



The Scottish Parliament  
Pàrlamaid na h-Alba

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By e-mail only

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Dear Michael,

The Rural Economy and Connectivity Committee has chosen to carry out pre-budget/financial scrutiny on roads maintenance issues. This letter is the output from that exercise and contains a range of recommendations to the Scottish Government.

As you will be aware, Audit Scotland has published several reports on roads maintenance in recent years which clearly set out some of the challenges for road users and roads authorities. These include, for example, a 26% decline in spending on local roads in a five-year period and significant maintenance backlogs. The Committee is aware that current maintenance backlogs are estimated to be £1.2 billion for trunk roads and £1.8 billion for local roads.

The Committee also notes that the road maintenance condition survey produced by the Society of Chief Officers of Transportation in Scotland (SCOTS), which measures the condition of Scotland's roads, highlighted the fact that around 37 per cent of the local roads network requires repair. Audit Scotland reports indicate that 13 per cent of trunk roads require repair.

In undertaking this scrutiny exercise, the Committee sought to build on Audit Scotland's findings by scrutinising the efficacy of the current approach to roads maintenance and the adequacy of current associated expenditure levels. Accordingly, it sought evidence on the following questions—

- How have recent spending decisions on roads maintenance affected the quality of Scotland's roads, road users, businesses, public services, and the economy?
- If spending on roads maintenance continues at current levels, what could be the likely effects on the above groups?
- How could any negative effects of reduced road spending best be addressed?
- Is the current model of funding and delivering roads maintenance, which is split between Transport Scotland and local authorities, the most economic and efficient option?

The Committee took evidence from stakeholders, including those with road engineering expertise, a range of road users and local authority and Scottish Government interests. It also received 65 detailed written responses in response to its call for views on the above issues. These responses are available on the Committee's web pages.

### **Investment in roads maintenance**

There was a general acknowledgement in the evidence received by the Committee that, due to the nature of the traffic using trunk roads, a higher level of investment in the maintenance of those roads was appropriate. However, many respondents called for a levelling up of investment in local roads to nearer the level invested in the trunk road network

The Committee has heard that over many years, investment in local roads maintenance has been insufficient to deliver improvements or even maintain roads and associated infrastructure in its current state. It was also told that current levels of investment in local roads maintenance are unlikely to prevent further deterioration of the network.

Local authority representatives also made the point that that the 26% drop in spending on roads maintenance in the past 5 years coincided with a reduction of 7.5% in local government funding over the same period. They advised the Committee that the 2016 Audit Scotland report also showed that approximately half the local authorities at the time were overinvesting in roads. It was asserted that this shows that local authorities are willing to spend on roads if the funding is available.

One reason given for this reduced level of investment is that roads maintenance funds are not ring fenced and must compete with other local authority spending priorities. Although an element of the funding allocated to each council under the needs-based distribution formula is notionally for roads maintenance, competing demands from other priority services such as education and health and social care often means that funding for roads and infrastructure do not match requirements. This can result in a detrimental impact on the condition and availability of the local road network.

However, COSLA representatives made clear that they were “very guarded” about the suggestion that roads maintenance would become another ring-fenced area in the local government settlement. They argued that this could result in more pressure being transferred on to unprotected areas such as planning, community assets and local economic development in successive funding rounds.

In order to obtain a picture of actual spend by local authorities, the Committee sought information on the average proportion of the block grant allocation that is spent on roads maintenance by each council and how this varies between councils. The Committee was advised by Scottish Government officials that they were not aware of the amount that is specifically allocated for roads within the overall local government settlement. In giving evidence, COSLA indicated that it would try to provide this information to the Committee. However, it confirmed in a subsequent written submission that it did not collect detailed information on the level of spending by councils, on the basis that such decisions “are a matter of local democratic decision making and accountability”.

The Committee also heard that due to the limited budgets available, some local authorities have focused on delivering cheaper short-term maintenance, which can cover a larger proportion of roads, at the expense of more costly structural maintenance. In addition, evidence suggested that a lack of certainty in road maintenance budgets works against the development of long-term plans to maintain the local roads network.

