
**NATIONAL ROADS STRATEGIC ACTION GROUP RESPONSE TO AUDIT
SCOTLAND**

1.0 EXECUTIVE SUMMARY

- 1.1 The Audit Scotland "Maintaining Scotland's Roads" report, recommend in August 2016 in their "Follow-up Report" that "Councils should implement methods for assessing and comparing councils' roads maintenance efficiency with the aim of identifying and learning from councils delivering services more efficiently". It is a fundamental requirement of the Audit Scotland Report 2011 "Maintaining Scotland's Roads: A follow-up report" and the Audit Scotland Report 2013 "Maintaining Scotland's Roads: An audit update on councils' progress" that authorities measure performance and undertake meaningful benchmarking work. Additionally, the "SCOTS RAMP Project: National Audit/Review RAMP Practices, 2015" makes the following recommendation "continue to support the efforts of the Performance Group in trying to improve the reliability and use of the performance information (PI) data collected in conjunction with APSE".
- 1.2 Additionally, the Scottish National Road Maintenance Review (NRMR) aims to identify how those responsible for, and working in, Scotland's roads maintenance sector can deliver efficiently managed roads for all within the budgets available, and identify opportunities for innovation, collaborative working and the sharing of services. To assist with the aims of the Review, Option 26 of the report states that a consistent unit cost benchmarking methodology across all roads authorities should be developed and implemented and Option 30 states that the optimal delivery of road maintenance services should be explored including joint collaboration/working arrangements/operational collaboration between all roads authorities. A Scottish Roads Research Board grant has facilitated work to be undertaken in relation to the development of unit cost rates and Phase 2 of this development work is now underway.
- 1.3 At a national level, a Strategic Action Group (SAG) has been formed to provide a response to Audit Scotland's "Maintaining Scotland's Roads – a follow up report". The SAG consists of Transport Scotland, SCOTS, the Roads Collaboration Programme and the Office of the Scottish Road Works Commissioner. The SAG produced a report which was released on 30th January 2018 which comments on the 20 recommendations that Audit

Scotland have made. The SAG report is appended to this report for Members to note.

- 1.4 In addition to the Audit Scotland report, SCOTS and APSE have pulled together a number of indicators which are recommended for use across roads authorities. The SAG report makes reference to the SCOTS and APSE performance indicators and within the body of this report, a summary of performance information from the SCOTS and APSE report is included.

1.5 **RECOMMENDATIONS**

- Members are asked to consider the content of this report and the Strategic Action Group response at Appendix One.

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2.0 INTRODUCTION

- 2.1 The national roads strategic action group has published its response to the Audit Scotland report – Maintaining Scotland's Roads: A Follow-Up Report of 2016. Alongside the response are SCOTS/APSE key indicators on the overall condition of roads and associated assets nationally. While Argyll and Bute's road network is one of the fastest improving networks in the country, as a result of a significant capital investment over the past six years, overall investment levels per kilometre are low when compared to national averages, and there remains a significant maintenance backlog.
- 2.2 To provide context for the information which follows, while there is significant work ongoing nationally to develop meaningful benchmarking information across roads authorities, each authority records and reports information on the basis of its own individual circumstances, so it can be difficult to generate like to like comparisons. Furthermore, the issues are more complex than simply spend versus performance or condition. While Argyll and Bute's investment levels are relatively low, the network has been among the fastest improving in Scotland, which is an indication of the quality of the physical works which has been undertaken, and the overall work practices. Through prudent investment the council has secured maximum impact from relatively limited funding.
- 2.3 It should also be noted that, with 40% of the overall network on islands, and 23% of our roads built on peat, which are quite literally flexible surfaces, our council faces challenges like no other in maintaining its road network. It is very well and good to look at national figures of investment per kilometre, but the Argyll and Bute figure is an average across quite disparate areas.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to consider the content of this report and the Strategic Action Group response at Appendix One.

