

RURAL ECONOMY AND CONNECTIVITY COMMITTEE
PRE-BUDGET/FINANCIAL SCRUTINY ON ROADS MAINTENANCE IN SCOTLAND
SUBMISSION FROM ARGYLL AND BUTE COUNCIL

Introduction

This response represents officer views from Argyll and Bute Council and takes into consideration some of the geographical challenges faced in a largely rural council area with the added logistical complication of having 23 inhabited islands. A senior officer is available from the Council to address the Committee when considering this call for views. The response below also references a piece of scrutiny work carried out by an Elected Member working group from the Council's Audit and Scrutiny panel, the Audit and Scrutiny Committee are due to consider the output from the working group on 24 September 2019.

By road Argyll and Bute has only one link with a neighbouring authority on the local road (council responsibility) network which is the A814 Cardross to Dumbarton. All other roads into and out of Argyll and Bute are trunk roads (A82, A85 and A828). The working relationship between the Council and the trunk road authority is strong with near daily contact with both Transport Scotland and their operating company BEAR Scotland. There are also quarterly meetings held with Transport Scotland, BEAR Scotland, Police Scotland and Argyll and Bute Council. The purpose of the quarterly meeting is to work to provide the traveling public with a single road network across the whole of Argyll and Bute with works being coordinated. These meetings are attended by the Council's Policy Lead for Roads and Infrastructure (elected member) as well as senior officers of the council.

Argyll and Bute continue to work with Transport Scotland to coordinate service provision on the trunk road in Kintyre (which was previously the responsibility of the local authority) and to provide mutual aid across the entire network during severe weather or storm events. We are also working with Transport Scotland on an initiative to share a depot in Kintyre.

Argyll and Bute are involved in a number of joint procurement initiatives with other authorities and Scotland Excel. These include winter maintenance weather forecasting, winter salt provision, coated roadstone, etc. The Council has formally signed up to the Northern Roads Collaboration and is an active member of the group which is chaired by the Council's Depute Policy Lead for Roads and Infrastructure.

Council officers are active members of SCOTS with officers contributing to numerous working groups and pieces of work. The Head of Roads and Infrastructure chairs the SCOTS Training and Development Group which provides an annual 3 day training event to 90 plus graduates and technicians from across Scotland. The council also has junior officers attending the SCOTS/Improvement Service 'Routes to Leadership' course. Argyll and Bute Elected Members have given presentations to the routes to leadership event.

Q1. How have recent spending decisions on roads maintenance affected the quality of Scotland's roads, road users, businesses, public services, and the economy?

Overall roads maintenance funding is split approximately 50% each between Trunk Roads and Local Roads. Trunk roads account for 7% of the road network while local roads account for 93% of the road network. The trunk road spending also includes additional significant investment in large capital schemes such as the Forth Crossing, A9 and Aberdeen bypass. Argyll and Bute's local road network includes a high proportion of lifeline routes and this imbalance means that it is challenging to maintain these routes to a reasonable standard.

At a local level Argyll and Bute is heavily dependent on an available road network as there are limited transport alternatives such as rail. The road network forms a significant part of the transport infrastructure for commuters, transporting goods to market and the high levels of tourism. The road network is fragile both in terms of its construction and availability. Unplanned closures following landslips and serious/fatal collisions often result in diversions that can be up to 100 miles in length. Such closures have a massive impact on individuals, business including the food and drink industry, tourism and the general economy of Argyll and Bute.

Road Condition

Road condition is measured by the Scottish Road Maintenance Condition Survey (SRMCS) which assesses parameters such as surface texture and cracking, smoothness and rutting. This provides an indication of the residual life of the road structure. The results show in the last year the percentage of roads in Argyll and Bute assessed as red has shown marginal improvement from 16.62% to 16.34%. A similar improvement is shown for roads assessed as amber from 38.87% to 38.08%. Roads assessed as green have improved by over 1% from 44.52% to 45.58% in the same period. This shows improvement and provides confirmation of the effective delivery of the roads reconstruction programme.

Currently Argyll and Bute Council, although having improved slightly in the last year, are listed as having the highest (worst) RCI within our family group consisting of roads authorities with similar road networks, effectively our roads index is the poorest of the 8 local authorities in its Local Government Benchmarking family group consisting of rural authorities.

