



To: Environment Policy Board

On: 11th November 2015

Report by: Director of Community Resources

Heading: Consultation Response - Development of the Term Management & Maintenance Contracts for the Scottish Trunk Road Network

1. Summary

- 1.1 This report describes the Consultation recently published by Transport Scotland into the procurement of what is described as the 5th generation of trunk road management and maintenance contracts. Transport Scotland proposes to commence procurement towards the end of this year with a view to having new contractual arrangements commencing 2019.
 - 1.2 Renfrewshire Council has submitted a draft response to meet the timescales for consultation and advised that it is subject to approval from this Board.
 - 1.3 In answering the specific questions set out in the consultation our response highlights that there is a wider agenda which should be considered. In particular, City Deal and the collaboration opportunities which exist across the member Councils provide a unique opportunity to take a fresh look at the management and maintenance of trunk roads. We consider that there are potential efficiencies and operational advantages to taking a more radical approach than implied by the set consultation questions.
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2. Recommendations

- 2.1 It is recommended that the Environment Board approves the draft Consultation response attached as an Appendix to this report as Renfrewshire Council's response to the "Scottish Government Consultation on Development

3. Background

- 3.1 Transport Scotland issued a consultation in July of this year concerning the manner in which Trunk Road Management and Maintenance Contracts would be progressed post 2019. At present, Scotland is divided into 4 operational areas with regard to Trunk Road Management and Maintenance and each area is discretely contracted out to a private sector provider. In view of procurement timescales, Transport Scotland have advised that the next generation of Trunk Road Management and Maintenance contracts will require to be progressed by the end of this calendar year.
- 3.2 At commencement of the consultation, Transport Scotland invited comments from professional bodies and Local Government Partnerships. They did not initially send invitations directly to Local Authorities and consequently there was a delay in Councils receiving notification of the consultation.
- 3.3 The Consultation document is in the form of an information overview concerning the Scottish trunk roads, how they are managed and the level of funding. In brief, there are approximately 3,350km of trunk road across Scotland forming a strategic road network which comprises motorways, dual carriageways, single carriageways and indeed single track road linking all parts of Scotland.
- 3.4 Management and maintenance of the trunk road network is through four operational areas effectively forming four quadrants of Scotland and not aligning in any way with existing Local Authority or strategic transport bodies' boundaries.
- 3.5 The annual budget attached to these contracts is of the order of £140m per annum. This excludes trunk roads which have been constructed under design/build/operate contractual arrangements and significant trunk road improvement projects.
- 3.6 Trunk roads form approximately 6% of the total public road system by length. They carry, however, an estimated 37% of total traffic. The highest traffic volumes are focused on the busy stretches of motorway across the central belt.

- 3.7 In seeking views on the most appropriate way to move forward with Trunk Road Management and maintenance, Transport Scotland seek opinions on the geographical areas covered by future contracts and the scope of services which should be included. The consultation asks specific questions in this respect and the questions and our proposed answers are included in an appendix to this report.
- 3.8 A significant issue which can be related to the consultation on trunk roads is the formal collaboration which exists between the eight Authorities involved in City Deal. Most of the City Deal projects which support regional economic regeneration are transport orientated. It is significant therefore that local authority driven capital investment will significantly improve connectivity across the Glasgow Conurbation and beyond.
- 3.9 The Glasgow Conurbation is also unusual in that the Trunk Road Network in parallel with fulfilling the role of a strategic road system is also an integral part of the local road system catering for short distance traffic movements and interconnectivity throughout the metropolitan area. This is quite unlike most other locations in Scotland where the strategic road system bypasses urban areas.
- 3.10 Discussions have been taking place amongst the City Deal partner Councils on potential collaboration opportunities with regard to roads and transportation. These discussions are at an early stage and it was anticipated that reports would be brought forward later this year following the development of tangible proposals. In light of the consultation from Transport Scotland however, it was deemed prudent that the Chair of the Officers Group write to Transport Scotland on behalf of partners, proposing that the current consultation be deferred. This is because collaboration opportunities may emerge as Councils develop options with the City Deal agenda.
- 3.11 It is our understanding that there is scope to extend the existing trunk road contracts by one to two years and that this could create a window for meaningful discussions between City Deal partner Councils and Transport Scotland in the development of options for the management of trunk roads within the City Deal area. Glasgow City Council has written to Transport Scotland with their proposal on behalf of City Deal partner Councils. We have not to date received a response from Transport Scotland with regard to this suggestion. The formal consultation does not provide scope to make this point within the set questions but it is proposed that Renfrewshire reiterate the potential benefits of engaging with City Deal partners in the development of options prior to progressing to the fifth generation of trunk road contracts.
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Implications of the Report

