wide range of comparative data, makes a number of recommendations aimed at the Strategic Action Group, local authorities who are responsible for local roads, Transport Scotland who is responsible for trunk roads and the Society of Chief Officers of Transportation Scotland (SCOTS).
- 1.6 SCOTS has facilitated a national audit review of Road Asset Management Planning (RAMP) practices in Scottish councils. Argyll and Bute has a new RAMP in place which has been approved by the ED&I Committee. The Audit Scotland report Recommendations the need for increased collaboration between authorities and agencies. Argyll and Bute is an active participant in the Northern Roads Collaboration Forum, works in partnership with Transport Scotland and BEAR Scotland and participates in a number of national SCOTS collaborative projects.
- 1.7 Audit Scotland's report confirms that Argyll and Bute's road network is one of the fastest improving road networks in Scotland. The council has made a major investment of nearly £30million in the last four financial years which has improved the overall condition of our road network. This successful investment project has seen a mix of resurfacing work, patching, surface dressing and in-situ surface recycling throughout the council area.
- 1.8 Since the start of this investment in roads we have upgraded around 45% of our 'A' roads and 35% of our 'B' roads, 400 miles in total, with an overall improvement of 3%.
- 1.9 There are now more roads throughout the council area regarded to be in green or good condition and, more importantly, fewer roads in the red or at risk state than there were four years ago. Almost 90% of our 'A' class roads are in good or fair condition.
- 1.10 It should, however, be noted that the Road Condition Index (RCI) does not necessarily take into account the unique topography of Argyll and Bute and can indicate that some of our roads are in a red condition when they are, in fact, entirely serviceable. The methodology also considers all 'A' designated roads in the same way, whereas in practical terms these roads can differ greatly, from Great Western Road in Glasgow to an 'A' road on Jura.
- 1.11 It is recommended that the Environment, Development and Infrastructure Committee:
- Endorses the Annual Status and Options report and notes the Audit Scotland Report.
 - Notes that a report will come forward regarding the establishment of a joint board for the Northern Collaboration.

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2.0 INTRODUCTION

- 2.1 This report introduces the Annual Status and Options Report which makes an analytical assessment of the condition of the Council’s road network and associated Infrastructure as well as setting out projected conditions based on varying levels of investment.
- 2.2 This report also introduces Audit Scotland’s Maintaining Scotland’s Roads Audit which was published in August this year

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Environment, Development and Infrastructure Committee:
- Endorses the Annual Status and Options report and notes the Audit Scotland Report.
 - Notes that a report will come forward regarding the establishment of a joint board for the Northern Collaboration.

4.0 DETAILS

Annual Status and Options Report

- 4.1 Following the decision by Council in February 2012 to approve a £21m investment programme for roads reconstruction over three years 2012-15 plus further additional capital funding. The subsequent capital reconstruction programme has delivered a welcome improvement to the road network in terms of the Road Condition Index.
- 4.2 The 2016-17 road reconstruction budget has been prioritised towards the use of cost effective treatments such as surface dressing to maximise network coverage. These treatments will target areas in the earlier stages of deterioration and help seal cracks and prevent water ingress (main cause of deterioration) so as to protect

previous investment and to extend pavement life until such times as more robust treatments can be afforded.

- 4.3 SCRIM, Accident Statistics, Road Hierarchy, Inspection data and local engineering judgement to develop an initial list of suitable schemes for inclusion in the road reconstruction programme. The WDM pavement management system interrogates all the available data to identify and rank potential schemes. Once a draft list is compiled further analysis is carried out by local staff to establish scheme costs, treatment options Etc. and this is then matched to available funding. The selection process is under regular review and has been steadily improved over time. A recent internal audit of the process identified some improvements and work is being undertaken to address any areas of concern in line with developing a culture of continuous improvement.
- 4.4 The ASOR is a report that forms part of a suite of documents that are recommended by SCOTS for local authorities use. The documents have been developed in collaboration with all Scottish and Welsh authorities and aim to improve processes and continue the development and implementation of the wider use of recognised asset management techniques. When authorities have fully developed the use of these documents they will enable better value for money to be delivered and prudent stewardship of the road asset to be demonstrated.
- 4.5 The ASOR, at section 3.7, provides a comparison of options for different levels of investment ranging between £2M to £11M per year and also an investment level of £1.5M for 3 years rising to £8M in future years. These options have been summarised in a table within the ASOR which models the predicted road condition, percentage of road network in green and red condition, the impact on reactive maintenance and also provides a comparison with other Scottish authorities. These predictions have been compiled to help with decisions relating to allocation of capital funding. The ASOR provides modelling which products the condition of the road network based on the availability of funding. The ASOR also predicts the level of reactive maintenance likely to be required for the various investment options. At the top end of the investment comparison, a value of £11M per annum is predicted to result in a RCI over 20 years improving from 51.8 to 19.95. Within 10 years our roads would have improved to around the average condition in Scotland and within 20 years they would be the best of all authorities in all of Scotland based on current trends. The ASOR provides predictions for all investment levels modelled.