Many of our rural roads carry a high percentage of Large Goods Vehicles (LGVs) supporting forestry, agriculture, food and drink and other industries many of which are of national significance.

Road Construction

23% of our roads are constructed on peat. These incur greater reconstruction and maintenance costs and may require restrictions on the weight of vehicles using the road. These peat roads can move vertically by up to 1m at times and suffer from great expansion and contraction which can impact on the time of year when repairs can be

undertaken. Many of these are on islands which are more expensive to repair. Repairs are often up to twice as expensive to repair but funding allocations do not recognise this cost. An example is recent surfacing works carried out on the Isle of Jura which requires two ferry journeys, the first one from the Kintyre peninsula to the Isle of Islay and then a further ferry from Islay to Jura. Not only does this incur additional transport costs but generally requires accommodation for additional workforce to carry out these works. Also, the quantities of materials that can be carried on to the islands are very limited due to ferry capacity resulting in lower productivity than what would normally be expected on the mainland. New and innovative approaches in road maintenance techniques are often considered in these settings to ensure a good rate of return on investments.

If current funding levels continue (approximately 50% of national maintenance budget is invested in local roads which account for around 93% of the network) there is likely to be a further decline in the local road network. For Argyll and Bute this would be significant with barriers to economic growth, tourism and the transportation of locally harvested products.

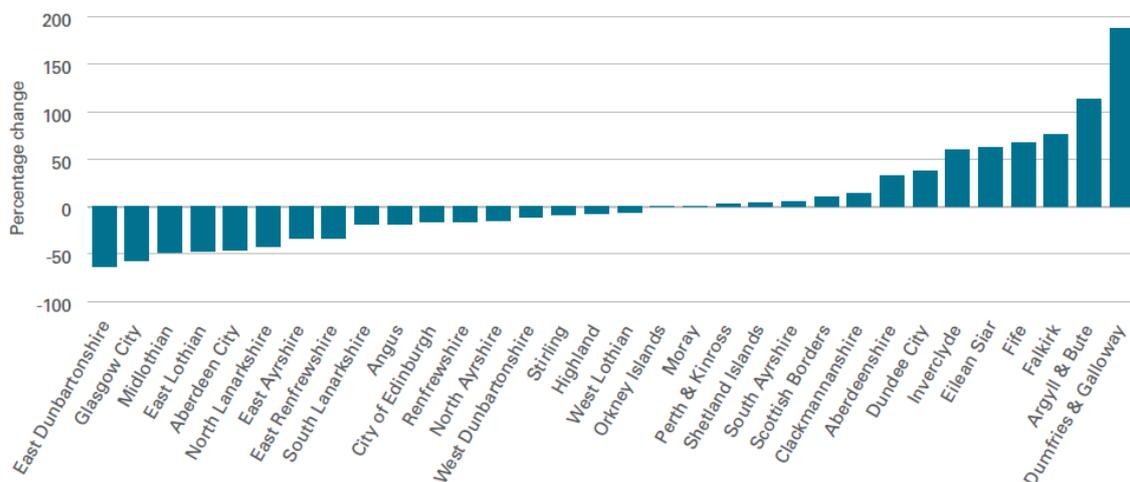
Argyll and Bute Councillors recognise the importance of the road network. As a council Argyll and Bute have made fewer revenue cuts to its roads budget than to some other frontline services and additional capital funding has been provided to help ease the rate of deterioration across the road network as a whole. However, the council has a backlog maintenance value of around £100M and would require an annual investment of £11M to see any meaningful improvement to road condition. Currently the council has an in year capital budget of around £6.5M with a likely reduction in subsequent years. Recent funding levels have been illustrated in Exhibit 8 from the 2016 document 'Maintaining Scotland's Roads' published by Audit Scotland which is copied in Figure 1 below details the percentage change in road funding by the council.. This prioritisation of roads infrastructure has an impact on the level of cuts faced by other frontline services.

Figure 1 – Exhibit 8 'Maintaining Scotland's Roads' published by Audit Scotland

Exhibit 8

Change in councils' roads maintenance spending from 2011/12 to 2014/15

There is significant variation in the change in roads maintenance spending across councils.



