

REPORT TO: Audit and Governance Committee

MEETING DATE: 24 January 2017

BY: Depute Chief Executive - Partnerships & Community Services

SUBJECT: Maintaining Scotland's Roads: a follow up report (Accounts Commission)

1 PURPOSE

- 1.1 The purpose of this report to the Audit and Governance committee the main findings of the Audit Scotland Maintaining Scotland's Roads – August 2016; to provide further information and detail that is relevant at a local level; to provide context to the findings and to provide a basis for discussion, comment and noting.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Audit and Governance Committee note progress on the development and action of the recommendations made by Audit Scotland in the context of maintaining Scotland's roads and detailed analysis of local progress as defined in Appendix 1.
- 2.2 Members should note the key messages contained within the report namely;
- The percentage of local roads in an acceptable condition within East Lothian Council (ELC) is 68% placing the Council in the top 10 of the 32 Scottish local authorities and above the Scottish average of 63%
 - Overall condition of Council maintained roads remains stable
 - ELC is one of 14 local authorities in Scotland to invest more than the steady state value necessary to maintain current road conditions in 2014/15.
 - ELC is actively exploring opportunities for increased Roads collaboration with Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife Councils (ELBF)

- ELC use a suite of local and national performance indicators to manage and monitor road maintenance. These are reported regularly and used to highlight unusual activity and areas for improvement.
- National Spending on Road maintenance is decreasing

Further details are contained within the body of this report and the appendices.

3 BACKGROUND

3.1 Maintaining Scotland's Roads – A Follow up report August 2016 is the fourth review by Audit Scotland of progress made by local Roads Authorities on the development and introduction of systems and procedures to engender good practice and stewardship into the maintenance of roads in Scotland. This report was preceded by Maintaining Scotland's roads – An audit update on council's progress May 2013, Maintaining Scotland's roads – A follow up Report February 2011 and Maintaining Scotland's roads November 2004.

3.2 The original 2004 report made several recommendations that Councils and the Scottish Executive should:

- calculate the size of the structural maintenance backlog
- monitor and report annually on the condition of their road network and maintenance backlog
- review budget setting processes to be more reflective of reactive, routine and planned maintenance
- review capital expenditure on structural maintenance
- compare and contrast unit costs between Council areas
- consider the introduction of shared services to achieve economies of scale in road maintenance
- review Councils performance against the Code of Practice for maintenance management in *Delivering Best Value in Highway Maintenance – Code of Practice for Maintenance Management*
- collect better inventory information relating to the asset groups
- ensure Councils have up-to-date IT systems and asset management systems
- develop a framework of performance indicators to measure performance of the road maintenance system

- develop road maintenance strategies in the context of their transportation and road asset management strategies taking into account the views of the communities and road users
- 3.3 In 2011 Audit Scotland refreshed their recommendations. Progress on the 2004 and 2011 recommendations is provided in Appendix 1 - Analysis of Audit Scotland Recommendations with the Society of Chief Officers of Transportation in Scotland (SCOTS) Asset Management Tasks and Actions and how these items are being actioned locally and at a national level, where appropriate. Commentary is provided on the status of each of these themes in the context of SCOTS tasks to develop a robust asset management framework.
 - 3.4 Consideration of these tasks have been reflected in the follow up report and it is recommended that Councils implement the findings therein.
 - 3.5 The 2016 follow up report highlights that the condition of roads has generally remained stable since 2011 but there are significant differences between Councils. Appendix 2 – East Lothian Road Condition Indicator shows the extent of roads in East Lothian that should be considered for maintenance treatment on an annual basis.
 - 3.6 In the national context spending on road maintenance has diminished since 2002/03, where £277m revenue and £44m capital was spent on road maintenance. Appendix 3 – National versus Local Maintenance Spend comparison highlights the national and local spend profile over time. Note, all data is provided from Scottish Transport Statistics records except capital spend 2011-12 which is taken from East Lothian records. Exhibit 3 of the follow up report shows a 4% decline in spending in East Lothian between 2011/12 and 2014/15. It is worth noting that East Lothian Council invested an additional £3,000,000 into the road network in 2010-12 following severe winter weather events.
 - 3.7 Appendix 4 – A Local comparison compares East Lothian Council's spend with neighbouring local authorities. Each profile is accompanied with a trend line to compare and contrast investment over time. No values for 2011/12 Capital spend are held, consequently the values have been averaged between financial years to calculate a profile. The straight line profiles for each of the neighbouring authorities are: City of Edinburgh Council 0.63% increase over 11 year; Scottish Borders 2.3% increase; West Lothian 1.32% decrease; Midlothian 3.39% increase and East Lothian 6% increase. However, significant additional investment was made into the local road network following severe winter weather in 2009/10 and 2010-11 but recent investment shows a downward trend. Exhibit 9 - Councils' roads maintenance spending compared to that necessary to maintain their current road condition in 2014/15 highlights that East Lothian is spending sufficient to maintain the steady state requirement.
 - 3.8 Appendix 5 – The Improvement action Programme summarises the necessary actions recommended to further develop ELC's road asset management practices. They are based upon the findings of a 2 day

audit and should be read in conjunction with Appendix 1.. Recommended priority for each action is given, however it is accepted that ELC will need to make their own choices of priority and will need to take into account resource availability in programming resulting actions.

