

# **LOCAL GOVERNMENT AND TRANSPORT COMMITTEE**

Tuesday 11 January 2005

Session 2

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## LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

1<sup>st</sup> Meeting 2005, Session 2

### CONVENER

\*Bristow Muldoon (Livingston) (Lab)

### DEPUTY CONVENER

\*Bruce Crawford (Mid Scotland and Fife) (SNP)

### COMMITTEE MEMBERS

\*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

Dr Sylvia Jackson (Stirling) (Lab)

\*Michael McMahon (Hamilton North and Bellshill) (Lab)

\*Paul Martin (Glasgow Springburn) (Lab)

\*David Mundell (South of Scotland) (Con)

\*Tommy Sheridan (Glasgow) (SSP)

\*Iain Smith (North East Fife) (LD)

### COMMITTEE SUBSTITUTES

Bill Butler (Glasgow Anniesland) (Lab)

Colin Fox (Lothians) (SSP)

Mr Bruce McFee (West of Scotland) (SNP)

Mr Brian Monteith (Mid Scotland and Fife) (Con)

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

\*attended

### THE FOLLOWING GAVE EVIDENCE:

John Lincoln (Audit Scotland)

Hugh Murdoch (Society of Chief Officers of Transportation in Scotland)

David Pia (Audit Scotland)

Jim Valentine (Society of Chief Officers of Transportation in Scotland)

### CLERK TO THE COMMITTEE

Eugene Windsor

### SENIOR ASSISTANT CLERK

Alastair Macfie

### ASSISTANT CLERK

Euan Donald

### LOCATION

Committee Room 6



## Scottish Parliament

### Local Government and Transport Committee

*Tuesday 11 January 2005*

[THE CONVENER *opened the meeting at 14:08*]

#### Item in Private

**The Convener (Bristow Muldoon):** I bring the first meeting in 2005 of the Local Government and Transport Committee to order. I wish all members of the committee, our clerks and the official reporters a good new year. I hope that this will be a productive year for the committee.

The first item today is consideration of whether to take item 5 in private. I propose that we do so because we will be considering the merits of potential committee advisers in respect of the Sewel motion on the Railways Bill. Given that we will be discussing personal details, I believe that it would be inappropriate for us to consider the paper in public. Are members agreed?

**Members** *indicated agreement.*

**Tommy Sheridan (Glasgow) (SSP):** Unlike on other occasions, I support the decision to consider the item in private. As the convener said, we will be discussing personal details. We go into private session too much, but on this occasion I believe that there are good reasons for doing so.

## Subordinate Legislation

### Road User Charging (Exemption from Charges) (Scotland) Regulations 2004 (SSI 2004/519)

14:09

**The Convener:** Item 2 is consideration of one piece of subordinate legislation under the negative procedure. No member has raised a point on the regulations and no motion to annul has been lodged.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I have a point for clarification. I am not opposed to the regulations, which, as I understand them, propose that vehicles that are involved in the emergency services—the police, the fire brigade, the coastguard and so on—should be exempt from any road user charging scheme that may be introduced at a future date. However, I would like the committee to consider whether it would be appropriate to ask the minister to confirm that the category of “ambulance” would include mountain rescue vehicles. I believe that that is the case, but it would be useful if that could be confirmed.

**The Convener:** I am comfortable with our confirming in correspondence with the Executive whether that is the case. Once we get a response, I will share it with members of the committee.

**David Mundell (South of Scotland) (Con):** As you know, convener, I have previously moved a motion to have regulations annulled. Although I will not do so on this occasion, I want to make it clear for the record that my view on charging remains the same as when we debated the issue previously. The fact that I am not moving a motion to annul the regulations does not mean that I am in agreement with charging.

**The Convener:** I am sure that that position is understood. On that basis, are we agreed that the committee has nothing to report with regard to the regulations?