A representative from COSLA suggested that there were three things that would be “game changers” in providing local authorities with the ability to provide services in general and to make improvements in the way they maintain local roads. These would be: - increased funding from central government; the flexibility to allocate it, which would allow for early intervention, innovation and prioritisation; and the ability to operate on a multiannual basis.

The Committee also heard from other witnesses that long-term planning is needed for roads maintenance. It was suggested that there should be a move away from one, three or five-year cycles; to planning management of roads assets over a 10 to 20-year timeframe. akin to that which is in place for major rail developments

Several witnesses and written submissions highlighted the importance of roads authorities adopting a whole-life-cycle approach to road maintenance, rather than continuing to operate on reactive maintenance cycles which ignores the value of the assets. In this regard, the Committee was advised that road asset management plans (RAMPs) have been in use for over 10 years on the trunk roads network and whilst some local authorities have such plans for local roads in their areas, they are at various levels of maturity, it was suggested this was an area where collaboration and shared expertise could be applied to good effect.

## **Use of roads network by heavy goods vehicles and buses**

Several rural local authorities were keen to outline the particular challenge of maintaining large, rural road networks serving widely distributed population centres, which may also carry a considerable number of Heavy Goods Vehicles (HGVs) that transport timber and agricultural products. The Committee heard that HGVs are responsible for the vast majority of damage to roads caused by vehicles.

Road haulage sector representatives told the Committee that the “last mile” of a journey, which tended to be on local roads, was where they found deterioration to be greatest and that this leads to additional costs through wear and tear on tyres and vehicles. They also highlighted the challenges of operating goods vehicles on Scotland’s rural roads. The point was made that if significant investment is being made in sectors such as timber and aquaculture, appropriate investment should be made in the roads to get the related products to market.

Timber industry representatives highlighted the role of the agreed routes maps and targeted funds through strategic the timber transport fund. The Committee was told that, in the past 10 years, the fund has generated around £80 million - £40 million directly from the fund and another £40 million from local authorities. The Committee notes that the timber transport fund was introduced following the removal of dedicated funding within the local government settlement to areas with high levels of forestry activity. The central element is normally 50%, with the rest being made up by the local councils from their roads budgets, often alongside contributions from the industry. It also heard that the agreed routes and targeted fund approach could be implemented in other sectors which make heavy use of hauliers, particularly in rural areas where HGVs put pressure on local roads.

Bus sector representatives also highlighted damage to vehicles, and increased general maintenance costs, associated with potholes and poor road surfaces. In written evidence, the Confederation of Passenger Transport Scotland advised that, based on the outcomes of a recent review carried out by one large bus operator, the average annual cost of damage to a bus vehicle in Scotland due to poor road surfaces was approximately £2,150. It indicated that this suggested that the total annual cost to the industry in Scotland for its fleet of 4,200 vehicles, could amount to £9million.

They also argued that these increased operating costs “can be the critical point when it comes to marginal services in rural areas” and highlighted the impact that poorly co-ordinated road works can have on bus services.

## **Roads maintenance and active travel**

The Committee also sought views on the impact that a reduction in effective road maintenance can have on cyclists, pedestrians and people with limited mobility.

It heard that cyclists mostly depend on the local roads and that deteriorating conditions would be likely to lead to an increase in crashes that result in serious

injuries. It was pointed out that this has a cost both to the individual and to the public purse through health service costs.

The Committee also heard that whilst grants are available to build new cycleways, no additional specific funding is provided to maintain them. It was asserted that this adds to the pressure on local authorities to stretch their road maintenance budgets to do so.

A representative of the Mobility and Access Committee in Scotland told the Committee that—

“The condition of the roads, and predominantly local roads, is fundamental to the wellbeing of people with disabilities and older people. If the trunk roads or local roads—that includes pavements, obviously— are not in good condition, that is a barrier, which leads to isolation. If people cannot get out of their homes they become isolated...That being the case, it is a matter of spending to save, because spending on the roads authority will ultimately save on the health budget.”