- 3.9 To accelerate the improvement action programme an additional resource has been made available from the Business Financial Team and will be working with the Roads Asset and Regulatory team over the next 6 months to address the recommendation described.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - None
6.2 Personnel - as described above.
6.3 Other - None

7 BACKGROUND PAPERS

- Maintaining Scotland's Road 2016 report.

http://www.audit-scotland.gov.uk/uploads/docs/report/2016/nr_160804_maintaining_roads.pdf

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| DATE | 16 January 2017 |

Appendix 1 Analysis of Audit Scotland Recommendations with SCOTS Asset Management Tasks and Actions

2011 Report Recommended Actions

The Scottish Government should consider a national review on how the road network is managed and maintained, with a view to stimulating service redesign and increasing the pace of examining the potential for shared services.

| SCOTS Task Reference | Current Situation and Progress | Assessment | Recommendation |
|----------------------|---|---|--|
| National Task | A Strategic Action Group meeting was called for 4th October and was the first meeting chaired by the new Transport Minister. Key items on the agenda included feedback from the consultation response on the 5G contract, the Roads Collaboration Programme and the recent Audit Scotland Report. It was agreed that SCOTS and Transport Scotland would discuss potential collaboration on winter maintenance in the context of 5g. | The strategic action group is developing work streams | East Lothian Council to Monitor progress |

2004 Report Recommended Actions

Councils should use the information from the Scottish road maintenance condition survey to calculate the size of the structural maintenance backlog in their area using a common accepted methodology.

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|---------------|---|---|---------------------------------|
| National Task | The Scottish Road Maintenance Condition Survey SRMCS Contract was re-awarded 2013 | The assessment of the maintenance backlog is secure. East Lothian Council headline backlog figure from SCOTS financial model (2015) £23,057,000; (2013) £25,942,916 | Monitor progress - Task ongoing |

2011 Report Recommended Actions

a consistent way of costing total road maintenance backlog is used across all councils

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|---------------|---|---|----------------|
| National Task | The Scottish Road Maintenance Condition Survey SRMCS Contract was re-awarded 2013. Outputs from the financial model are prepared bi-annually. | The development of SCOTS assess procedures is secure. | Task complete |

2004 Report Recommended Actions

Councils and the Scottish Executive should monitor and report publicly on the condition of their road network and their road maintenance backlog on an annual basis.

2011 Report Recommended Actions

Ensure that information on maintenance backlog and road condition is reported regularly to elected members and the public.

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|---------------------------------------|--|---|---|
| 9. Knowledge and Communication | <p>The audit reviewed level of resource available to the authority for asset management planning tasks and the level of understanding of the purpose and practice of asset management from those people who are involved in the audit meetings.</p> <p>The personnel interviewed as part of the audit demonstrated a differing level of understanding of asset management planning. Some officers who had regularly attended SCOTS RAMP workshops were well aware of the required activities. Other officers exhibited a lack of understanding and were unaware of the draft documents that had been produced. ELC does not have an asset management group that meets regularly to discuss and review progress.</p> <p>From the audit it appeared that that ELC has put effort into Road Asset Management Planning and made progress in some significant areas up to 2014. Progress has been halted due to the inability to finalise the draft documents produced.</p> | | |
| | <p>The audit considers that:</p> <p>9.1 Good practice is to have the responsibility for asset management clearly allocated to appropriately trained/skilled personnel</p> | <p>East Lothian Council's current position is Consolidating the Asset Management responsibility is assigned but not fully developed</p> | <p>Implement a road asset management working group in order to develop and monitor an improvement action programme.</p> |
| | <p>9.2 Good practice is to have regular, planned AM communications, appropriate to stakeholder needs</p> | <p>East Lothian Council current position is Consolidating good practice. There is evidence of Planned Asset Management communications but processes and procedures are not always implemented, or are applied at an appropriate/ sufficient officer level</p> | <p>Identify the required level of RAMP development involvement from each officer both within the council and at the national project level.</p> |
| | <p>9.3 Good practice is active engagement in the project</p> | <p>East Lothian Councils position is Developing Good Practice.</p> <p>The audit noted that there was Little evidence of active engagement with staff, stakeholders and members.</p> | |

2004 Report Recommended Actions

Councils should review their budget setting process for road maintenance to ensure that an appropriate and cost-effective balance of expenditure between routine, winter emergency and structural maintenance is achieved.

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|--------------------------------------|--|---|--|
| <p>4. Financial Practices</p> | <p>Financial practices are the hub of good asset management. Asset Management can only enable better value for money to be achieved if the information generated is used to aid better, more informed choices. There are several steps in attaining this. The financial enquiry looked at the extent to which the authority is able to gauge value for money. Does the authority have and use the requisite financial information to allow cost benchmarking, investment level comparisons and appropriate financial reporting? It examined the authorities cost recording methods and whether they create the information needed for asset management. The financial section is a major focus for the audit.</p> <p>Historical Cost Analysis</p> <p>Cost recording methods within ELC appear to be well structured providing potential access to detailed data that could be used to generate unit costs. ELC does not have a routine practice of reviewing historical costs. Unit rates are computed for the purposes of undertaking cost predictions and asset valuation. It is not clear how much rigour is put into the review of how these rates are constructed and how reliable they are. There is no evidence of a regime of comparing overarching parameter costs i.e. routine maintenance cost per km etc. It is considered an important element of good asset management to understand local costs and how they are varying over time.</p> <p>The audit considers that:</p> | | |
| | <p>4.1 Good practice is to understand the High Level (network/asset group/activity level) Costs of typical items of work, and be able to determine why costs are changing</p> | <p>East Lothian Council current position is Consolidating good practice. Historical high level costs are recorded but are not being analysed presently.</p> | <p>To develop analytical techniques to analyse historical costs and investments made</p> |
| | <p>4.7 Good practice is to consider both the short and long term cost of investments made</p> | <p>ELC is Developing good practice. Decisions presently are primarily based upon immediate costs (short term)</p> | <p>To develop an understanding and methodology of whole of life investment</p> |

2004 Report Recommended Actions

Councils should review their capital expenditure on structural maintenance to ensure that it achieves value for money and meets the key principles of the Prudential Code. In particular, councils should conduct an option appraisal for procuring and financing road maintenance services.

