

Clackmannanshire Council

Report to the Scrutiny and Audit
Committee

Maintaining Scotland's roads:
Targeted follow-up audit

Contents

Executive summary	1
1. Introduction	2
2. Council's response to the report	4
3. Road asset management planning	5
4. Performance management	7
5. Maximising value for money	8
6. Responsibility statement	10

Executive summary

This report summarises the progress that Clackmannanshire Council ('the Council') has made in improving its management of road maintenance, focusing on road asset management planning, performance management and maximising value for money, since the publication of Audit Scotland's report *Maintaining Scotland's roads: a follow-up report* which was published in February 2011.

Council's response to the report	Clackmannanshire Council responded promptly and positively following publication of the report by Audit Scotland in February 2011. The report was formally presented to the full Council meeting on 30 June 2011.	Section 2
Road asset management planning	Plans are in place to drive road maintenance activities. The Council has developed a Road Asset Management Plan (RAMP) in accordance with the SCOTS road asset management project, which was formally approved by the full Council in November 2010. Improvement actions were identified from the original RAMP, along with target dates and performance against these is monitored by the Roads and Transportation Manager.	Section 3
Performance Management	<p>The Council populates the SCOTS template comprising core, secondary and statistical indicators and submits this to SCOTS on an annual basis. It has adopted the majority of the indicators developed by SCOTS, with the indicators relating to the Structures Asset Group being the only ones not reported due to lack of data. The Council has signed an agreement with Falkirk Council whereby they will inspect and manage the bridge stock and ensure that data is available, in order that Clackmannanshire can report on these performance indicators going forward.</p> <p>Clackmannanshire has routinely performed well within its response to customer enquiries / requests and ensuring that these are appropriately dealt with. Another area of focus is around the response to Category 1 defects and as noted above areas to improve are around obtaining information on the key indicators within the structures group.</p>	Section 4
Maximising value for money	<p>The Council has undertaken a number of initiatives to improve value for money in its road maintenance service. This includes:</p> <ul style="list-style-type: none"> • Comparison of costs with the private sector; • Service reconfiguration; • Partnership working with other Councils and Transport Scotland • Pooling and flexible use of resources; and • Innovative practice. 	Section 5

1. Introduction

Background

In 2010, Audit Scotland agreed a targeted approach to following-up a small number of performance audit reports each year to promote local impact. One of the reports selected for targeted follow-up in 2011/12 is *Maintaining Scotland's roads: a follow-up report*, which was published in February 2011.

Aims and objectives

The aim of the follow-up work was to assess the progress the Council has made in improving its management of road maintenance, focusing on road asset management planning, performance management and maximising value for money. Audit Scotland directed us to consider the following four questions as part of the follow-up work:

- How did the council respond to *Maintaining Scotland's roads: a follow-up report* following publication?
- Does the council have appropriate plans in place to drive road maintenance activities?
- How does the council manage the performance of its road maintenance activities?
- What is the council doing to maximise value for money in its road maintenance service?

Sections 2 to 5 of this report summarise Clackmannanshire Council's progress in respect of each of the above areas.

Summary of key messages and recommendations from *Maintaining Scotland's roads: a follow-up report*

The 2011 report examined progress by councils and Transport Scotland in implementing recommendations contained in a previous report on road maintenance published in 2004. It reviewed changes in the condition of the road network since 2004, how much was being spent on road maintenance and how road maintenance was being managed.

Key messages from the report were:

- The condition of Scotland's roads has worsened over the past six years. In 2010, only 63 per cent of roads were in an acceptable condition and the cost of the maintenance backlog increased to £2.25 billion, £1 billion more than in 2004.
- Limited progress has been made in implementing recommendations made in 2004 for improvements to how road maintenance is managed. While some councils are working together in a drive to be more efficient, it is important that they all develop road asset management plans and generate better information on costs and performance.

1. Introduction (continued)

Summary of key messages and recommendations from *Maintaining Scotland's roads: a follow-up report (continued)*

- During the financial year 2009/10, £654 million was spent on maintaining Scotland's roads, councils spent £492 million while Transport Scotland spent £162 million. The Society of Chief Officers of Transportation in Scotland (SCOTS) estimates that councils need to spend an additional £45 million each year for the next decade to maintain roads in their existing condition.