1. **Financial** - *none*
2. **HR & Organisational Development** –*none*
3. **Community Planning** – Efficient delivery of trunk road management and maintenance will contribute significantly to economic activity through the provision of high quality, well maintained transport links with consistent journey times.
4. **Legal** – *none*
5. **Property/Assets** - *none*
6. **Information Technology** - *none*
7. **Equality & Human Rights** - *The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.*
8. **Health & Safety** – - *none*
9. **Procurement** –*none*
10. **Risk** – *none*
11. **Privacy Impact** – *none*

List of Background Papers – none

Author: Scott Allan, Head of Amenity Services
Email: Scott.Allan@renfrewshire.gcsx.gov.uk

Annex A

Questionnaire

There is an opportunity to consider whether the geographical areas and/or the scope of services within future contracts should be changed to provide both a more efficient delivery model for the TMM of the trunk road network, and one that is also attractive to potential service providers. Your views are sought on the following questions around the current and future TMM contracts.

Geographical boundaries

The current TMM contracts have seen the Scottish trunk road network continue to be separated into four geographical units plus the recent addition of the Forth Bridges unit. (see Figure 1 on page 5)

Extent of Units and Scope of Services – Local Authority Consultation

Question 1

Do you consider the current arrangement of four geographical area units plus the Forth Bridges unit to be the most appropriate or are there any changes you would propose that would better meet the principal objectives? (e.g. a change to the number of Units and / or to the extent of the Units, grouping of roads by category, routes or destinations). Please also explain the reasons for your view.

Response

It is the view of Renfrewshire Council that the current arrangements of four geographic units do not work as they straddle political and geographic boundaries and are not based around any logic which a member of the communities they serve would understand.

City regions are recognised as major drivers of economic growth and prosperity. Transportation issues are not bound by individual local authority areas or road types and have a strong link with wider planning, health, economic and social inclusion issues.

This Council considers the scope of the current consultation which is constrained to the nature of 5G contracts is too narrow. There is the opportunity to undertake a fundamental review of both local authority and trunk road management and maintenance with a view to creating further economic growth and driving efficiencies.

Extent of Units and Scope of Services – Local Authority Consultation

Question 2

Do you consider there to be other changes which could be made to the composition of units which would be advantageous in meeting the principal objectives. For example forming units based on route categories (e.g. motorway, dual or A class), destination (e.g. cities, ports, industry), route characteristics (e.g. topography, geometry), entire routes being the responsibility of a single contractor (e.g. no split in responsibility of A9, A82 or M8). If you believe there are changes that could be beneficial please provide detail and an explanation within your response.

Response

Renfrewshire and partner organisations have recently entered into the City Deal project which will promote and support economic growth across the City Deal partnership area. The area encompassed by City Deal is unusual because the trunk road network is an embedded and integral component of the road network within the conurbation.

Additionally, Renfrewshire Council is working with other local authorities, as part of the Clyde Valley Roads Alliance, to promote collaborative working across roads activities. This is unlike other locations across Scotland where for the most part, trunk roads serve as bypasses to urban areas. We consider therefore that there is significant value in considering an integrated approach to trunk and local road development in a City Deal context.

As there has not been a major review of the trunk road network since 1998, it would now be an appropriate time, in a climate of reducing budgets and a shrinking resource pool to undertake a review of Scotland's road network. The review should adopt an asset management approach to maintenance and management of the network as a whole and address the current inequality in the funding system, whereby minor trunk roads receive more funding than major city streets.

Extent of Units and Scope of Services – Local Authority Consultation

Existing Scope of Services

The existing scope of services delivered by the OC's can be viewed within the contract documentation which can be found at the following link:

<http://www.transportscotland.gov.uk/road/maintenance/operating-companies>

The OC's currently deliver a complete management and maintenance service. The service consists of "Core Operations" and "Ordered Operations". Core Operations are paid via fixed monthly sums and include activities such as cyclic /routine maintenance, winter treatment, incident response (valued at <£10,000), emergency defect repairs (valued at <£10,000), inventory management, smaller scheme design (valued <£50,000), programming and scheme supervision. In addition to Core Operations the OC undertake Ordered Operations which are re-measurable via an agreed Schedule of Rates established at the tender stage. Ordered Operations cover larger design (valued at >£50,000) and the delivery of any structural maintenance, renewal or improvement work. Ordered Operations valued individually up to £350,000 are typically delivered by the OC using the agreed Schedule of Rates established at tender stage. Schemes valued >£350,000 (Works Contracts) are typically designed by the OC, who acts as Engineer with a third party subsequently delivering the work.