2011 Report Recommended Actions

review their road maintenance strategies and plans to confirm that adequate prioritisation is given to those routes which are likely to contribute greatest to economic growth and improved quality of life

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|-------------------------------|---|--|--|
| 4. Financial Practices | <p>Budget Optimisation The allocation of the budget does not follow a <u>formal</u> process that is directly related to the asset management information. The current process for budget allocation within Roads is based upon considering pressures and changes to an existing historical budget at an annual managers meeting which decides priorities to the service and allocates money accordingly. The capital budget is influenced by individual business case reports although these focus predominantly upon the renewals/planned maintenance projects rather than the whole roads budget.</p> <p>The 2013 ASOR was presented to council but had no effect on the budgets being set. Budget optimisation using asset information is not practiced.</p> <p>Asset Valuation The valuation for 2013/14 has been undertaken fully with all the required figures computed and included in the WGA return. The 2014/15 Valuation had not been undertaken at the time of the audit. A valuation report for 2013/14 has not been produced.</p> <p>Value for Money A money saving initiative has been implemented in ELC where a LED lantern replacement scheme is being funded from a mix of Salix funding and monies that were previously allocated to the structures budget. There is an active programme of measuring and reporting on the benefits accrued from this initiative with results being presented to Senior Management and Council.</p> <p>The audit considers that:</p> | | |
| | 4.5 Good practice is to have a method of allocating service level budgets that uses performance and cost information to influence choices | East Lothian Council is Developing good practice such that Budget allocation are not solely based upon a | Use the SCOTS RAMP cost prediction tools for predicting future need for all aspects of the service and use it to |

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| | | historical method | inform annual status and options reports. |
| | 4.6 Good practice is to provide accurate information to inform corporate decision making | East Lothian Council is Developing a reporting structure of asset needs (ASOR or similar) at corporate or council level | |
| | 4.8 Good practice is to know the value of the asset and whether that value is depreciating or not (and if depreciation is being fully funded) | East Lothian Council is Consolidating Asset valuation as a reporting mechanism to inform members and stakeholders of annualised depreciation. | Complete the 2014/15 Roads Asset Valuation (if not already done so) and report results to finance. Write a valuation report to detail the method of valuation the status of the input data and to identify any improvement actions required. |
| | 4.9 Good practice is to conduct cost benefit analysis in significant investment decision making and evaluate and report the outcomes | East Lothian Council is Consolidating its processes. Individual significant investment decisions are subjected to a business case assessment | To evaluate all capital investment in line with the financial project business cases. |
| 10. Improvement Action Programme & Value for Money | The audit examined the extent to which the authority is planning for improvement of its asset management practices. It reviewed where specific value for money enhancing initiatives driven, or underpinned by asset management have been undertaken. ELC does not have an improvement action programme and Value for Money activities are not formalised. The audit considers that: | | |
| | 10.1 Good practice is to be using asset management to drive improvement and deliver better value for money. | East Lothian Council is Developing an improvement plan. Asset Management is not yet being used to drive improvement. e.g. there is no improvement plan | Create a RAMP improvement action programme and a method of recording the benefits achieved from improvements to asset management practices and report them at least annually. |

2004 Report Recommended Actions

Councils should consider whether their road maintenance service could be improved by entering into consortia arrangements to achieve economies of scale in road maintenance.

2011 Report Recommended Actions

work together to consider all opportunities for achieving more with the resources currently available, by exploring new ways of working, such as service reconfiguration, pooling and flexible use of resources (including staff and machinery) and partnerships between councils and with the private sector

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|-----------------------------------|---|---|--|
| National – Improvement Service | <p>ELC is a member of the ELBF roads Collaborations forum. This is made up of Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife Councils. Representatives from each Council have been working together over to explore opportunities for increased collaboration within the activities undertaken by the roads service, the aim being to identify and deliver cost savings and to ensure future resilience of the roads service.</p> <p>Elected Members from the partner authorities will set the direction of collaboration and define the remit of the future Joint Committee. The costs (if any) and benefits of collaborating will be shared equally amongst participating authorities on an activity-by-activity basis.</p> | <p>The ELBF is developing the governance of the forum. A shadow joint committee has been set up to develop working relationships.</p> | <p>To recommend a lead authority to investigate collaborative opportunities and investigate areas of business which would be applicable as a shared venture.</p> |

2004 Report Recommended Actions

All councils should review their performance against the Code of Practice for maintenance management in Delivering Best Value in Highway Maintenance – Code of Practice for Maintenance Management and take action to ensure they are complying fully with the Code.

2011 Report Recommended Actions

ensure they can demonstrate that the best use is being made of resources currently available, through benchmarking and improved performance management and reporting

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|-------------------------------|---|--|--|
| 4. Financial Practices | Cost Benchmarking There is currently no routine process of cost benchmarking. It is not an activity that is undertaken on a programmed basis and repeated at appropriate intervals. The APSE return provides some data that could be used for this as do other task outputs from the SCOTS RAMP project. The audit considers that: | | |
| | 4.3 Good practice is to routinely benchmark high level costs against peer authorities and external suppliers | East Lothian Council is Developing methodology to be reflective of high level costs. Currently, there is little evidence of efforts to benchmark high level costs | Use the unit costs generated in conjunction with data available from other authorities to inform an annual review of costs and report the same to the relevant management forum/committee. |
| | 4.4 Good practice is to routinely benchmark unit costs against peer authorities and external suppliers | East Lothian Council is Developing methodology to be reflective of high level costs. Currently, there is little evidence of efforts to benchmark high level costs | Create a reporting method for estimating benefits of specific Asset Management cost reduction/value for money initiatives and report the accrued benefits annually (at least). |

2004 Report Recommended Actions

Councils should collect better inventory information about the assets they are managing, including roads, bridges and street lighting.