**Members** *indicated agreement.*

## “Maintaining Scotland’s roads”

14:11

**The Convener:** Item 3 relates to Audit Scotland’s report “Maintaining Scotland’s roads”. I welcome to the committee David Pia, who is the director of performance audit for Audit Scotland, and John Lincoln, who is the project manager for Audit Scotland. As members will recall, we have had several evidence sessions on the condition of Scotland’s roads—in particular, non-trunk roads—over the past year or so and members indicated a wish to return to the issue. The publication of Audit Scotland’s report has re-stimulated interest in the matter. I invite David Pia to make some introductory remarks to the committee on Audit Scotland’s report, after which we will have questions.

**David Pia (Audit Scotland):** John Lincoln and I are pleased to be here to help the committee. Audit Scotland published its report in November 2004. I will make a short opening statement, setting the report in context and we will then be happy to answer questions and join in any discussion that the committee wants to pursue.

We prepared the report for the Accounts Commission and the Auditor General for Scotland. It was prepared using the powers that the commission and the Auditor General have to carry out national studies to improve the economy, efficiency and effectiveness of public spending bodies in Scotland. The report considers the condition of Scotland’s roads, what is spent on maintaining the roads and how the Scottish Executive and councils manage road maintenance. It makes a set of recommendations for action by councils and the Executive. The key findings and the main recommendations are set out in a four-page summary that was published with the full report.

The study was undertaken as a single exercise, covering both trunk roads and council-maintained roads. The evidence in the report is based on questionnaires that were used to collect information from the 32 councils, on desk research and data analysis of existing data sources to collect information about road maintenance and on in-depth, structured interviews with senior staff in six councils and in the Scottish Executive. The report was published in November 2004, when it was laid before the Parliament, as reports from the Auditor General are. The Parliament’s Audit Committee considered the report on 9 November and wrote to the accountable officer in the Scottish Executive with responsibility for trunk roads, seeking a response to some points that are raised in the report. The Audit Committee considered the Executive’s response to that request this morning

and seemed content with it. The committee has not, as yet, decided to take any further action in relation to the report.

The Accounts Commission expects councils to address the recommendations in the report. We have two principal means of following up progress. First, the commission has introduced a statutory performance indicator whereby, each year, the commission will report on the condition of roads in the 32 council areas. Secondly, progress will be followed up through the best-value audits of councils, which have now started and will be carried out in relation to each council every three years. That will provide an opportunity for auditors to examine the progress that individual councils are making on the recommendations in the report. As I said, John Lincoln and I are happy to answer questions about the report.

**The Convener:** Thank you very much for those introductory remarks. I invite David Mundell to open up questioning.

14:15

**David Mundell:** In the report, you state:

“The cost of bringing the road network up to standard has been estimated at £1.7 billion, but further work is needed to improve the accuracy of the estimate”.

What will that further work entail, who will be responsible for carrying it out and how much might it cost?

**David Pia:** The work has been carried out by the professional road engineers as represented by the Society of Chief Officers of Transportation in Scotland and the Scottish Executive. John Lincoln can explain the detail.

**John Lincoln (Audit Scotland):** There are three aspects to the further work. The first is the model that was used to calculate the £1.7 billion figure—or £1.5 billion in relation to council roads. The second is the road condition information that is used to assess the scale of the problem. The third is the costing information that is used to calculate how much it will cost to fix the roads.

On the first aspect, I believe that the model is still being worked on and finalised. SCOTS may be able to provide further information. I attended a meeting in late November or early December at which SCOTS was looking to develop the model, which, to my non-technical eyes, looked reasonably robust. That model will be able to provide a reasonable figure in the long run.

However, two things need to go into the model. One is the road condition information. The results for the first year of the Scottish road maintenance condition survey have been published. Those include 100 per cent survey information for A-roads, but there is further work to be done on B-

roads, C-roads and unclassified roads, so there may be changes to the condition information over time. It is expected that the survey will be finished in 2007, at which point we will have a complete picture of the condition of Scotland's roads. At that time, it will be possible to provide a more definitive answer on the cost of the backlog.

