

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

PRE-BUDGET/FINANCIAL SCRUTINY ON ROADS MAINTENANCE IN SCOTLAND

SUBMISSION FROM TRANSPORT SCOTLAND

Trunk Roads

1. The trunk road network is one of the largest and most visible community assets for which the Scottish Government is responsible. It is estimated to have a construction value of £21 billion, and adds £1.38 billion to the Scottish economy annually. We fully recognise that the operation and maintenance of this vital asset must continue to support the country by delivering the required service to road users while providing best value for public money.
2. Current best practice for the management of large infrastructure networks is set out in the international standard for the management of assets ISO 55001, which requires organisations to adopt a formal asset management approach. Transport Scotland is the first UK trunk road authority to reach this standard, demonstrating that public funds are being spent in the most efficient and effective manner.
3. We have developed a strong model of oversight of the asset to ensure that the trunk road is managed, maintained and operated efficiently. We have robust financial models which allow us to determine a number of long-term scenarios to understand both the budget required to achieve various condition targets, and the impact of different levels of investment on condition. These financial plans are communicated to Scottish Ministers as part of our ongoing engagement in relation to financial planning and overall management of transport.
4. We invested £437 million in managing, maintaining, and safely operating the Scottish trunk road network in 2018/19. This increased to £470 million in 2019/20. We are currently investing in essential road maintenance schemes, our bridge strengthening programme and ancillary assets, and increasing the resilience of the network to unplanned events such as flooding and high winds. In addition, the overall condition of our network is being enhanced through the delivery of our capital investment programme (for example, the M8 was completed in 2017 and our programme for the A9 dualling which is already underway).
5. We are confident that our current model continues to represent the best option for this public service delivery. The trunk road operating company contracts are widely regarded as providing good value for money with competitive procurement and pricing delivering significant savings of over the life of the contracts to date. These efficiencies have allowed us to deliver a greater level of activity within available budgets. The latest generation of these contracts (the Network Management Contracts) will provide enhanced levels of service (e.g. for customer service and winter maintenance activities) and are currently undergoing procurement. Tranche 1 will see the south east and south west units commence service in August 2020, with Tranche 2 then commencing service in the northern units in August 2022.

6. We have undertaken a collaborative review of our National Transport Strategy to set out a compelling vision for the kind of transport system we want for Scotland over the next 20 years, one that protects our climate and improves lives. This included a review of transport governance. The consultation on the draft Strategy was launched at the end of July and will close on 23 October 2019. Post-consultation, we will produce a final version of the Strategy with an accompanying delivery plan.

7. The second Strategic Transport Projects Review (STPR2) is being undertaken in tandem with the review of the National Transport Strategy (NTS) and will help deliver the vision, themes and outcomes for transport set out in the strategy to determine Scottish Government's future transport investment priorities over the next two decades. This includes ensuring the network is well placed to support the Government's aim of moving to a low carbon economy.

Local Roads

8. The Roads (Scotland) Act 1984 places the statutory responsibility for local roads improvement, maintenance and repair with local road authorities.

9. The vast majority of funding to local authorities from the Scottish Government is provided via a block grant and we do not stipulate how local authorities should utilise their individual allocations. It is therefore the responsibility of each local authority to manage their own budget and to allocate the financial resources available to them on the basis of local needs and priorities, having first fulfilled their statutory obligations and the jointly agreed set of national and local priorities. Excluding Health, the Scottish Government's resource budget in 2019-20 is lower in real terms than in 2018-19. Despite this cut the Scottish Government have continued to ensure our partners in local government receive a fair funding settlement. The Scottish Government is delivering a funding package of £11.2 billion for local authorities, a real terms increase of £310 million for essential public services in Scotland.

10. The Scottish Government is committed to working with all local authorities to help improve the condition and safety of the road network, and we do this through the Road Collaboration Programme which is jointly funded between national and local government. This programme demonstrates our commitment to ensuring integrated service provision and providing efficient public services. In addition, road authorities have also been working with industry partners to make positive changes to how road maintenance is undertaken, with a focus on efficiency, collaboration and innovation.