The council has approved a Roads Asset Management Strategy (RAMP) and also produces an Annual Status and Options Report (ASOR) on an annual basis. This together with other capital reporting has enabled Members to be well appraised of the funding pressures facing this council with respect to roads maintenance.

A focus has been given to using surface dressing to extend the life of roads by sealing the surface and improving surface friction while longer term more expensive treatments will be needed to deal with defects.

Going forward, it is anticipated that there will be significant pressures on the limited amount of finance available for local government. It is also anticipated that there will continue to be competing demands from education and health and social care which means funding for roads and infrastructure is unlikely to see significant increases. This is likely to have a further detrimental impact on the condition and availability of the local road network. This will inevitably have an impact on road users and businesses who are reliant on a safe and reliable road network. Roads remain a top priority for action for road users and businesses. Roads remain one of the top reasons for people contacting the council.

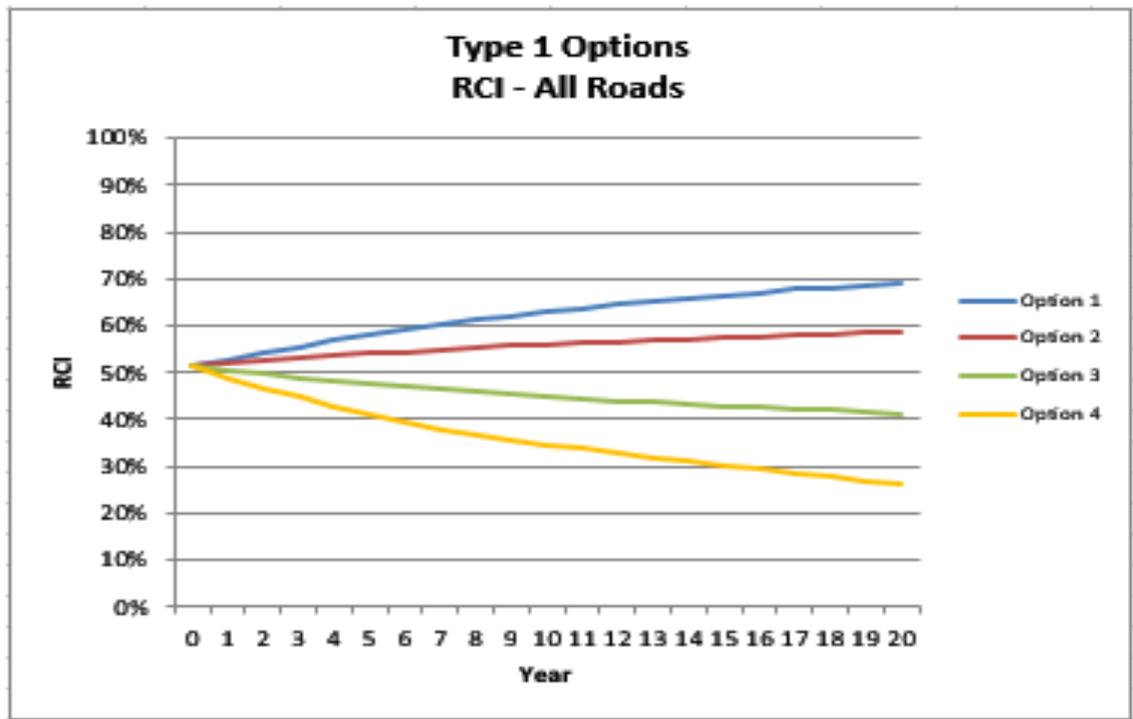
Q2. If spending on roads maintenance continues at current levels, what could be the likely effects on the above groups?

For the local road network, managed by the council, there is a £100M maintenance backlog. Whilst there has been a reasonably healthy capital program in recent years, future capital budgets are expected to reduce. Reduced funding will impact on the council's Road Condition Index (RCI). This will affect the Scotland's roads, road users, businesses, public services, and the economy.

Road Condition Index (RCI) projections for all road classes

Figure 2 below details some of the modelling carried out in the council's Annual Status and Options Report. The figure shows at a glance the different investment options and the effects on the road condition over 20 years. Options 1 & 2 shows how under investment impacts the network and presents greater risk to road user's safety. Option 2 showing a slightly lesser rate of deterioration than option 1. Options 3 & 4 demonstrate how higher levels of investment are needed to improve network condition and Argyll and Bute Council's position of worst roads in Scotland in terms of RCI. However on a positive note the Audit Scotland Maintaining Scotland's Roads follow-up report (2016) table (Figure 3 below) shown opposite indicates Argyll and Bute as one of the top five fastest improving Scottish Local Authorities in terms of road condition.