4.0 DETAIL

4.1 Strategic Action Group response to Audit Scotland

- 4.1.1 The 2016 Audit Scotland report: Maintaining Scotland's Roads: A Follow-Up Report made a number of substantive recommendations, and the Strategic Action Group response is appended to this report.
- 4.1.2 To provide further context, below is a table with pertinent extractions from the response and commentary

Audit Scotland recommendation	SAG response	Comments
n/a	Spending on local roads has declined by 26% in real terms over the past five years	Around 94% of Scotland's roads are local roads e.g. council roads. Around £400million per year is spent on all roads nationally, with the funding being split approximately 50:50 between local roads (94%) and trunk roads (6%)
n/a	There is a known maintenance backlog nationally of £1.2 billion	In Argyll and Bute the maintenance backlog is £198million to bring roads up to an A1 condition, with an £11million per year investment required to improve the network and bring its condition in line with the rural authority average condition. A £7million annual investment would see slight improvement in the overall condition
(1) SAG – support the development of regional arrangements	All councils are engaged in collaboration activities, with a Joint Committee established in the Northern Area.	Argyll and Bute is well advanced, with a formal joint committee established with partner authorities, and priority initiatives progressing towards implementation. These priority initiatives include collaboration on harbours and dredging, training/health and safety and design services. While formal collaboration is welcome, this has to be

		based on achieving outcomes rather than the collaborative process for its own sake, and local accountability and decision making must remain paramount.
(6) Councils – ensure they work closely with the Roads Collaboration Programme	All councils are actively engaged with the national Workforce Implementation Plan	The Head of Roads and Amenity Services is leading a SCOTS sub-group on training and succession planning, working with Glasgow Caledonian University to develop municipal engineering training programmes.
(7) Councils – implement findings of the consultant review of Roads Asset Management Plans	SCOTS has developed a self-assessment tool, enabling authorities to undertake their own assessment of practice	The council's RAMP has been revised to give elected members the most pertinent information in a clear format to aid their decision making. This was reported to EDI in September 2017
(8) Councils – implement methods for comparing maintenance efficiency	SCOTS has developed a suite of key indicators for roads to improve visibility and recognition of trends.	The council is feeding into this work, and was represented at the initial workshop event in August 2017. Section 4.2 of this report shows key national comparisons.
(9) Councils – use the National Highways & Transport Network Survey, or similar, to obtain views of roads services	All councils have a variety of tools to gauge the views of service users – there is some concern whether the additional cost of the NHT survey can be justified	The service is undertaking significant work to improve customer service, which is subject to a separate report to this committee. As part of future phase of that project recommendations will be made on the best method of engagement related to asset management, balancing expectation against resource.
(10) Councils – use results of surveys to develop more proactive ways of engaging with the	All councils use a range of mechanisms to engage with the public, and are increasing the use of social media	As above. Social media engagement in relation to winter maintenance has been positive over the course of this winter,

public		although this is obviously separate from asset management.
(11) Council and TS – use their RAMPS to inform elected members of long term investment plans	Councils are supported and encouraged to provide timely, objective information to elected members	The RAMP and Annual Status and Options Report are key documents which are provided to members to inform decision making on roads investment. The feedback from members on these documents, and the improvements to them, has been positive to date
(12) Councils and TS – ensure the consequences of spending less than necessary features in budget-setting processes	There are considerable pressures on public finance. Local authorities have developed maintenance plans which make best use of available funds	Via the above documents and regular engagement between members and senior management there is information to allow elected members to make informed decisions. Significant historic investment in the network has seen an overall improvement in condition

- 4.1.3 The purpose of the SAG report is to provide a considered response to the issues raised by Audit Scotland. This response, whilst being an officer response, is considered to be a fair reflection of the national position relating to roads maintenance and management.

4.2 An overview of the Argyll and Bute position against SCOTS key indicators (summary of performance information from SCOTS and APSE)