2011 Report Recommended Actions

all information is available to allow effective asset management to take place

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
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| 5. Maintenance Manual | <p>The audit examined evidence that the authority uses documented processes for the key activities associated with the management of the asset. Documented processes (or procedures) for aspects such as inspection, defect categorisation/prioritisation, selection of planned maintenance schemes and selection of maintenance treatments and/or materials are expected to be recorded as a minimum. ELC has produced a draft maintenance manual that contains a large number of detailed procedures. This document has not been completed. It is in need of review and finalisation to prevent it from becoming out of date even prior to its publication.</p> <p>The audit considers that:</p> <p>5.1 Good practice is to have documented methods of managing the asset and a process to monitor compliance.</p> | <p>East Lothian Council is Consolidating its processes. Evidence that main asset groups are being managed in accordance with Asset Management principles. Asset Management procedures are documented but not controlled.</p> | <p>Review and complete the draft maintenance manual ensuring it contains the documentation that ELC wish to use to record how maintenance is managed and create a programme for when each of the procedures/processes is to be reviewed and/or updated.</p> |

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| <p>8. Works Programme</p> | <p><i>The audit investigated whether the authority had a practice of identifying long term programmes of work and the extent to which RAMP targets and strategies are incorporated and drive the selection of schemes and treatment included in the relevant works programmes</i></p> <p>Annual (1 year) work programmes exist for all the major asset groups with an indicative “wish list” of identified schemes to follow. As the RAMP does not contain documented strategies it is not possible to state that the programme support the strategies on which the RAMP is based. There is reliance upon officers to ensure that the programme is reflective of the approach being advocated.</p> <p>The audit considers that:</p> <p>8.1 Good practice is to have a rolling programme (3yrs or more) of prioritised planned maintenance/renewals schemes/projects that are driven by a documented strategy in the RAMP.</p> <p>Good practice is to have an evaluation process to monitor and review the effectiveness of the works programme</p> | <p>East Lothian Council is Developing rolling programme of works</p> <p>East Lothian is Developing systems to evaluate the works programme in the longer term.</p> <p>Currently, there is no evidence of evaluation of the works programme</p> | <p>Produce a 3 year rolling programme for the major asset groups (updated annually) to match the strategies detailed in the new RAMP, with firm commitment for the first year and lessening certainty for the following years</p> |
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2004 Report Recommended Actions

Councils should ensure that they have up-to-date IT systems and asset management systems, and take into account the recommendations and good practice contained in the Framework for Highway Asset Management, in particular:

- up-to-date information on the condition of the assets they are managing including roads, bridges and street lighting
- asset management systems linked to GIS and financial systems
- pavement management systems to minimise whole life costs of road maintenance
- electronic recording of safety inspections.

2011 Report Recommended Actions

they fully support SCOTS' road asset management project and have a road asset management plan in place no later than the end of 2011, with those councils that have still to develop adequate inventory and information systems doing so quickly in order to comply with this deadline

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|------------------|---|------------|----------------|
| 1 Policy. | <p>Policy.</p> <p>The Policy review is used to determine if there is evidence of a commitment to the use of Asset Management that has been formalised by the authority.</p> <p>ELC does not have a specific road asset management policy. A road asset management plan (RAMP) was however approved by council in June 2010. The RAMP provided a statement of current practice within the council and identified areas that required development. The draft Local Transport Strategy makes reference to the continuing development of the RAMP and the Council's commitment to its use for planning and prioritising maintenance works.</p> <p>A number of policies exist for individual activities such as safety inspections. A draft road maintenance manual exists containing a large number of documented processes and procedures which have become practice but which are not formal policy. A specific Asset Management policy is not essential. Formalised commitment to Asset Management can be achieved by other methods such as publishing relevant procedures as part of a quality management system. Regrettably, Roads Services no longer hold QA certification</p> <p>The audit considers that:</p> | | |

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| | <p>1.1 Good practice is to have asset management practices formalised. This may be in the form of a specific policy or it may be from other methods that the councils use.</p> | <p>East Lothian Council is Consolidating Some practices formalised via policy</p> | <p>Set out and formalise a framework for HC showing the RAMP activities for the year and publish it appropriately as a controlled document/procedure or policy.</p> |
| <p>7. Road/Road Asset Management Plan</p> | <p><i>The audit noted that East Lothian council has a RAMP and what its purpose and contents are. RAMPs are expected to be documents that are council approved and summarise the targets and investments committed by the authority. This audit used the template RAMP as a reference to gauge the quality of the RAMP.</i></p> <p>ELC produced and published an initial RAMP in 2010 to cover the period 2010-2013. The executive summary was presented to the Environment Committee in June of that year. It followed the format recommended by the preceding SCOTS RAMP project. It includes significantly more detail than would be included now following the later guidance (RAMP#2). The plan contains a lot of relevant detail but crucially does not include condition targets or specified strategies for how any targets that do exist are expected to be achieved.</p> <p>In early 2015 a draft RAMP#2 document was written but has yet to be completed. It covers the period 2015-2019 and contains details of assumed funding covering that period. It also contains some proposed level of service targets however many others remain to be identified including those relating to condition.</p> <p>As there are no specific council approved targets yet in place it is not possible to say that the council is actively targeting delivery in the manner that good asset management practice demands.</p> <p>The audit considers that:</p> | <p>East Lothian Council is Consolidating the process of publishing the RAMP but not taken through Council Committee approval process until conclusion of the LTS.</p> | <p>Complete the production of the RAMP#2 2017-2021. Present to Council to gain approval of the levels of service and strategies detailed within.</p> |
| | <p>7.1 Good practice is to have a RAMP approved by council</p> | | |