Figure 2 - Modelling to indicate Argyll and Bute's road condition based on various investment scenarios.



The levels of investment in the various options detailed above are:

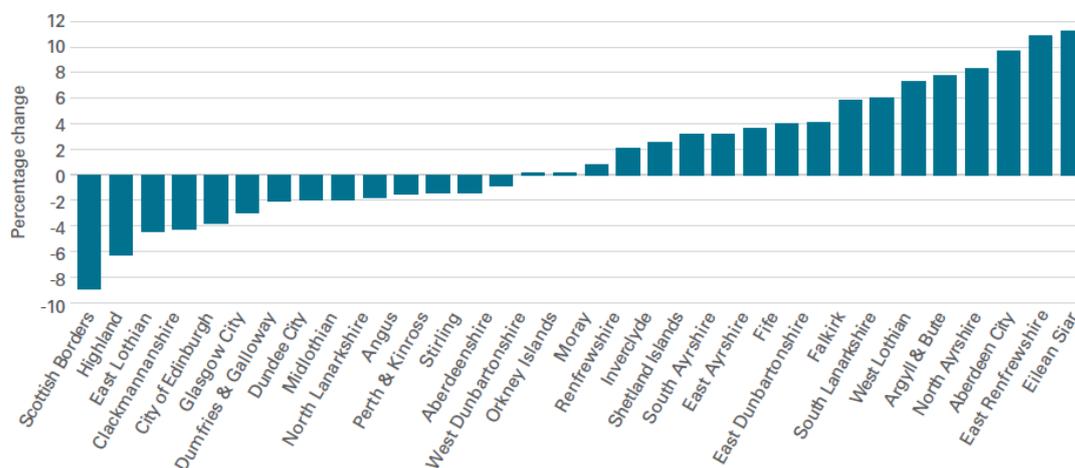
- Option 1 - £3M
- Option 2 - £5M
- Option 3 - £8M
- Option 4 - £11M

Figure 3 - Exhibit 3 'Maintaining Scotland's Roads' published by Audit Scotland

Exhibit 3

Change in percentage of council-maintained roads in acceptable condition from 2011/12 to 2014/15

There is significant variation in the change in road condition between councils.



Source: SCOTS

Currently Argyll and Bute Council, although having improved slightly in the last year, are listed as having the highest RCI within our family group consisting of roads authorities with similar roads networks, effectively our roads index is the poorest of the 8 local authorities in the Local Government Benchmarking family group for rural authorities.

Impact on the quality of Scotland's roads, road users, businesses, public services, and the economy

With the current level of funding it is almost inevitable that road condition will deteriorate. This will have a negative impact on road users, businesses, public services and the economy. With the rural and island nature of Argyll and Bute's geography, it is considered that Argyll and Bute is more dependent on a safe and reliable road network than urban areas. For this reason, the impact on road users, businesses, public services, and the economy is likely to be greater in Argyll and Bute than many other locations in Scotland. One of Argyll and Bute's priorities is to grow the population and without a safe and reliable road network, Argyll and Bute would be less likely to attract new businesses and individuals wishing to relocate to the area. Therefore, road condition will have a direct impact on road users, businesses, public services, and the economy. If spending continues at the current level the following consequences are high risk:

- Many roads are lifeline routes and may require essential work which could impact on other service that will have to see disinvestment to enable this.
- The geography of Argyll and Bute can make it expensive to locate and operate businesses in the area. Often the existing infrastructure will require businesses to invest more as part of planning approval which may result in businesses choosing not to locate in the area.
- Existing businesses may relocate out of the area if they feel that their access routes are not suitable or resilient enough.

- Numerous weight restrictions are already in place across Argyll and Bute's network. More routes may need to be restricted with requisite impacts on residents or businesses on that road. The current funding levels mean that the investment in bridge strengthening is not enabling sufficient bridge strengthening projects to be progressed.
- Visitor numbers may reduce if road condition is poor or roads are subject to restriction. Tourism accounts for 25% of private sector employment.
- Impacts on road safety and claims against the council.
- Impacts on journey time reliability.