Audit Scotland's Maintaining Scotland's Roads

- 4.5 Following the National Roads Maintenance Review in 2012, a number of follow-up audit reviews have been undertaken by Audit Scotland on behalf of the Accounts Commission and the Auditor General. The outcomes of the most recent review are published in August 2016 and, alongside the key findings and a presentation of a wide range of comparative data, makes a number of recommendations aimed at the Strategic Action Group, local authorities who are responsible for local roads, Transport Scotland who is responsible for trunk roads and the Society of Chief Officers of Transportation Scotland (SCOTS).
- 4.6 SCOTS has facilitated a national audit review of Road Asset Management Planning (RAMP) practices in Scottish councils. Argyll and Bute has a new RAMP in place

which has been approved by the ED&I Committee. The Audit Scotland report Recommendations the need for increased collaboration between authorities and agencies. Argyll and Bute is an active participant in the Northern Roads Collaboration Forum, works in partnership with Transport Scotland and BEAR Scotland and participates in a number of national SCOTS collaborative projects.

- 4.7 Audit Scotland's report confirms that Argyll and Bute's road network is one of the fastest improving road networks in Scotland (Exhibit 3 in Appendix 2). The council has made a major investment of nearly £30million in the last four financial years which has improved the overall condition of our road network. This successful investment project has seen a mix of resurfacing work, patching, surface dressing and in-situ surface recycling throughout the council area.
- 4.8 The Audit Scotland report Recommendations the need for increased collaboration between authorities and agencies. Argyll and Bute is an active participant in the Northern Roads Collaboration Forum, works in partnership with Transport Scotland and BEAR Scotland and participates in a number of national SCOTS collaborative projects.
- 4.9 The Northern Collaboration concept advocates that going forward, sharing should be seen as the default position and not one which must be demonstrated as being preferable to the status quo in lengthy business cases developed over a number of years. The North Governance First officers group have been meeting for the past 18 months, exploring options to share or collaborate in areas of the roads service where optimum benefits could be anticipated. They have also been considering options for more formal governance that would allow the participating authorities to benefit from collaboration under a legally secure and accountable body. A report will be brought forward over the early course of 2017 regarding the establishment of a joint board. The Councils that have been working as part of the Northern Collaboration include Argyll and Bute, Highland, Angus, Aberdeenshire, Aberdeen City, Moray, Western Isles, Orkney and Shetland.

5.0 CONCLUSION

- 5.1 This ASOR report has been developed in line with the SCOTS Asset Management Project and provides a useful resource that is aimed at providing relevant decision makers with information that will allow more informed choices to be made in respect of future investment options. The ASOR includes modelling which details predicted future road condition based on the available level of capital investment.
- 5.2 The Audit Scotland report follows on from the National Roads Maintenance Review and other follow up reports. Audit Scotland's report confirms that Argyll and Bute's road network is one of the fastest improving road networks in Scotland. The council has made a major investment of nearly £30million in the last four financial years which has improved the overall condition of our road network.

6.0 IMPLICATIONS

6.1	Policy	None known
6.2	Financial	Current investment levels do not support the delivery of a sustainable road network maintenance regime.
6.3	Legal	None known
6.4	HR	None known
6.5	Equalities	None known
6.6	Risk	Road network condition will deteriorate
6.7	Customer Services	None known

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APPENDICES

Appendix 1 – Annual Status and Options Report – colour version of document is available on the Members Hub and on the Council Website as part of the agenda pack.

Appendix 2 – Maintaining Scotland’s Roads – Audit Scotland Report