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| | <p>7.2 Good practice is for the RAMP to contain the service standard target for the period covered by the plan. (repair and condition standards/targets)</p> <p>7.3 Good practice is for the RAMP to details strategies for how it is planned to deliver the standards/targets</p> <p>7.4 Good practice is for the RAMP to identify key risks to successful delivery and how these will be managed.</p> | <p>East Lothian is Consolidating its targets and will contain with the RAMP details of standards/targets</p> <p>AS above ELC is Consolidating Some strategies in to the RAMP but not all asset groups are covered</p> <p>ELC is Consolidating the RAMP to identify and include known Risks but lacks sufficient detail, or a clear plan for how they will be managed</p> | |
| 6. Annual Status and Options Report | <p><i>The audit examined if the status of the asset is being reported and if costed future condition predictions are reported. Template annual status and options reports have been made available for this purpose under the project. The audit investigated the adoption of these practices, specifically if there was a formalised reporting of status to management and councillors.</i></p> <p>ELC produced an ASOR for carriageways which was presented to council in November 2013. Draft ASORs were created for all asset groups in 2014 but these were not finalised or presented to council. ASORs for 2015 have yet to be drafted.</p> <p>Options reporting linking levels of investment to predicted outturn service standards (condition etc.) have not been produced for use within the budget setting process.</p> <p>The audit considers that:</p> <p>6.1 Good practice is to report the performance (condition, repair record and other relevant information) about the asset and the risks associated with it to the relevant stakeholders and decision makers at least annually</p> <p>6.2 Good practice is to present decision makers with investment options.</p> | | |
| 2. Data. | <p>A draft Data Management Plan (DMP) was produced in December 2014 that includes improvement actions for all asset groups, however this DMP was not completed and there is no evidence of these improvement actions being undertaken or monitored. Observations on the reported data completeness and quality are given below</p> | | |

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| | <p>2.1 Good practice is to hold the core data recommended by SCOTS.CSSW for all major asset groups</p> | <p>East Lothian Council is Consolidating its practices. Good level of reliable core data held with clear plans to address the deficiencies</p> | <p>Complete a revised data assessment spreadsheet and identify the improvement actions required along with appropriate timescales Determine methods of updating data that can be sustained e.g. from ongoing</p> |
| | <p>2.2 Good practice is to have a plan for managing the improvement of asset data/closing gaps in asset data.</p> | <p>East Lothian is Developing processes. Data deficiencies are not yet clearly identified in a data improvement plan.</p> | <p>data collection during inspection and/or works completion and record in the data management plan including verification and validation processes.</p> |
| | <p>2.3 Good practice is to have formal data management and effective procedures that ensure data is regularly updated and validated.</p> | <p>East Lothian Council is Developing procedures. Data Management Planning is inadequate or procedures are not being followed</p> | <p>Complete the drafting of the DMP and define the actions with timescales</p> |
| | <p>2.4 Good practice is to have electronic information systems that enable efficient recording, storing and reporting to support decision making</p> | <p>East Lothian Council is Consolidating systems. Information is held in disparate systems. Improvement requirements have been identified with implementation in process.</p> | <p>Complete a review of data systems capability and use and document a strategy for improvement of the systems used (and/or their) upgrade /replacement</p> |

2004 Report Recommended Actions

Councils should develop:

- a framework of performance indicators and outcome targets against which to measure the performance of the road maintenance system.
- Road maintenance strategies in the context of their transportation and roads asset management strategies. Councils should take into account the views of road users and the wider community in the development of road