The second item is the cost involved in clearing the backlog. In order to estimate that, one needs to make assumptions about the cost of repairing A-roads, B-roads and so on, as well as other aspects such as lighting. In the report, we examined the information on some of those costs and found that there was considerable variation in costs among councils. I believe that SCOTS has been looking at that; it may have produced a definitive answer since the report. The cost will depend on the assumptions that go into the model.

Therefore, refinements are required to the cost assumptions. In addition, there might be smaller changes to do with the sample size in the road maintenance condition survey.

**David Mundell:** What is your role in certifying the robustness of the model that is used?

**John Lincoln:** We have no role.

**David Pia:** We do not have a formal role.

**David Mundell:** What objective opinion will there be that the model is the correct one? Mr Lincoln spoke about the model from a non-technical point of view, but what confidence can we have from an objective perspective that the model is correct and robust?

**John Lincoln:** One would probably want some publication that explains all the model's parameters in terms of the costs, all the assumptions that were made, the road maintenance condition data and how that all feeds in. Perhaps one would need technical engineering advice for verification.

**David Pia:** Of course, it is open to us to go back and look at the model at some future stage. For the purposes of our study, we considered the road condition study, which we were satisfied was a sound basis for determining road conditions. That is a key element of the overall model. When we were doing our study, the other elements of the model had not been developed; they are being worked on now.

**David Mundell:** Yes, but I am sure that you appreciate the importance of our not being able to challenge the model. The purpose of the exercise would be defeated if the model were subsequently open to question.

**David Pia:** Yes.

**Paul Martin (Glasgow Springburn) (Lab):** Five authorities have a maintenance backlog of less

than the steady state figure of 8 per cent. Has Audit Scotland been able to uncover any examples of best practice shared by those authorities that have been able to reduce their maintenance backlog to that level?

**John Lincoln:** The report is based on the first year that the data were available. The study findings were published only after we had completed most of the work, so we did not have time to speak to those five authorities. We were unable at the time to find any relationship between the spending on roads and road condition in those authorities. We need to look in detail at why the roads in those five council areas appear to be in better condition. There are many theories about that, one of which concerns the condition of the roads when they were built. Some of those authorities have extensive new towns, for example, where the road network was built to a high standard originally, making it cheaper to maintain in the long run. That needs to be considered in more depth than we have been able to do so far.

**Paul Martin:** Five authorities have reduced their backlog to 8 per cent. Are there any opportunities for Audit Scotland to develop that best practice further or is that well outwith the remit of Audit Scotland?

**John Lincoln:** We do not know whether those authorities reduced the maintenance backlog to 8 per cent; it might have been above 8 per cent in the past, but we do not know, because this is the first time that the information has been published. When we carry out the best-value reviews in those councils, there will be scope to look at how they run their road maintenance operations. However, until we do that work, we will not know.

**Paul Martin:** As part of a future best-value exercise, we could look at those authorities to find out how best practice could be shared with other authorities that have not been able to achieve the same target.

**David Pia:** The recommendations that we make are aimed at improving the services. Those recommendations draw on a range of evidence that we pulled together. They try to identify good practice, such as the development of asset management plans and road maintenance planning in the context of wider transportation strategies. Councils are encouraged to work more in partnerships with one another to achieve economies of scale. We are confident about recommending those examples of good practice. However, as John Lincoln says, we found it impossible to relate the best performance of the five councils to specific factors. A very complicated equation is involved in that.

**Fergus Ewing:** Exhibit 14 on page 22 of the report shows the cost per square metre of

reconstructing a road for each council. I was struck by the differences in cost and efficiency. In Dumfries and Galloway and in Highland, the cost is £25 a square metre. In Glasgow, the cost is around £90 a square metre. In East Renfrewshire, the cost is around the same and, in West Dunbartonshire, it is not far off—the situation is similar for two of the island councils. In Highland and Dumfries, which are the most rural areas, £25 a square metre is being spent on reconstructing roads, whereas in urban areas up to three or four times as much is being spent. I accept that it is difficult to make broad, sweeping statements, but are there any lessons that the high-spending councils should be learning and, if so, what are they?