Extent of Units and Scope of Services – Local Authority Consultation

Question 3

Should the principles of the contractual arrangements for delivering Core Operations be retained? (e.g. payment of monthly sums to cover well understood cyclic and routine activities) Please also explain the reasons for your view.

Response

Renfrewshire Council's view is that lump sum arrangements whereby the contractor is required to price for the element of risk in undertaking unspecified volumes of work in conditions over which he has no control, e.g. the weather, does lead to potential inefficiency.

Alternative forms of contract which share or limit the risk should be considered.

Extent of Units and Scope of Services – Local Authority Consultation

Question 4

Should the contracts retain the requirement for the delivery of Ordered Operations? (e.g. the OC is required to deliver schemes valued <£350,000 based on the tendered Schedule of Rates.) If so, what threshold would be seen as appropriate and why? (e.g. is the £350,000 threshold too high or too low?) Please also explain the reasons for your view.

Response

Renfrewshire Council considers that the threshold Should be set at a level that balances the resource requirement in tendering for works against the risk of not obtaining value for money through the tendering process.

Robust market testing should be undertaken to benchmark the rates submitted in addition to robust contract monitoring arrangements also being in place.

Extent of Units and Scope of Services – Local Authority Consultation

Potential Changes to Scope of Services

Recent developments in network maintenance and management arrangements outwith Scotland have resulted in the introduction of significant changes to the scope of road maintenance term contracts. These changes include substantial alterations to the scope of services being delivered by the relevant service providers and the number of contractual relationships with the client (e.g. within Scotland such changes could see the TMM contracts broken down into smaller contracts to collectively cover the scope of services required).

Extent of Units and Scope of Services – Local Authority Consultation

Question 5

Should the scope of services currently provided by the OC's be retained or should a review be undertaken into splitting into different contracts for different elements, in order to provide a better service or value for money? (e.g. for areas of work such as bridge maintenance, lighting, landscaping etc.) Please also explain the reasons for your view. If your answer is in favour of splitting into different contracts for different elements, please also consider within your answer any implications for the geographical areas of such contracts.

Response

As previously stated Renfrewshire Council considers the scope of the current consultation is too narrow.

In common with other members of the Clyde Valley Roads Alliance, this Council considers that there would be significant benefit if the procurement process for the 5G contracts could be postponed through extension of the current contracts. This would provide an opportunity to explore options for local and trunk road management which would potentially deliver positive outcomes for both the Scottish economy and road network condition.

Extent of Units and Scope of Services – Local Authority Consultation

Question 6

Do you consider there would be advantages or disadvantages in any or all of the following activities being removed from the scope of the TMM contracts?

- asset management (inspection programme, condition rating, inventory management)
- scheme prioritisation / programming
- design
- delivery of ordered operations
- delivery of core operations

If you do foresee advantages or disadvantages in any or all of the above or other activities being removed from the scope of the TMM contracts, please include examples and / or an explanation within your response.

Response

Renfrewshire Council's view is that only a comprehensive review of all Roads Authorities activities, as previously mentioned, could comprehensively answer this question as only then would the potential opportunities and issues of various models be determined.

From the list, we would comment that scheme prioritisation and selection should not be a function of the contractor. This activity should remain the function of an intelligent client to avoid the perception of programmes being driven by financial motives.

Extent of Units and Scope of Services – Local Authority Consultation

Question 7

Are there any potential innovations or efficiencies based on industry best practice or otherwise that you suggest be considered as part of the scope of services for the future TMM contracts? If you believe there are potential innovations or efficiencies, please include examples and / or an explanation within your response.

Response

Scottish local authorities have played a leading role in the development of asset management principles and practices, leading to consistent practices across the entire local road network.

It is Renfrewshire Council's view that a consistent approach based on asset management best practice should be taken across an integrated local and trunk road network to ensure equitable funding of all roads and a consistent service standard for all road users.