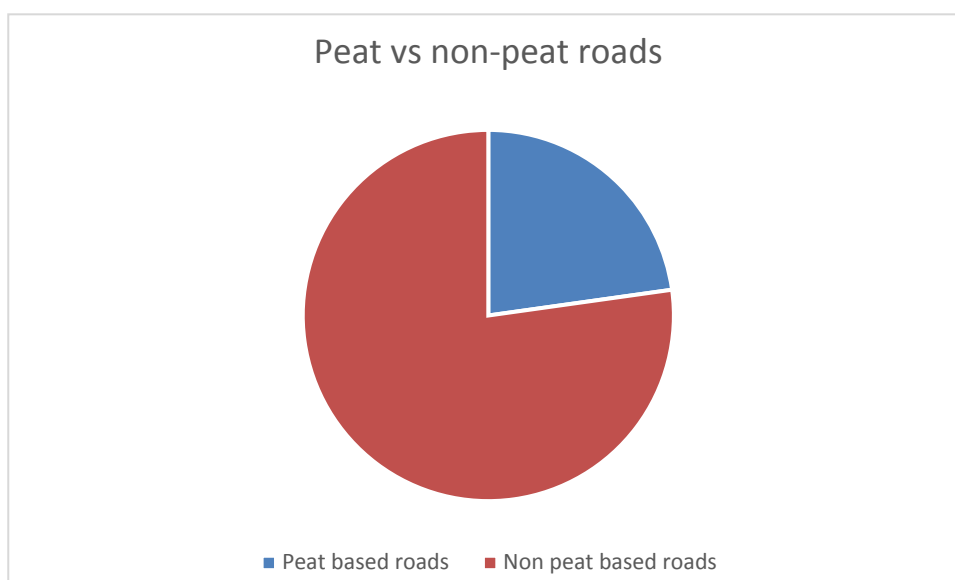
- 4.2.1 APSE and SCOTS have produced a joint set of indicators detailing performance from all 32 roads authorities across Scotland. The outcome from the indicators has been presented in a complex Excel spreadsheet which does not easily transfer into a format which can be readily added to a committee report but is available at the following link: https://www.argyll-bute.gov.uk/sites/default/files/scots_pi_data_report_16-17.xlsx
- 4.2.2 The council made a significant investment of over £40million in Argyll and Bute's network between 2010 and 2016, with the result of improving its overall condition.
- 4.2.3 The SCOTS road condition index methodology is used to measure road condition. The improvements can be seen below:

Years	% green	% amber	% red
2010-2012	41.15	37.78	21.07
2011-2013	42.41	37.67	19.92

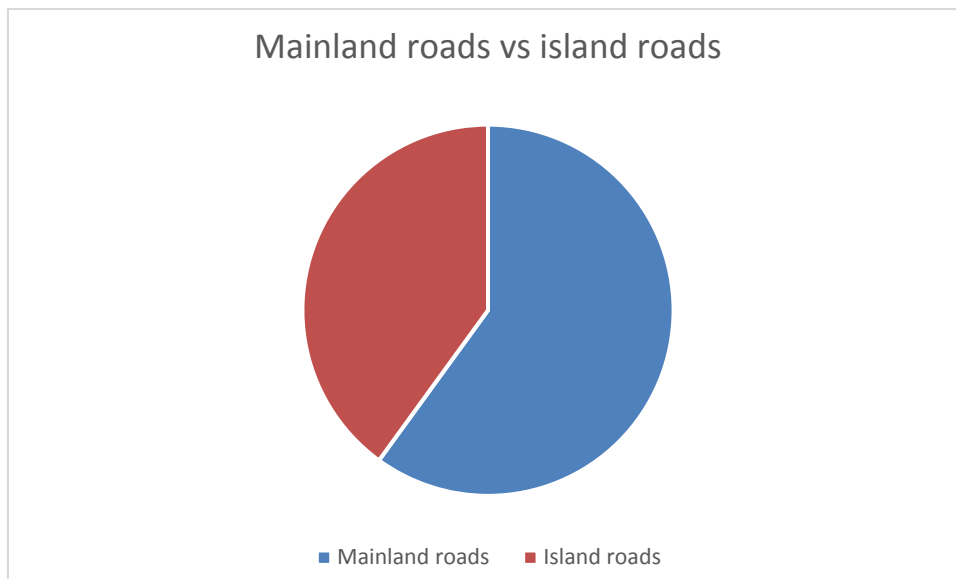
2012-2014	42.35	37.42	20.23
2013-2015	44.4	39.06	16.53
2014-2016	45.6	39.67	14.75

As a direct result of the council's strategic approach to the road network and the significant investment in reconstruction, there are now more roads in a good or green condition, and fewer roads in a red or poor condition

- 4.2.4 It should be noted that the methodology will always score Argyll and Bute's roads poorly against national averages because it considers an A road on Jura in the same way as Great Western Road in Glasgow, and does not take into account Argyll and Bute's unique topography, and the flexible nature of much of our network due to its basis on peat – 23% of the road network is based on peat which mean these are quite literally flexible surfaces. It would cost hundreds of millions to dig out the peat and install new surfaces which isn't a practical option.



- 4.2.5 Members should also be aware that 40% of Argyll and Bute's road network is on islands, which are harder to get to and more expensive to fix.