The report's key recommendations for councils were:

- Councils should consider all opportunities for achieving more with the resources currently available, by exploring new ways of working, such as service reconfiguration, partnership working and pooling and flexible use of resources.
- Councils should respond fully, as a matter of urgency, to the recommendations made in the 2004 report, and in particular ensure that:
 - All information is available to allow effective asset management to take place
 - A consistent way to costing total road maintenance backlog is used across councils
 - They fully support SCOTS' road asset management project and have a road asset management plan in place no later than the end of 2011
 - They adopt the suite of performance indicators developed by SCOTS
 - They make greater efforts to benchmark road maintenance activities with other councils and the private sector in order to drive out cost efficiencies
 - They seek to develop a costed model for shared services
- Councils should ensure that information on maintenance backlog and road condition is reported regularly to elected members and the public.

2. Council's response to the report

How did the council respond to *Maintaining Scotland's roads: a follow-up report* following publication?

Following publication of the report in February 2011, the report was initially considered by the senior management team of Clackmannanshire Council, and then formally presented to the full Council on 30 June 2011. A paper produced by Council Officers was presented to full Council informing Members of the recommendations made in the report along with a summary of the Council's status in relation to each. No specific action plan was developed as the issues were already included in the action plan as part of the overall business plan for the service line and given that all the recommendations have either been, or are being addressed by the Council.

3. Road asset management planning

Does the council have appropriate plans in place to drive road maintenance activities?

The Council has developed a Road Asset Management Plan (RAMP) in accordance with the SCOTS road asset management project, which was formally approved by the full Council in November 2010. The plan follows the SCOTS Road Asset Management Framework, including comprehensive sections on asset description, community requirements, future demands, finances and risk management. Improvement actions were identified from the original RAMP, along with target dates. Performance against these is monitored by the Roads and Transportation Manager. While the original timetable was ambitious and some of these have slipped, good progress is being made within the key areas. Specific areas of the Plan requiring improvement include levels of service and lifecycle planning, where further guidance is awaited from SCOTS.

There has been no formal update to the full Council on progress against these actions, or presentation of an updated RAMP. Management anticipate that a further progress report would be provided later in 2012, following the election of the new members, with reporting annually thereafter.

It is anticipated that the key performance indicators within SCOTS will be reported formally going forward. In addition the Council record a suite of (Council wide) indicators on Covalent. There are two key indicators within this in relation to maintenance being:

- the number of these defects repaired within 7 days; and
- the results from the Scottish Road Maintenance Condition Survey (SRMCS) which shows the percentage of road network requiring maintenance or further investigation.

3. Road asset management planning (continued)

Does the council have appropriate plans in place to drive road maintenance activities? (continued)

From a review of the most recent performance reports, the following performance was noted against these indicators:

Key Performance Measure	Results 2010/11	Target 2011/12	Results 2011/12	Trend
The percentage of roads network, (as identified by the Scottish Road Maintenance Condition Survey), which should be considered for maintenance treatment.	1 Jan 2009 to 31 Dec 2010 A class roads – 26.0% B class roads – 32.8% C class roads – 30.3% Unclassified roads – 43.6% Overall – 37.4%	35.5%	1 Jan 2008 to 31 Dec 2011 A class roads – 23.7% B class roads – 28.8% C class roads – 42.7% Unclassified roads – 42.7% Overall – 36.4%	Performance has improved although still remains upon the target for the period.
Percentage of street lighting fault repairs completed within 7 days.	88.85%	95%	92.58%	Performance has improved although still remains below the target for the period.

4. Performance management

How does the council manage the performance of its road maintenance activities?

Clackmannanshire Council has populated the SCOTS template of Performance Indicators and Management Statistics. This comprises core, secondary and statistical indicators and is submitted to SCOTS on an annual basis to use as a benchmarking tool across all 32 councils. The Council has adopted the majority of the indicators developed by SCOTS, with the only indicators not reported being those around the Structures Asset Group. This is due to the Council not having this data following the departure of their only structures engineer. The Council has an agreement with Falkirk Council whereby they will inspect and manage the bridge stock and ensure that data is available, in order that Clackmannanshire can report on these performance indicators going forward..

A key area where Clackmannanshire has routinely performed well is within its response to customer enquiries / requests and ensuring that these are appropriately dealt with. For 2010/11 per the RAMP the Council had achieved a 96% rate of responding to these within their set response times and this has risen to 97% in 2011/12. Another key area of focus for the Council is around the percentage of Category 1 defects made safe within set response times. For 2011/12 the Council had achieved an 83% success rate against this target. In completing the 2010/11 RAMP, this information had not been available and was identified as an improvement area to ensure the data could be obtained, which has been actioned.