Extent of Units and Scope of Services – Local Authority Consultation

Collaboration

Scottish Ministers and the Convention of Scottish Local Authorities (CoSLA) are committed to the principle of collaboration and shared services including exploring possibilities for sharing road maintenance services, both across local authorities and between local authorities and Transport Scotland.

Extent of Units and Scope of Services – Local Authority Consultation

Question 8

Do you foresee advantages or disadvantages in provision being made in future TMM contracts for local road authorities being a joint Client with the ability to purchase services through the contract? If you foresee any advantages or disadvantages, please include an explanation within your response.

Response

Renfrewshire Council does not consider that the ability to utilise a trunk road contract will offer any advantages to local authorities. Issues such as funding gaps, duplication of effort and skills shortages will not be addressed.

Rather than being led by existing practices for trunk road management, there is now an opportunity to undertake a wider review of the entire road network which would potentially deliver positive outcomes for both the Scottish economy and road network condition.

Extent of Units and Scope of Services – Local Authority Consultation

Question 9

Are there any other forms of network maintenance collaboration that you feel would be more appropriate than that suggested in Question 8? If there are, please provide details.

Response

Renfrewshire Council considers that for the reasons previously mentioned, a holistic review of Roads Services within Scotland is required.

The aim of the review should be to develop a model which would ensure equity of Roads Service delivery across Scotland. This model could address the issues of increasing usage, budget pressures and a technical skills shortage on what is Scotland's largest publicly held asset.

Extent of Units and Scope of Services – Local Authority Consultation

Question 10

Do you consider the existing liaison arrangements between the OC's and other service providers (e.g. local roads authorities and DBFO concessionaires) for co-ordination of service delivery to be working well or are they in need of improvement? Please include reasons within your response.

Response

Renfrewshire Council considers that the current arrangements do not work as there are very few opportunities for consultation and collaboration between local and national roads authorities and the communities they serve.

Scotland needs a locally accountable Roads Service model which draws on the best practice which exists, maximises efficiencies and protects this valuable asset into the future.

Extent of Units and Scope of Services – Local Authority Consultation

Annex B

Name of Organisation

Renfrewshire Council

Postal Address

Community Resources

Renfrewshire House

Cotton Street

Paisley

PA1 1BR

Forename

Scott

Surname

Allan

Permissions

We are content for our response, organisation name and address to be made available for discussion externally.

☒ Yes

☐ No

We are content for our response to be discussed externally but wish our organisation name and address to remain anonymous.

☐ Yes

☒ No

Extent of Units and Scope of Services – Local Authority Consultation

Extent of Units and Scope of Services – Local Authority Consultation

Annex C

List of Consultees

Convention of Scottish Local Authorities (COSLA)
 Highlands and Islands Transport Partnership (HITRANS)
 North-East of Scotland Transport Partnership (NESTRANS)
 Office of the Scottish Roadworks Commissioner (OSRWC)
 Shetland Transport Partnership (ZETTRANS)
 Society of Local Authority Chief Executives (SOLACE)
 Scottish Local Government Partnership (SLGP)
 Society of Chief Officers of Transportation in Scotland (SCOTS)
 South-East of Scotland Transport Partnership (SESTRAN)
 South-West of Scotland Transport Partnership (SWESTRANS)
 Strathclyde Partnership for Transport (SPT)
 Tayside and Central Scotland Transport Partnership (TACTRAN)

Local Authorities via SOLACE/SCOTS/COSLA:

Aberdeen City	Highland
Aberdeenshire	Inverclyde
Angus	Midlothian
Argyll & Bute	Moray
Comhairle nan Eilean Siar	North Ayrshire
Clackmannanshire	North Lanarkshire
Dumfries and Galloway	Orkney
Dundee	Perth & Kinross
East Ayrshire	Renfrewshire
East Dunbartonshire	Scottish Borders
Edinburgh	Shetland Islands
East Lothian	South Ayrshire
East Renfrewshire	South Lanarkshire
Falkirk	Stirling
Fife	West Dunbartonshire
Glasgow	West Lothian

Further copies of this document are available, on request:

Transport Scotland, Buchanan House,
58 Port Dundas Road, Glasgow, G4 0HF
0141 272 7100

info@transportscotland.gsi.gov.uk

www.transportscotland.gov.uk

Any enquiries regarding this document should be sent to us at

5GConsultation@transportscotland.gsi.gov.uk

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