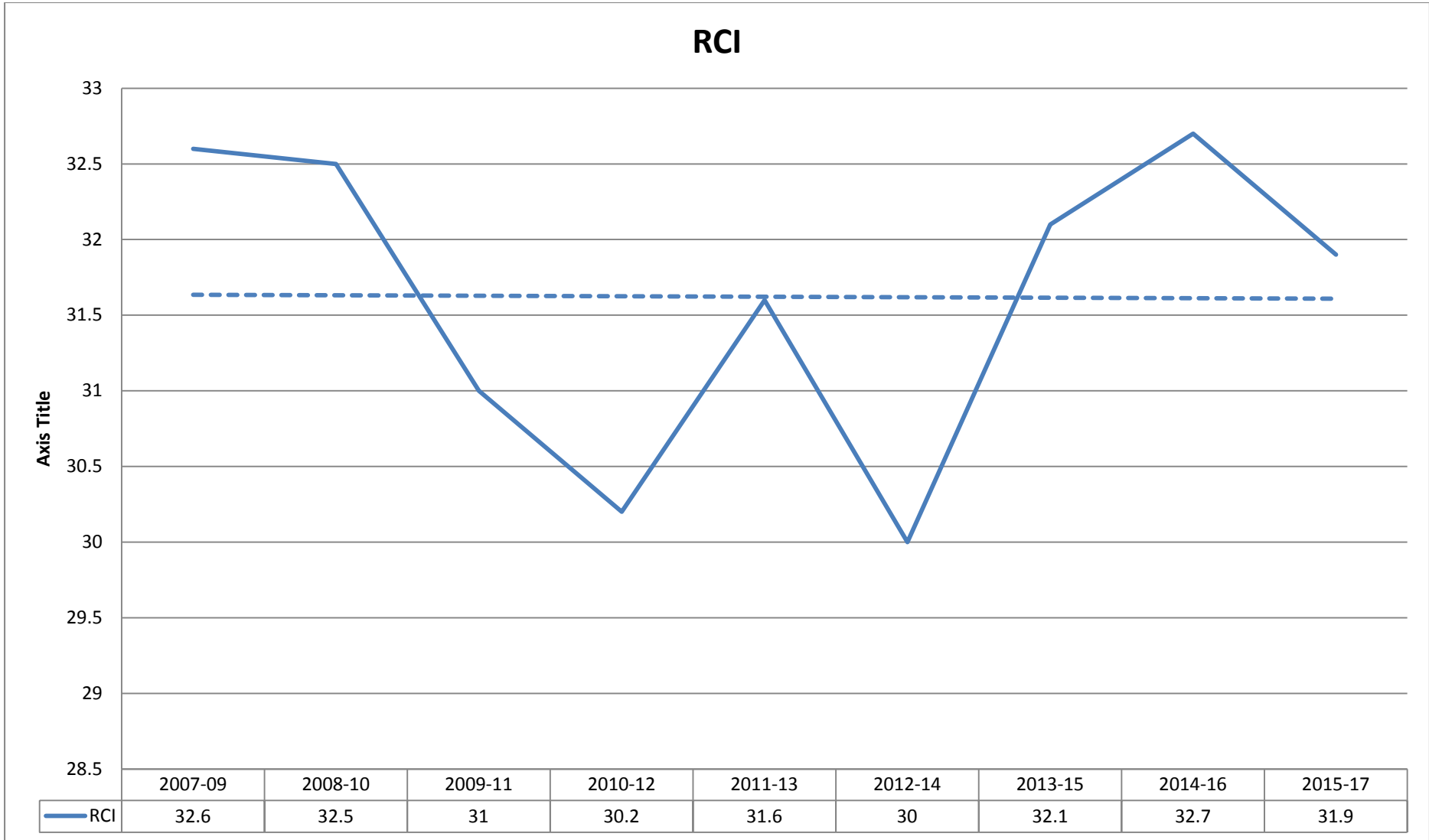
2011 Report Recommended Actions

they adopt the suite of performance indicators being developed by SCOTS as an important

| SCOTS Tasks | Current Situation and Progress | Assessment | Recommendation |
|---|---|------------|----------------|
| 3. APSE Performance Indicator Returns. | <p>The audit found that ELC's performance data supplied to APSE appears complete. A full return was made in 2013/14 and the 2014/2015 data is in the process of being compiled. In addition to the annual APSE return data ongoing performance reporting is undertaken for a small number of indicators within the Departmental Performance Report (percentage of roads resurfaced, structures GIs undertaken, response times to customer enquiries, NRSWA noticing). This appears to be a well-developed system and the results are reviewed during quarterly internal meetings.</p> <p>The data for 2013/14 reported a level of compliance with reactive repair response times of 83%; this was noted as an issue and targeted for improvement. Current figures show a level of >90%. Figures for carriageway condition are quoted in the returns based on the SRMCS condition surveys and for footways based on the visual survey. The absence of target standards relating to most of the performance measures makes it difficult to determine if ELC are achieving their expected levels of service.</p> <p>The audit considers that:</p> | | |