It was also suggested that, while roads are undergoing maintenance, facilities for specific road users, including cyclists, pedestrians and those with mobility issues, should be upgraded as a matter of course.

### **Availability of skills and expertise**

Witnesses representing roads engineering professionals told the Committee that in the period during which there has been a deterioration in the road network, there has been a parallel reduction in the number of professional engineers working in the sector. It was suggested that an organisational review, accompanied by protected budgets, would be a positive step in signalling to engineers that there is a future in the sector.

When taking evidence on the recent Transport (Scotland) Bill, concerns were raised with the Committee about the lack of inspection of road work sites and the impact that poor reinstatement and road work sites being a barrier to movement have on people with mobility problems. This point was again raised in evidence by MACS. It was suggested to the Committee that inspection levels had reduced as a result of a reduction in available resources within local authorities.

The Scottish Road Works Commissioner told the Committee that a distinction needs to be drawn between inspections of major capital works and inspections of routine utility and road authority works. He indicated that the problems described related to smaller scale works, with roads authorities and utilities companies being equally culpable. It was suggested to the Committee that there was a clear need for more and improved inspections on both the utility side and the road works side.

## **Potential alternative funding models**

During its scrutiny, the Committee heard from several witnesses that alternative means of funding for roads maintenance should be explored.

Some witnesses advocated a return to ringfenced budgets although, as mentioned above, this was strongly opposed by local authority representatives. Others proposed a return to a process of “hypothecation”, whereby grants for specific ongoing policy initiatives were available as part of the overall grant support to local government through the annual local government finance settlements.. It was suggested that the backlog in road maintenance had increased since this process ceased.

The Committee also heard in evidence that Department for Transport officials recently announced at a conference for the local council roads innovation group in England that certain roads maintenance tasks would be capitalised. This would allow local authorities in England to bid for money from a £120 million pot to fund such work.

It was also suggested to the Committee that the current vehicle excise duty could, in future, be replaced with a national road user charging scheme, on the basis that monies raised would better reflect the actual impact of vehicles on the road network. However, the view was also expressed that any such system would have to be supported with alternative means of travel, particularly in rural areas where bus services are often limited.

## **Roads maintenance governance and collaboration**

The Committee was keen to obtain views from stakeholders on what the long-term implications would be of maintaining the existing organisational approach and existing levels of funding.

Many respondents stated that the current arrangement of 32 local authorities delivering local roads maintenance within their boundaries does not deliver best value. For example, Angus Carmichael, the Scottish Road Works Commissioner, said that, in these circumstances, “road conditions will continue to deteriorate. It is simply not sustainable to maintain the existing administrative structure”. This view was consistent with Audit Scotland’s findings on this issue.

Several stakeholders advocated taking a more regional approach to local roads maintenance to allow for economies of scale. It was suggested that such an approach would create efficiencies and allow for more seamless management of routes which cross local authority boundaries.

However, the Scottish Road Works Commissioner also pointed out that the former Regional Councils had responsibility for both trunk and local roads, which allowed them to carry the necessary level of expertise within them. He suggested that any new “regions” set up for the specific purpose of delivering local roads services “would have to be large enough, without trunk road involvement, to sustain the level of staffing required”.

The Commissioner also suggested that it would be “extremely challenging” to deliver significant improvements in collaboration on a voluntary basis and that this would perhaps have to be supported by legislative change. He also made clear his view that it was important to ensure that the correct governance structure was in place before establishing what budgets were required to deliver improvements.

Tayside Contracts was mentioned in evidence as a good existing example of successful collaboration between local authorities, as was the northern collaboration and the Ayrshire roads alliance. Timber industry representatives also highlighted the Timber Transport Forum as an example of how collaboration and joint working can deliver benefits and help resolve problems.