**John Lincoln:** We must consider the report as a first attempt by councils to provide such information to us. Most of them have based their submissions on recent experience of reconstructing B-roads. Some councils could not provide that information because they had not done that kind of work for some time.

One would suspect that a B-road in Glasgow or East Renfrewshire would be quite different from one in Highland, in terms of the number of heavy goods vehicles and buses that use it, for example. The B-roads in urban council areas will be much more heavily used by traffic and will be repaired to a high standard. They will be dealt with differently from those in rural council areas. Materials costs will probably vary depending on issues such as how far materials have to be transported. The Western Isles Council, which has the highest costs, has to transport materials to the islands.

We have asked councils to give a best estimate, based on as many jobs as possible. We are not necessarily always comparing like with like and the exercise illustrates the difficulties involved in producing a model for measuring the cost of clearing the backlog. However, Dumfries and Galloway and the Western Isles represent the extremes. Most councils' costs are within £5 to £10 of the £40 mean value. The cost figures for councils are fairly similar. The differences in relation to one or two councils might arise because those councils have only one or two examples of such work being undertaken, which might have skewed their samples.

**Fergus Ewing:** I listened carefully to what you just said and I understand the arguments, but they do not seem to explain the massively wide discrepancy between the lowest and the highest. I would have thought that Glasgow and the central belt councils would have been best placed to obtain economies of scale in, for example, procuring materials more cheaply. However, the reverse appears to be the case.

In part 5 of the report, you say that there are various measures that, if implemented, would

improve the situation. The examples include better inventory information from councils; up-to-date information technology systems; better asset management systems; a framework for performance indicators; and the SPI and best-value issues that you have mentioned this morning. However, to play the devil's advocate, I put it to you that there is an argument that those are all procedural matters and that unless there are substantial increases in the resources that are available to tackle the repair backlog and schedule of works—which, according to SCOTS, might cost £3,870 million over 10 years—the improvements that you list will be able only to scratch the surface of the problem.

**David Pia:** The report describes the facts about the expenditure on roads over the recent period and shows that council spending on roads has not increased at the same rate as, for example, Executive spending on trunk roads and motorways has. It is not for us to say whether more should be spent on roads—that is a matter for councils in terms of the choices available to them—but we can say quite clearly that, unless there is investment in structural maintenance, costs will increase in the long run and the community will not be getting value for money from the resources available. The various recommendations about planning, IT, asset management and so on are intended to provide the best management of resources, but, of course, they do not address the scale of the resources.

14:30

**Fergus Ewing:** If all your recommendations in part 5 were implemented and management was improved, to what extent would that solve the problem in percentage terms, if we take £1.7 billion as 100 per cent?

**John Lincoln:** Part 5 of our report states that councils should review their budget setting processes for road maintenance to ensure that they have an appropriate cost-effective balance of spending. That is one of the key recommendations. We also said that councils should put together plans for clearing their road maintenance backlogs. If those recommendations are implemented, that should go a long way towards helping councils to clear the backlog.

**Fergus Ewing:** Yes, but if your recommendations were accepted, what proportion of the problem that faces motorists throughout Scotland—a £1.7 billion problem—would thereby be solved? The proposals are worthy and must be taken seriously by those to whom they are directed, but even if they are all implemented in full it seems that we will tackle only a tenth or perhaps a fifth of the problem. Is that a reasonable conclusion?



**David Pia:** If the recommendations are implemented in full, we should get better value for money for the resources that are invested. We cannot comment on the level of resources that should be invested, because that is a political decision.