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| | <p>3.1 <i>Good practice is to have a relevant suite of performance measures to actively manage core assets and drive investment decision making towards best value outcomes</i></p> | <p>East Lothian Council is Consolidating its Data and performance is reviewed and there is some evidence of usage in pursuing improvement activity</p> | <p>Establish a reporting regime for the key performance indicators that are required to measure the service standards that ELC aims to deliver in the RAMP.</p> |
| | <p>3.2 <i>Good practise is to have a mechanism for evaluating and improving performance, aimed at creating a culture of continuous improvement</i></p> | <p>East Lothian Council is Consolidating its targets. Evidence of specific ad-hoc improvement initiatives</p> | <p>Set up a system to identify where performance indicators show a deficiency of service against target and to produce an action plan as required.</p> |
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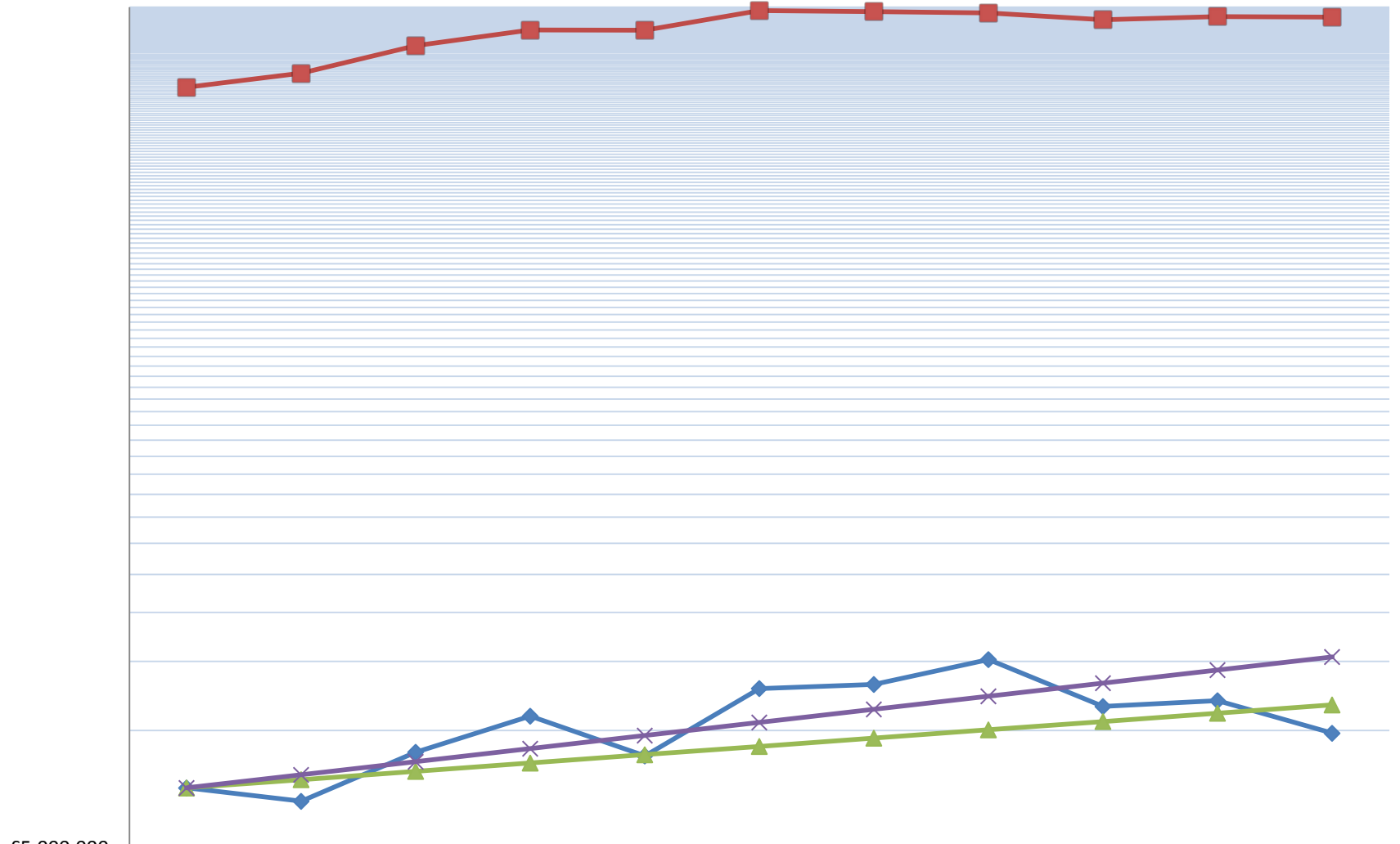
Appendix 2 – East Lothian Council – Road Condition Indicator (RCI)



RCI - % of local carriageway network considered necessary for maintenance treatment.

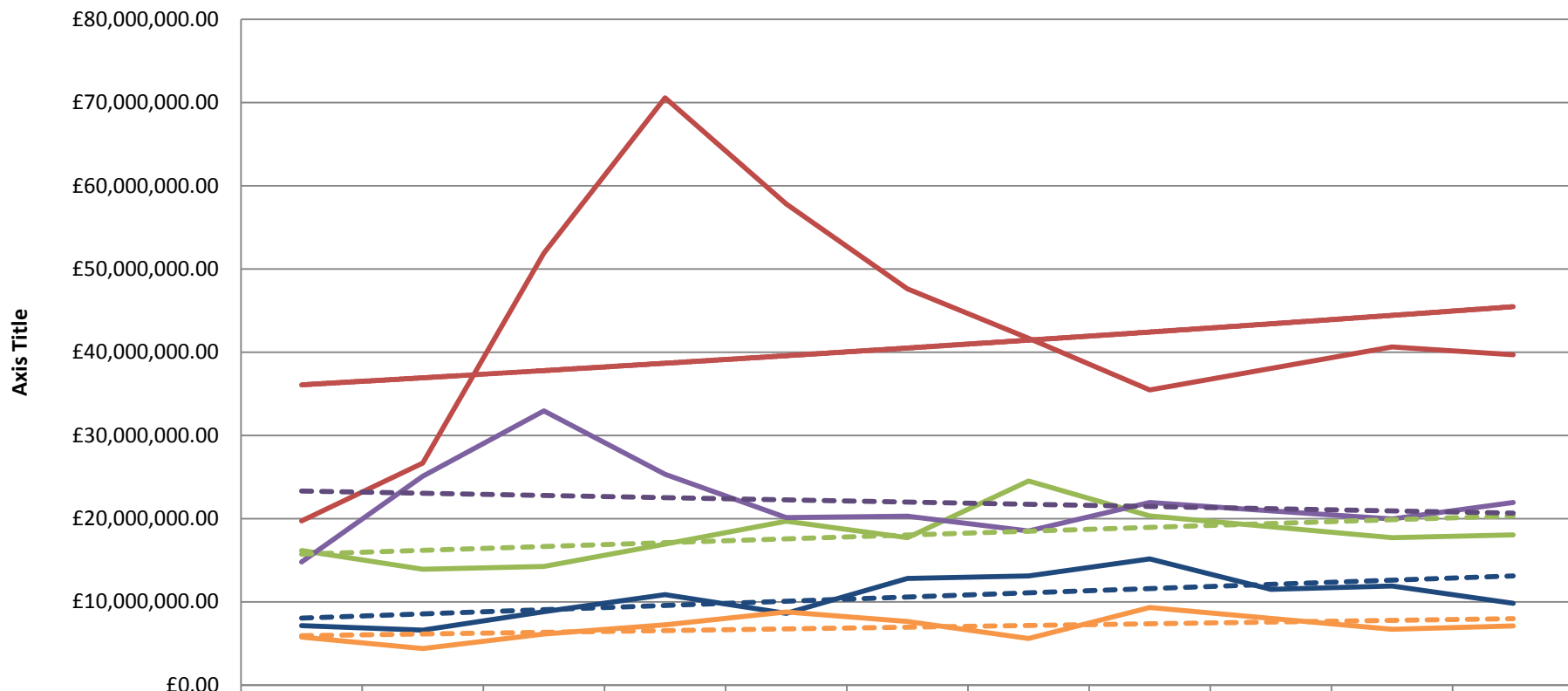
Appendix 3 - National versus Local Maintenance Spend Comparison