The Committee was also made aware that, as part of developing the Scottish Government’s draft National Transport Strategy, a review of transport governance was undertaken by a collaborative working group, known as the “Roles and Responsibilities Working Group”. This group also recommended that future transport governance arrangements should be on the basis of some form of regional model allowing for variations in approach between different geographic regions.

The group also recommended that further work needs to be done to develop a transport governance model in Scotland that is capable of being implemented. The Committee understands that Scottish Ministers agreed with the recommendations made by the Group and proposed that further collaborative work be carried out

The Society of Chief Officers of Transportation in Scotland (SCOTS) advised the Committee of current collaborative arrangements between local authorities. They explained that the 2012 review of roads maintenance had led to the formation of the Roads Collaboration Programme (RCP) in late 2013 which they consider has successfully delivered a range of collaborative activities, in areas such as future workforce planning and joint contracts. They suggested that, key to this success has been “a significant cultural change at both corporate and elected member levels towards positive and active collaboration and sharing across boundaries”.

However, the Committee notes that not all local authorities are in agreement on what form any governance changes should take. For example, Fife Council stated in its written submission that it was not supportive of any of the alternative delivery methods that have been suggested to date as they would not appear to benefit the council.

In addition, COSLA urged caution in the expectations from any redesign of road maintenance delivery mechanisms, asserting that—

“... regional working or changes to the current governance model ought not to be seen as alternatives to adequate investment, as they cannot and will not on their own solve the issues stemming from insufficient funding.”

The trades union UNISON, which represents many road workers, supported this view, arguing that increased collaboration would not be sufficient to overcome the financial challenges. UNISON also expressed the view that such collaboration would weaken local democratic accountability.

In addition to the potential benefits of organisational collaboration, the Committee heard that cost efficiencies could be made by having greater consistency in the materials used for roads and pavement maintenance across Scotland and by using fewer, better quality materials. Reference was also made to the importance of making roads maintenance operations more sustainable, through such measures as recycling asphalt and other materials, the use of new recycled plastics (with arguments heard for and against), and the widespread electrification of roads maintenance vehicles.

### **Infrastructure Commission for Scotland**

The Committee notes that the independent Infrastructure Commission for Scotland (ICS) has been set up by the Scottish Government to support the development of its next Infrastructure Investment Plan to run until 2023.

The ICS will advise on the key strategic investments that are required to support economic growth and the delivery of Scotland's low carbon objectives and achievement of its climate change targets. The Advisory Commission will report on infrastructure ambitions and priorities by the end of 2019 and may make interim recommendations at that point. It is thereafter expected, in the following six-month period, to produce advice and recommendations to Scottish Ministers on the delivery of infrastructure in Scotland.

### **Committee conclusions and recommendations**

**The Committee is concerned that there is an estimated £1.2 billion backlog for maintenance of trunk roads, the main arteries of Scotland's roads network.**

**It is also concerned that there is a backlog of maintenance work on local roads estimated to be circa £1.8 billion. Whilst the Committee acknowledges the pressures on local government budgets, it is clear that not enough has been spent on local roads over a lengthy period of years.**

**Local roads funding is wrapped up in block grant allocation to local authorities. The Committee notes from evidence provided by COSLA that a Grant Aided Expenditure (GAE) line, which refers specifically to road maintenance, forms part of the process to consider and agree the block grant. However, it is not known what figures appear in this line or how these are calculated or determined. It therefore calls on the Scottish Government to provide information on the figures used in the calculation of the block grant and how these relate to the assessed roads maintenance needs of councils.**

**What is clear to the Committee is that, whatever allocation is made for this purpose, it is not ring fenced and there is no readily available detailed**

information on what is actually spent on road maintenance by each council from their respective block grant allocations.

It has therefore not been possible for the Committee to identify the level of funding being allocated or the level of spend on local roads maintenance across the country.

However, evidence heard by the Committee also suggests that current expenditure levels are not enough to prevent a further deterioration in the condition of roads across Scotland.

