

## RURAL ECONOMY AND CONNECTIVITY COMMITTEE

### PRE-BUDGET/FINANCIAL SCRUTINY ON ROADS MAINTENANCE IN SCOTLAND

#### SUBMISSION FROM ORKNEY ISLANDS COUNCIL

The Rural Economy and Connectivity Committee wants to hear your views on the efficacy of the current approach to roads maintenance in Scotland and the adequacy of current associated expenditure levels. In particular, the Committee would like to hear your views on the following areas

#### **Question 1 - How have recent spending decisions on roads maintenance affected the quality of Scotland's roads, road users, businesses, public services, and the economy?**

- a) The level of funding for roads has been inadequate to address the rising structural backlog of "reconstruction" repairs needed. In Orkney we have seen the progressive worsening of the principle road network (Circa 7% since 2013/14). The overall length of network in need of attention is 22%? This is much better than the Scottish average, but it is worsening year on year. In cash terms 22% is equivalent to 216km of the network at a typical reconstruction cost of £250/sqm (inclusive of T.M. and premium time working) or £216m overall. In terms of the "B" and "C" road network this is 37% and for unclassified it is 47% respectively.
- b) This point is that although current funding levels may well provide Local Authorities such as Orkney with funding to select treatments that keep the aesthetic of the road network in acceptable visual order it does not address the inevitable progressive structural failure that will arise as roads typically reach their 40-year design life, sometime sooner depending on usage.
- c) This usage point is an important factor as there is an economic consequence of growth in terms of the increased traffic volumes but also the size of vehicle. Orkney is seeing progressive increases in population that will accelerate network deterioration not because of the impact of cars particularly, more in terms of the supply chain vehicles across the business sectors and our strong tourism sector. How is this reflected in national funding calculations? Is there a growth factor applied as Scotland is growing and ever more popular as a tourism destination?
- d) In practical day to day roads maintenance terms the impact of these "growth" issues are masked by what is affordable in treatment terms. In Orkney we can "surface dress" or do limited "resurfacing" to keep the network free from significant water ingress (rainfall). To the road user the roads look in great order and given significant investment 15 years this strategy has paid dividends in terms of the need for ongoing expensive reconstruction, only now in recent years we are seeing a constant and annual deterioration of the principle road network.
- e) The fact of the matter is that we are saving up a financial ticking time-bomb, it is inevitable that at some point there will be a need to undertake significant km of road reconstruction, this is entirely predictable and will cause significant delay, disruption and congestion for all and have a negative impact on the Orkney economy as a whole, this needs to be avoided through planned investment in the road network from a value for money perspective in terms of the longer its put off the higher the cost and it will result in more repairs in more place causing poor customer satisfaction feedback, given its predictability.

**Question 2 - If spending on roads maintenance continues at current levels, what could be the likely effects on the above groups?**

- a) Quite simply we will continue to see further year on year deterioration of the road network in terms of its residual structural life. It is not to say there will be catastrophic failure, it will be progressive given in Orkney though our published RAMP, RMMP and ASOR's we will be continuing with the current regime of surface dressing and limited resurfacing. It will provide a visually pleasing aesthetic for users, but we will see, over time, greater lengths of rutting in the wheel tracks, areas of more severe deformation appearing and periodic (in isolated areas) carriageway collapse, such as edge haunches. In terms of the users they see more roadworks and temporary road closures causing delay, disruption and periods of congestion particularly in urban environments and at peak use periods if roadworks remain in place.
- b) Ultimately if this becomes severe for Orkney this would result in negative feedback in the tourism sector that could affect the attractiveness of our cruise business, it could impact on business plans in terms of those dependant on timely journeys such as in a number of transport logistics or simply public transport and thereby business decisions to stay, shrink or expand possible from other places outside Orkney. Similarly, in terms of attracting new business who may be less likely to do so if there is a clear view that transport routes are in a poor state.
- c) All of which impact negatively on our relatively fragile economy that is dependent on all sectors working together and the connections between flowing efficiently and freely, thus economic sustainability and prosperity suffer when transport links are impeded