The key area requiring improvement is with regard to the lack of information on the bridge stock and provision of the key performance indicators within the Structures group, as a consequence of not having a structural engineer. Following the agreement with Falkirk Council, this will be an area addressed going forward.

5. Maximising value for money

What is the council doing to maximise value for money in its road maintenance service?

The Council has undertaken a number of initiatives to improve value for money in its road maintenance service, including the following:

Comparison of costs with the private sector

In accordance with procurement protocol larger contracts, and those related to planned works, are put out to tender as are works relating to surface dressing and white lining, where the Council does not have internal capabilities to perform the work. The tender process in relation to surface dressing is jointly tendered with Stirling Council. Other works are not always put out to tender where they require urgent attention as the process would be too slow, or where the value is so low that the process would be deemed to be inefficient. An informal review is undertaken to compare internal rates against those being tendered by subcontractors. Management confirmed that there is no set level whereby a tender would be required. In addition management verified that roads contract prices for larger schemes are monitored against a Framework Contract to ensure prices are competitive.

Service reconfiguration

The Council has recently changed the structure within the Roads and Transportation department. This has resulted in the reduction of the number of team leaders from four to three and the reduction of three more junior members of the team. This has led to a reduced management overhead cost along with a more transparent costing system. This review of the team structure remains ongoing and is approximately 75% complete as at May 2012 with projected annual savings of £75,000.

Partnership working with other Councils and Transport Scotland

Clackmannanshire Council works closely with the nearby councils of Stirling and Falkirk on a number of areas including the following

- Joint working with Stirling Council on design work, car parking and procurement of surface dressing.
- Joint working with Falkirk Council on the procurement of salt and a service level agreement on bridge inspections and management.
- Joint working with both Falkirk and Stirling Councils providing a 24 hour winter service (October to March). This joint working allows the costs to be split between the three Councils enabling them to procure winter weather forecasting along with 24 hours monitoring of ice alerts at their weather stations, as well as dealing with other related incidents including flooding, fallen trees (affecting the road) and assisting the emergency services.

Members of the Roads and Transportation department also attended workshops with Transport Scotland on its fourth generation maintenance contract. However any partnership opportunity was limited given the time constraints with the tender process shortly after the workshops.

5. Maximising value for money (continued)

What is the council doing to maximise value for money in its road maintenance service? (cont'd)

Pooling and flexible use of resources

The Roads and Transportation department also work with other departments within the Council including Waste and Land Services to pool resources where required. Over the winter months labour, and sometimes plant and vehicles, are provided by Waste and Land Services to assist with the gritting process.

Innovative practice

The Council is currently looking at a number of areas to try and improve their service or reduce the cost of road maintenance including:

- The trial of a machine that thermally repairs pot holes by recycling the existing materials. To date the Council has trialled one machine for five months and is currently testing a second machine from another supplier. The machine is able to repair defects quicker than by conventional methods and leaves no joints thereby minimising risk of repeat visits.
- Use of the multihog multipurpose vehicle. By utilising various inter-changeable attachments, the vehicle can be used for a number of purposes including grass cutting, snow clearing as well as roads maintenance operations. This also has an advantage from a Health and Safety perspective as it does not give rise to hand, arm vibration issues associated with jackhammers. A cost / benefit analysis is currently being prepared in respect of this.
- Purchase of new footway gritters. These are able to go further, without needing to be refilled and provide a better spread rate. These were tested successfully in the winter of 2011/12 and new routes are being developed going forward to make optimal use of these for future years.
- A trial is underway for implementing LED street lighting. While these have a greater cost to install, they use less power, last longer and require minimal maintenance in their first ten years and as such should lead to reduction in operational costs.
- Leaving prepaid postcards, forming part of a customer satisfaction survey, at all houses in the area where work is being carried out to gauge the views of those impacted by the work. To date 344 cards have been sent out, with 109 cards returned of which 98 had positive comments and 11 areas for improvement, representing an 89% positive satisfaction return.

Clackmannanshire Council is heavily involved in the national review of road maintenance, and is feeding back at each stage through the SCOTS performance group.

6. Responsibility statement

This report should be read in conjunction with the "Briefing on audit matters" circulated to you on 23 February 2012 and sets out those audit matters of governance interest which came to our attention during the audit. Our audit was not designed to identify all matters that may be relevant to the council and this report is not necessarily a comprehensive statement of all deficiencies which may exist in internal control or of all improvements which may be made.

This report has been prepared for the Scrutiny and Audit Committee, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Deloitte LLP

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21 June 2012

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