**The Convener:** Fergus Ewing drew your attention to exhibit 14—for a second I thought that he was back in court. I accept that the level of maintenance that is required in busy cities is likely to be different from that required in rural areas. Would it be useful if in future studies the figures were put into groups of similar local authorities, such as the cities, the semi-urban areas and the urban areas? That is done in other comparative studies and it would allow us to see comparisons between areas that have similar types of roads. It would also draw attention to wide disparities, such as that between the City of Edinburgh Council and Glasgow City Council. One would expect those councils to have relatively similar loads of heavy lorries and buses on their roads.

**John Lincoln:** That is a fair point. SCOTS has used that methodology in coming up with costs on dealing with the backlog, for example. We often use that methodology in such instances.

**The Convener:** Is it reasonable for local authorities and SCOTS to consider the comparative discrepancies and for similar local authorities to consider how they have reached significantly different costs for the repair of roads?

**John Lincoln:** Yes. We recommend that

“Councils whose unit costs are above average should examine whether ... savings are possible.”

We have asked councils to examine those variations.

**The Convener:** You said earlier that there is no direct linkage—or no clearly identifiable direct linkage—between the councils that spend more and those that have better-repaired road networks in which less than 8 per cent of the network needs to be maintained each year. However, it is a bit odd that the council that seems to have the highest number of roads in need of repair also has the lowest spend in relation to grant-aided expenditure. Do you have any comment on that?

**John Lincoln:** It is reasonably easy to pick out individual examples. One can pick out examples of councils that spend above GAE but that have poor-quality roads. We are comparing spending over one year and using the road conditions for one year. However, a number of factors led to the road conditions in that year, including the spend over a 10, 20 or 30-year period, the build quality of the roads and the traffic on the roads. We have information on some of those factors, but not on all of them. If we had good information on all of them,

I think that we could come up with a reasonable model that could say how spending and the original condition of the road would affect the future condition of the road. We do not currently have such information, but it is required for a proper asset management system for roads.

**The Convener:** I realise that this question may be difficult to answer, as some issues are prioritised as a matter of political choice by the local authority and the Executive. However, does it seem reasonable for councils that have a high percentage of roads that need repair to consider devoting more of their own resources to that?

**David Pia:** As I have said, it is not for us to draw conclusions about the choices that should be made. However, we can say that if roads are in a poor condition and there is a history of relatively low investment in structural maintenance, as opposed to other forms of maintenance, conditions will deteriorate and the cost of dealing with backlogs will increase. Therefore, it is fair to conclude that if roads are in a poor condition, they must be invested in to correct that condition.

**The Convener:** I want to return to an earlier point. Paul Martin asked about the five authorities that have a maintenance backlog of less than 8 per cent. I think that John Lincoln said that that might be related to new towns, for example. However, only one of those five local authorities has a new town in its area and a number of local authorities that are not in that category do cover new towns. Therefore, the linkage does not seem to be clear.

**John Lincoln:** I simply used that as an individual example. Perhaps there are many reasons that we do not know about. We do not know what structural maintenance expenditure has been over the past 10 or 20 years. It takes that length of time for roads to deteriorate. We do not know what the condition of the roads was and how the roads were built. Perhaps some roads were developed from drove roads and cart tracks whereas others could have been built to a reasonably high standard to begin with. Until we have all that information, we cannot really say much more.

**Bruce Crawford (Mid Scotland and Fife) (SNP):** The recommendations in part 5 of the report will give us better value for money. Whatever the reason for the condition of our roads—and some are deplorable, although some are better—we are where we are. It strikes me that the recommendations will help to deal with some of the symptoms, but will they help to solve the problem?

Given your answers to previous questions, I am not sure whether you can comment on the matters that I want to raise—it may be for other people to

do so. Will you comment on the balance between the spend on national and local roads? I am referring to spend by the Scottish Executive and local authorities. Obviously, there is much more traffic on motorways and trunk roads, but on the face of it, it seems to me that there is a considerable differential in the expenditure per mile between national and local roads. According to your figures, the Scottish Executive spent £127 million on 3,500km of road, which is around £36,000 per kilometre. That is a lot of money per kilometre. I am not saying that such spending is unjustified, but that is a fact. Local authorities spent £321 million on 51,000km of various types of road, which means a spend of £6,294 per kilometre. That difference requires further work to find out whether we have got the balance right.