**Question 3 - How could any negative effects of reduced road spending best be addressed?**

- a) If road expenditure was to reduce further it is inevitable that the complaints and economic impacts cannot be avoided, this will come whatever piece-meal ideals/solutions are considered if this perpetuates the likelihood of delay, disruption and congestion for all road users.
- b) There are ways in which work can be carried out to minimise this, but this doesn't typically go hand in glove with reducing spend, such as night or weekend working or even intense period of concentrated "do everything at the one time" scheme(s). All have been tried to minimise impacts, but these don't typically reduce costs.
- c) Given Orkneys island geography we do not have the same opportunities for economies of scale the mainland might have in terms of procurement, contractors etc. so we cannot apply an economies of scale solution as can be the case through the road's collaboration process, we are part of at present.
- d) Equally given the scale of our surfacing work one-off contracts for the whole annual programme do not attract the same interest as would be the case on the mainland and this has to be balanced with the fact that large loss of core work could result in both the need to reduce the in-house workforce but more critically the capacity to undertake winter resilience and other flooding related works, it is a numbers game and a certain level of workforce becomes critical.
- e) Clearly the best way to avoid this is not to do it! but if there is no other national option then Local Authorities could look to plug the gap by diverting more funding into the roads service in terms of capital programme work or revenue funding from other less needy services. It is fair to say with Educations and Care demands outstripping available funding this would be highly unlikely, nevertheless an option. In some cases, South this caused the emergence of PFI's and other schemes based on capital

funding injection then long periods of payback within the available funding. Initially this did pay dividends in many cases in terms of the rapidly improving network condition, however we seen in the latter years of these deal more numbers of them being sought to return to the Local Authority and even be terminated early given a combination of the ongoing unaffordable cost or simply they cannot address desired performance levels after the initial rush of activity.

- f) On the mainland this might be about consolidation of approach, shared services operating common specifications in terms of treatment types, material choices, designs etc, etc. all about not replicating 31 individual and separate approached vis collaboration and thereby reducing the overhead in terms of 31 differing delivery models. Nothing new just a need to understand the realistic capacity within the local authorities and the wider agencies and whether consolidation through any single model just replicates structures with a new badge or genuinely seeks to deliver services in a singular streamline way using the best from each area.

**Question 4 - 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?**

- a) Building on point f) above, this is a question about the benefits of full devolution of all government driven transport funding firstly through transport Scotland and then it being distributed to L.A.'s or could this be done in a less bureaucratic way. Equally in terms of fact that some of the government backed funded work is solely delivered by transport Scotland could this be split better locally? The answer to both is possibly!! At the end of the day the first key point is that is these projects and programmes are fully funded whether this is for new work or maintenance. Then it is just a case of ensuring the delivery agent has the right and appropriate level of resources to undertake the work.
- b) There are practical economies of scale that means that for some projects a centralised resource would be most effective at taking large projects across several boundaries and where this type of work is repetitive then its best its kept with the experienced QED centralised team. Devolving this to L.A.'s would be difficult as this large-scale work may well be one off in nature so the skill, abilities and long terms offer to prospective project-based recruits would be patchy.
- c) Swinging in either direction can be viewed from two stances one being the whole VFM model of central is best in terms of everything looked as an economies of scale step forward, but this has been played out several time north and south of the boarder and there is always a degree of residual local team requirement as the eyes and ears on the ground particularly for the minor projects and the resilience work in terms of winter and flooding need a local touch, so is the overall cost a saving? Not perhaps over time the initial saving decision makers see when the first cut of operational, technical, professional and managerial staff resource reduces but then progressively increases to meet requirements for local engagement and participation in works planning and sometimes its delivery (given strong local political demands on the council concerned). Perhaps the summary of how the trunk roads model emerged and commentary on how in England the Highways Agency looks to increase its day to day management or more local roads networks.