Axis Title



| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ◆ East Lothian Spend | £7,131,000 | £6,593,000 | £8,797,000 | £10,872,000 | £8,608,000 | £12,789,000 | £13,100,000 | £15,160,000 | £11,507,000 | £11,908,000 | £9,833,000 |
| ■ All Authority Acc. Spend | £437,000,000 | £475,000,000 | £558,000,000 | £612,000,000 | £611,000,000 | £686,000,000 | £682,000,000 | £676,000,000 | £650,000,000 | £662,000,000 | £660,000,000 |
| ▲ 5% | £7,131,000.0 | £7,487,550.0 | £7,861,927.5 | £8,255,023.8 | £8,667,775.0 | £9,101,163.8 | £9,556,222.0 | £10,034,033. | £10,535,734. | £11,062,521. | £11,615,647. |
| ✕ 8% | £7,131,000.0 | £7,701,480.0 | £8,317,598.4 | £8,983,006.2 | £9,701,646.7 | £10,477,778. | £11,316,000. | £12,221,280. | £13,198,983. | £14,254,902. | £15,395,294. |

Appendix 4 - Local comparison compares East Lothian Council's spend with neighbouring local authorities.



| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| — East Lothian | £7,131,000 | £6,593,000 | £8,797,000 | £10,872,000 | £8,608,000 | £12,789,000 | £13,100,000 | £15,160,000 | £11,507,000 | £11,908,000 | £9,833,000 |
| — City of Edinburgh | £19,730,000 | £26,665,000 | £51,902,000 | £70,577,000 | £57,808,000 | £47,596,000 | £41,673,000 | £35,444,000 | £38,035,500 | £40,627,000 | £39,702,000 |
| — Scottish Borders | £16,168,000 | £13,897,000 | £14,237,000 | £16,938,000 | £19,669,000 | £17,702,000 | £24,505,000 | £20,330,000 | £19,017,000 | £17,704,000 | £18,055,000 |
| — West Lothian | £14,778,000 | £25,079,000 | £32,955,000 | £25,337,000 | £20,118,000 | £20,275,000 | £18,524,000 | £21,919,000 | £20,930,000 | £19,941,000 | £21,940,000 |
| — Midlothian | £5,761,000 | £4,389,000 | £6,123,000 | £7,221,000 | £8,779,000 | £7,623,000 | £5,577,000 | £9,306,000 | £7,994,500 | £6,683,000 | £7,085,000 |

Appendix 5 - Improvement Action Programme

| No | Recommendation | Priority |
|----|--|----------|
| 1 | Set out and formalise a framework for HC showing the RAMP activities for the year and publish it appropriately as a <u>controlled document/procedure or policy</u> . | High |
| 2 | Complete a revised data assessment spreadsheet and identify the improvement actions required along with appropriate timescales. | High |
| 3 | Determine methods of updating data that can be sustained e.g. from ongoing data collection during inspection and/or works completion and record in the data management plan including verification and validation processes. | High |
| 4 | Complete the drafting of the DMP | High |
| 5 | Complete a review of data systems capability and use and document a strategy for improvement of the systems used (and/or their upgrade/replacement) | Medium |
| 6 | Establish a reporting regime for the key performance indicators that are required to measure the service standards that ELC aims to deliver in the RAMP. | Medium |
| 7 | Set up a system to identify where performance indicators show a deficiency of service against target and to produce an action plan as required. | Medium |
| 8 | Create a documented process for computing unit rates, including the item coverage and use it to formalise reporting of historical costs. | High |

| | | |
|----|--|--------|
| 9 | Use the unit costs generated above in conjunction with data available from other authorities to inform an annual review of costs and report the same to the relevant management forum/committee. | Medium |
| 10 | Use the SCOTS RAMP cost prediction tools for predicting future need for all aspects of the service and use it to inform annual status and options reports. | High |
| 11 | Complete the 2014/15 Roads Asset Valuation (if not already done so) and report results to finance. Write a valuation report to detail the method of valuation the status of the input data and to identify any improvement actions required. | High |
| 12 | Create a reporting method for estimating benefits of specific AM cost reduction/value for money initiatives and report the accrued benefits annually (at least). | Medium |
| 13 | Review and complete the draft maintenance manual ensuring it contains the documentation that ELC wish to use to record how maintenance is managed and create a programme for when each of the procedures/processes is to be reviewed and/or updated. | High |
| 14 | Formalise an annual status and options reporting process to Senior management and/or Councillors detailing what is to be reported and when, include details of predicted condition and associated costs. | High |
| 15 | Complete the production of the RAMP#2 2015-2019. Present to Council to gain approval of the levels of service and strategies detailed within. | High |
| 16 | Produce a 3 year rolling programme for the major asset groups (updated annually) to match the strategies detailed in the new RAMP, with firm commitment for the first year and lessening certainty for the following years. | Medium |

| | | |
|----|---|--------|
| 17 | Implement a road asset management working group in order to develop and monitor an improvement action programme. | Medium |
| 18 | Identify the required level of RAMP development involvement from each officer both within the council and at the national project level. | Low |
| 19 | Create a RAMP improvement action programme and a method of recording the benefits achieved from improvements to asset management practices and report them at least annually. | Medium |