The Committee is therefore strongly of the view that a step change requires to be made in the delivery of road maintenance services in Scotland, led by the Scottish Government. This needs to make significant inroads into addressing the accepted maintenance backlogs and ensure that, moving forward, appropriate investment is made, and maintenance managed in a way which ensures the roads network is truly fit for purpose.

The Committee therefore makes the following recommendations—

- that the Scottish Government, as part of its development of National Transport Strategy 2 (NTS2), should ensure that the maintenance of both the trunk and local roads networks is given a significantly enhanced profile in that document;
- that the NTS2 should clearly indicate the Scottish Government's commitment to having a well-maintained network of roads throughout Scotland. It should highlight the benefits that the maintenance of such valuable assets brings to all road users, communities and to Scotland's economy;
- that the Scottish Government should include an appropriate National Transport Improvement Project focusing on roads maintenance in the revised Strategic Transport Projects Review 2;
- the overarching objective of this project should be to deliver a package of activity which will significantly reduce the maintenance backlog on both trunk and local roads across Scotland over a defined period. The project should incorporate a detailed assessment of the scale of the task, the level of investment required and the means by which maintenance backlogs can be prioritised and reduced;
- the project should also put in place mechanisms designed to deliver more efficient and sustainable ongoing management and maintenance of local roads;
- these mechanisms should include detailed proposals for the introduction of an appropriate regional delivery model. This work should build on the recommendations of the previous working groups set up to consider road maintenance governance issues. It should also

**take into account the experience gained from the operation of existing collaborative working models;**

- **any future regional delivery model should not disadvantage those rural areas with widespread road networks over long distances. It should also have regard for proper local accountability in any collaboration model;**
- **the project should also deliver a means by which cycle and footpath maintenance and improvements are more fully integrated with wider road maintenance work to support policies designed to encourage active travel;**
- **it should also examine what scope there is for the agreed routes and targeted fund approach which operates for the timber industry to be replicated in other sectors, particularly in rural areas where HGVs put pressure on local roads;**
- **given that the Scottish Government policy is driving an increase in forestry planting which will ultimately lead to added pressure on roads used by the timber industry, it is suggested that the Scottish Government should review whether the 50% intervention level which applies to the Timber Transport Fund is sufficient;**
- **the project should also take into account the need to ensure that improved, robust inspection mechanisms are in place for roads maintenance and utilities work;**
- **the project should also consider how roads maintenance operations can be made more sustainable and contribute to a reduction in greenhouse gas emissions from the transport sector. This might include the consideration of sharing good practice on recycling materials; exploring the potential for the use of new materials; and more widespread use of electric maintenance vehicles;**
- **the National Transport Improvement Project should be supported by substantial additional investment in roads maintenance by the Scottish Government. The level of investment required will be informed by the assessment exercise recommended above and may require some reallocation within Scottish Government transport budgets;**
- **the Committee considers that detailed consideration will require be given as to how the proportion of any additional investment which relates to local roads would be allocated. The Committee acknowledges that road maintenance allocation is currently made as part of the block grant and that local authorities are generally opposed to the extension of ring-fencing of budgets beyond existing prioritised elements;**

- **the Committee therefore considers that it will be necessary for the Scottish Government to devise an appropriate funding mechanism specific to this project to ensure that any additional funding is directed towards fulfilling its objectives;**
- **the Committee calls on the Scottish Infrastructure Commission to take into account the evidence heard by the Committee and the recommendations contained in this letter as part of its current work. It strongly suggests that the Commission should include its own considered views on how road maintenance should be managed and funded in its forthcoming report to the Scottish Government on future infrastructure ambitions and priorities.**

The Committee looks forward to receiving your responses to the points it has raised in due course.

I have also copied this letter to the Chair of the Scottish Infrastructure Commission, given the relevance of the Committee's recommendations to the Commission's work.

Kind regards



Edward Mountain  
Convener