- 4.2.6 To complete the picture on the make-up of the network, 80% is rural with only 20% urban, and one-third of our roads are unclassified. It is a complex picture with a unique set of challenges. Despite these challenges the network has improved over the past number of years thanks to prudent management and sound, evidence based investments.
- 4.2.7 The network would require an investment of some £5million per year to maintain it in its current condition. Modelling indicates that investment below this level would result in a deterioration in the condition of the network. Modelling of the impact of investment options can be seen in the Annual Status and Options reports here <https://www.argyll-bute.gov.uk/moderngov/documents/s122087/ASOR%202017.pdf>.
- 4.3 Key points emerging from the SCOTS performance indicators**
- 4.3.1 **Spend per length:** When compared to national averages on key performance indicators of spend and condition per length Argyll and Bute does not compare favourably. As outlined in the introduction to this report, while this information is a useful indicator against the position nationally, it has to be taken in context, and officers do not consider the measure as meaningful as it may on the face of it appear to be. Per kilometre measurements can vary significantly depending on a number of factors such as: the foundation of the road surface itself, an urban versus rural context, the type of treatment (surface dressing, thin inlay, complete reconstruction etc.); and the condition in which the road has been measured to provide the benchmark. The fact remains, however, that the council's spend is significantly less than the national average and slightly less than our family group average, while at the same time the overall network condition has improved at the fifth fastest rate in the country. Sensible engineering decisions, sound financial planning and proportionate surface treatments have paid dividends, ensuring maximum impact with diminishing resources. While the network has been improving, and while the methodology for overall condition will always score Argyll and Bute low, there remains a significant percentage of the network which should be considered for treatment but which finances to not

allow to be treated

Performance indicator	National average	Family group average	Argyll and Bute position
Spend per network length	£6,057	£3,317	£3,936
Total spend per square metre treated	£37.01	£17.99	£16.23
Percentage of network to be considered for treatment	36.30%	37.98%	54.20%

4.3.2 Planned works: The council's approach to road improvements does compare more favourably to national averages in relation to planned treatment versus reactive maintenance, and compares very favourably against our family group. As members will see from the following table the council spends more significantly more on planned maintenance per kilometre than it does on reactive works. What this means in practice is that the robust, proactive inspection regime which the council adopts means issues can be identified at an early stage by roads inspectors, and these issues can feed into the overall works programming process, ensuring that, as far as possible, early preventative maintenance can take place before an emerging issue becomes a more significant, and far more expensive, issue. There will inevitably be, from time to time, significant issues which develop quickly where the council has to take immediate action to rectify. These are reactive or unplanned/unprogrammed works. Members will note that, despite the low spend in total on reactive works, the spend is proportionately much higher per kilometre than national and family group averages. This can be due again to the challenging nature of the network and some defects – their location; the type of defect; the foundation of the road surface. One could also reasonably conclude that another factor in the significant spend per kilometre is due to the overall quality and robustness of any given repair. When a significant issue emerges unexpectedly, yes it might be harder to get to and harder to fix, but the fix is robust and it will last.

Performance indicator	National average	Family group average	Argyll and Bute position
Spend per km on planned maintenance	£3,408	£1,972	£3,006
Spend per km on reactive maintenance	£54	£446	£923
Total cost of reactive maintenance	£1,188,986	£1,462,796	£124,070

5.0 CONCLUSION

- 5.1** The council is well advanced in terms of its collaborative work with the formal Joint Committee established in the Northern Area, and continues to contribute to the national conversation on roads asset management. A significant historic investment has seen Argyll and Bute's road improve at a rapid rate when compared to national averages, however, there remains a significant maintenance backlog and an underinvestment in spend per km when compared to the same Scotland-wide key performance indicators.

6.0 IMPLICATIONS

- 6.1 Policy – none at this time
- 6.2 Financial – none at this time
- 6.3 Legal – none at this time
- 6.4 HR – none at this time
- 6.5 Equalities – none at this time
- 6.6 Risk – none at this time
- 6.7 Customer Service – none at this time

Executive Director of Development and Infrastructure, Pippa Milne
Head of Roads and Amenity Services Jim Smith
Policy Lead for Roads and Amenity Services, Councillor Roddy McCuish

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For further information contact: Jim Smith, Head of Roads and Amenity Services.
Tel: 01546 604324

APPENDICES

- Appendix 1: SAG response to Audit Scotland
- Appendix 2: Link to SCOTS figures