

## APPENDIX 1

### MORAY COUNCIL RESPONSE

**The Scottish Parliament Rural Economy and Connectivity Committee  
Pre-Budget/Financial scrutiny on roads maintenance in Scotland  
Submission from Moray Council**

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

Local authority road budgets compete with Education and Social Care and other budget areas which are given a higher priority and have been for many years. As a consequence Roads budgets are disproportionately reduced and this has been a worrying trend for Moray Council and across many Scottish Authorities for the last number of years. This has had a direct impact on the quality of the roads network which we would consider to be the most valuable and largest asset owned by Moray Council with a replacement value of £1.6 billion. The evidence from the Scottish Road Maintenance Condition Survey (SRMCS) shows that the overall quality of Scotland's roads as represented by the Road Condition Indicator (RCI) has been generally held at the same level despite recent reductions in expenditure. However, faced with unprecedented financial challenges and in order to meet budget saving targets, in 2014 Moray Council made the decision to allow Moray's road condition to deteriorate, with a target to be at mid-point in the national table across the network as a whole by the end of the following 5 year period. This target was revised in 2017 in light of the condition of Moray's roads at that point. A reduced capital investment since then has caused our network condition to deteriorate.

Following the completion of the road condition surveys undertaken in 2018, we have now received our latest RCI % figures. Table 1 below details the current RCI % figures and ranking position in comparison with other Scottish Authorities.

Table 1: RCI (%) and ranking position

Network	2015-17		2016-18		2017-19	
	RCI	Ranking	RCI	Ranking	RCI	Ranking
Whole Network	26.9%	4	27.9%	4	29.1%	4
A Class	25.2%	17	25.9%	15	28.6%	21
B Class	22.8%	8	23.5%	7	25.6%	13
C Class	21.9%	5	24.9%	5	28.1%	8
A,B,C Class	22.9%	5	24.6%	5	27.3%	9
Unclassified	31.4%	5	31.6%	5	31.1%	6

The above table shows our current RCI % figures are against each road classification type. It is clear that these figures are now increasing more aggressively than in previous years. Moray's road network is now deteriorating at a pace which will likely result in us being either at or below mid table before the end of the revised 5 year period, which commenced April 2017.

It can be noted that our A class roads have already surpassed the mid table point following the completion of this year's surveys and we are now placed 21st and a significant %

increase is noted of 2.7% from the previous condition surveys. It is clear that additional investment on A Class roads will be necessary over the next few years to arrest that deterioration and maintain the current condition.

B class roads have also deteriorated with a 2.1% increase this year, changing our national ranking from 7th place last year to 13th place this year, which is getting close to the targeted 16th place mid table position.

C class roads have deteriorated the most in the last year, with a 3.2% increase in the RCI. This has moved our national ranking for these from 5th place last year to 8th place this year. It is clear that the combination of A, B and C class roads rankings and condition is seeing a significant change from the earlier survey results recorded. This reinforces that the lack of investment is beginning to be noticeable in the condition of Moray's roads network, and our RCI figures are heading towards the targeted mid table position.

The most significant change in Moray when dealing with reduced road maintenance budgets has been a transfer of resources from resurfacing and reconstruction towards the greater use of surface dressing. Surface dressing is a low cost treatment that seals the surface of the road against the ingress of water thereby helping to reduce frost damage over the winter. However, it does not deal with the longer term damage to the lower layers of the road caused by repeated loading from heavy vehicles. It will not, therefore, prolong the life of a road indefinitely and more substantial treatment will eventually be required. The reduction in more substantial resurfacing treatment also appears to have been associated with an increased need for reactive patching in Moray.

Worryingly, since 2012/13, there has been an annual decrease in the amount of revenue funds allocated within roads maintenance. For 2019/20, this amounts to a 40% reduction since 2012/13.

2013 – 6%  
2014 – 18%  
2015 – 19%  
2016 – 21%  
2017 – 23%  
2018 – 36%  
2019 – 40%

In financial terms this has been a cumulative reduction of £8.63m since 2013. This year's budget is a £2.135m reduction from 2013.

With regards to capital funding, since 2012/13, there has been an annual decrease in the amount of capital funds allocated within roads maintenance. For 2019/20, this amounts to a 34% reduction since 2012/13.

2013 – 14%  
2014 – 33%  
2015 – 33%  
2016 – 36%  
2017 – 26%  
2018 – 31%  
2019 – 34%

In financial terms this has been a cumulative reduction of £11.57m since 2013. This year's budget is a £1.89m reduction from 2013.