Staffing Levels – capability and capacity

Even though cuts in the roads budget haven't been as significant as some other frontline services within Argyll and Bute, there has still be a significant reduction in funding over the last 10 years. This has seen a reduction in staffing numbers within the council. There is also a corresponding reduction in available professional and technical staff in the roads sector. Age demographics of professional and technical staff in the roads sector within Argyll and Bute is similar to the rest of Scotland, with a significant number of staff in the 40 – 65 age bracket and very few younger than this. This has an obvious consequence for workforce planning and sustainability. Current levels of spending for maintenance can be linked to a reducing number of professional and technical officers being available which will become an increasing issue if not addressed at a national level. In an attempt to mitigate staffing capability and capacity Argyll and Bute has a formal training scheme with the Institution of Civil Engineers and we currently have 4 graduates on a training programme. We are also actively working through SCOTS and as part of the Northern Roads Alliance to promote training and development across both the craft and professional work areas.

Q3. How could any negative effects of reduced road spending be best addressed?

It is widely recognised that public sector funding is likely to reduce further over coming years. In order to get the best rate of return from the available funding it is imperative that funding is used as wisely as possible taking into consideration whole life costing. Argyll and Bute Council through the Annual Status and Options Report carry out modelling which ensures the best rate of return can be delivered from the available funding (see table 1 above). SCOTS are also developing an infrastructure evaluation model/framework which may help to model whole life costings for roads and associated infrastructure. It is understood that this model will also include economic and social value as a core investment consideration. Officers consider that informed asset management and a thorough understanding of asset condition is essential to provide elected members with well-informed options that provide recommendations on the best return for any investment.

The current single year budget settlement from Scottish and National governments means that long term planning can be extremely difficult. Whilst this individual council is planning long term, those plans may change with varying budget levels. Having budget certainty would be particularly beneficial in the roads maintenance sector as the most cost effective treatments that could be afforded over a longer period could be progressed.

Proportionate treatments need to be carefully considered and new and innovative

approaches in road maintenance techniques used where these would be suitable. The council uses a range of treatments including insitu recycling which reduce the amount of material required, this being a particularly important consideration in our island settings where access to hot coated road stone can be a logistical challenge.

As part of the Argyll and Bute Council 2018/19 scrutiny plan, approved by the Audit and Scrutiny Committee in June 2018, a scrutiny review of the Council's approach to roads resurfacing has been undertaken. The Audit and Scrutiny working group has reached the overall conclusion that the Council's approach to roads maintenance is robust and is focused on delivering an effective service within the constraints of the available resources. A detailed report will be considered by the Council's Audit and Scrutiny Committee on 24 September 2019, reports will be published on the Council's website one week ahead of this meeting. Consideration should be given to changes to trunk road contracts to correct the position whereby operating companies seem incentivised to carry out more costly reconstruction rather than carry out proactive preventative maintenance.

Q4. 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?

Continued close working though both the Northern Collaboration, Transport Scotland and its operating company, SCOTS and other local authorities will continue to help reduce but not remove the negative effect on roads spending. However, there may be further opportunities to refine delivery models as the current arrangement of 32 local authorities, one trunk road authority with four main operating companies and 7 regional transport partnerships is unlikely to be sustainable.

If current funding levels continue (approximately 50% of national maintenance budget is invested in local roads which account for around 93% of the network) there is likely to be a further decline in the local road network. For Argyll and Bute this would be significant with barriers to economic growth, tourism and the transportation of locally harvested products. It is suggested that a review of balance of maintenance funding between trunk roads and local roads is carried out and that allocation reflects RCI.

Furthermore, current funding allocation is based on road length and the number of vehicles that are registered in the area. There is no consideration for some of the challenges facing Argyll and Bute which are brought about due to geography. Also, a number of the larger vehicles which operate out of Argyll and Bute are actually registered in the central belt which brings no financial benefit to the council.

Consideration should be given to a national condition ranking of associated roads asset groups such as bridges and retaining walls. The current ranking of road surface condition through RCI doesn't provide a full picture in terms of overall conditions and the value of backlog maintenance required across Scotland as a whole.