	<p>Reduced budgets are having an impact in relation to insurance claims. Councils are open to third party liability if someone is hurt or suffers a loss as a result of the Council not undertaking work it has a duty to do.</p> <p>The total number of Road insurance claims are noted below:</p> <p>2014/15 – 33  2015/16 – 34  2016/17 – 45  2017/18 – 35  2018/19 – 62</p> <p>It can clearly be noted that the Council is seeing an increase in the number of insurance claims that are received in respect of roads maintenance and this trend is likely to continue in the face of continuing budget pressures.</p>
<b>2</b>	<p><b>If spending on roads maintenance continues at current levels, what could be the likely effects on the above groups?</b></p>
	<p>The forecast is not just spending at current levels but can be expected to be reduced further as pressure to make further savings while protecting some services continues. This will continue to affect these groups by our roads further deteriorating. Recent financial modelling undertaken suggests a significant cash injection will be required to recover the roads asset. Moray has a maintenance backlog of £40.7m and a £7.5m steady state budget requirement. In simple terms, the maintenance of the road asset can be compared to that of wooden windows. The effective way to maintain the wooden windows is to varnish them annually, periodically it is sometimes required to sand the windows down, apply some filler to repair and then re varnish. Unfortunately, after a period of time the wood will deteriorate beyond varnishing and the windows will eventually need replacing.</p> <p>At the present time, to make best use of the available budgets we are very much doing the equivalent of ‘applying varnish’ to our roads. This treatment is referenced as surface dressing, which doesn’t add strength to the road but is based on preventing damage from water getting into the road layers, and restoring surface texture to improve skid resistance. After a period of time the road will eventually crumble underneath and will require wholesale reconstruction, which comes at a significant increase in cost.</p> <p>In the short term, if spending continues at current levels then, even with an emphasis on surface dressing which can minimise the level of substantial deterioration in carriageway surface condition in the first few years, modelling suggests our roads will continue to deteriorate and need significant cash injection to return to a reasonable condition.</p> <p>In the medium term it would be necessary to reinstate resurfacing and reconstruction programmes to address the longer term deterioration in the multiple layers of the road network, but this will need increased financial investment.</p> <p>However, Moray Council, along with other local authorities, are having to address a projected overall shortfall in both capital and revenue budget in future years. Our teams have managed the available budgets very effectively whilst also working collaboratively to develop new approaches with other authorities. The Audit Scotland Reports of 2013 and 2016 highlight this work.</p> <p>Recent modelling undertaken and supported by our RCI ranking show that any further financial reductions would result in a sustained deterioration in the condition of the council’s road network. This would clearly have an adverse impact on road users, businesses, public</p>

	<p>services and the economy. There would be more potholes, more insurance claims, more emergency road closures and more disruption. Good road connections are particularly important for an outlying rural area such as Moray where remoteness from markets can be an issue for the economy. In the event of further reductions, priority would have to be given to A and B class roads, so C class and unclassified roads would be likely to be disproportionately affected.</p>
<b>3</b>	<p><b>How could any negative effects of reduced road spending best be addressed?</b></p>
	<p>Work undertaken through the National Road Maintenance Review, Roads Collaboration and the input to the draft NTS have considered how other nations allocate and prioritise funding for the development and maintenance of their transport networks. The Committee should include this as part of its considerations.</p> <p>The best outcome would be achieved if there were no further reductions in road spending and recognition of the maintenance backlog figures that Councils have identified and an injection of much needed funds in this vital asset.</p> <p>Consider ring fencing budget allocations to Local Authorities which would allow Moray to commit to a longer term 5year financial plan of investment to allow roads engineers to plan the best investment to recover the roads asset. Clearly this would intensify the gearing effect on unprotected budgets, but it would go some way to mitigating challenges with roads infrastructure.</p> <p>The Scottish Government provides an annual Strategic Timber Transport Fund, that co-finance localised small-scale road improvements for rural authorities like Moray. The opportunity to bid for strategic timber transport fund co-finance has helped secure local authority investment in some otherwise non-priority roads but a longer-term financial commitment to maintenance and improvement is required.</p> <p>The poor condition of rural roads is related to the fact that much of the rural road network is of an age, condition, and construction that is less than ideal for the haulage requirements of modern communities and land uses.</p> <p>Consideration should be made that other large scale users of our road network such as the distillery industry contribute to the investment of rural roads and Scottish Government could replicate the annual STTS funding stream that is available and has been widely drawn on by Moray Council.</p>
<b>4</b>	<p><b>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?</b></p>
	<p>No. There is an element of duplication with trunk roads and local authority roads within the same area. Consideration should be given to transfer responsibility for all trunk roads with the exception of Motorways and dual carriageways to local authorities along with appropriate budgets. Consideration should be given to create a wider geographical area for Roads authorities than currently exists.</p> <p>It is felt that, operationally there needs to be close co-ordination at the interface between the trunk and local road networks for optimum efficiency of the road system as a whole.</p> <p>The previous funding model, pre1996 whereby each Council managed the sections within their own boundaries on behalf of the trunk road authority was found to be more efficient with each Council able to integrate the management of these with adjoining local roads. In the case of single carriageway all-purpose trunk roads, the interaction is very strong with frequent junctions and frontage development. Council vehicles very often travel along the</p>

trunk roads as a means of getting from point A to B when undertaking maintenance activities such as gully cleaning, winter maintenance provision etc and is felt a return to this model would be a more efficient way of undertaking these functions.