That leads me to the GAE formula and how local authorities are funded. If we are where we are, and we have a serious problem, is the GAE formula adequate to deal with the situation that we find ourselves in? That formula is mostly based on so many pounds per mile of road. Should we be moving to a formula that is based more on the road conditions survey, which actually says what the problem is now and begins to address it? I know that local authorities will find it difficult to get away from GAE, but we find ourselves in a difficult situation.

After that rather long lead-in, my question is this: have we got the balance right, given that we are where we are, and is the GAE formula the best way to sort out the mess, or should we be thinking about changing the process of how we allocate the cash to more readily replicate the reality on the ground?

**David Pia:** I shall give you my views and then ask John Lincoln to comment. On the first point, about the balance between expenditure by the Executive and expenditure by councils, you are quite right to say that it is not really for us to say whether the right amounts are going in on either side of that equation. What the report points out, though, is that whereas expenditure by the Executive has grown steadily, expenditure by councils has not. It is probably fair to conclude that that is part of the explanation for the fact that a proportion of council roads are in poor condition. As for the amount that is required, we do not take a view on that, although John Lincoln may have something to add. Plainly, the investment in trunk roads and motorways will have to be higher per square metre than on council roads, because of the demands on them, but whether the balance is right is not something on which we can take a view.

GAE is mainly about distribution. Our figures show that, broadly speaking, the overall spend is not terribly different from the GAE figures. Of

course, it varies between councils, but it varies on a fairly steady-looking graph. I am not sure that changing the criteria for GAE itself would necessarily have an impact; it would simply redistribute money according to different criteria, and I do not think that we found that the high spenders on GAE necessarily had the better roads.

**John Lincoln:** I would like to add a couple of small things. As David Pia said, the GAE mechanism is just there for splitting the cake 32 ways for all expenditure. I do not see that splitting GAE some other way would make a great deal of difference. How much councils spend on roads when money is allocated by GAE is a council policy decision that we cannot really be involved in. Similarly, in relation to the additional £60 million that the Executive has put into GAE for roads, it is basically up to the councils to decide what their priorities are. We have looked only at the roads aspect, but councils will obviously be under pressure in other areas as well and would be best placed to make their own decisions. It is not really up to us to say what councils should be doing in terms of expenditure.

**Bruce Crawford:** Surely at some stage we must recognise that we are in a mess with our roads in Scotland. If we continue with the funding formula, those authorities that have got themselves into a mess—and some of them should not have done so—will never be in a position to improve the situation, because the resources are not going to be there at the scale that is required. Something has got to give to make the change. I would have thought that there could be some sort of compact between local authorities that said that if we change the funding formula for local roads to recognise the problem that exists, local authorities will have an obligation to spend at a level that is a lot closer to what is needed to address the problem. We cannot do that through GAE; the mechanism just does not exist. I am sorry to say this, but I think that we need to do further work on that. Unless we address that, we will never be able to make the changes that are required to get our roads up to the standard that will help the Scottish economy. At the moment, they are not doing so.

**John Lincoln:** We spoke to councils and discussed issues regarding GAE with a number of them. None of them had any specific observations to make on the GAE funding formula. Most of their comments were not about the method of distribution, but about the amount in the formula for roads overall. That was what they commented on, rather than the formula for distribution.

**Bruce Crawford:** That also comes back to balance. The issues are interrelated.

14:45

**Tommy Sheridan:** I ask John Lincoln to clarify the point that he made in response to Bruce Crawford, because my understanding is that, at least from Glasgow City Council's point of view, the proportionality of the GAE funding formula is deeply flawed. Are you suggesting that Glasgow City Council is a lone voice in questioning whether the funding formula provides a like-for-like distribution of available moneys?

**John Lincoln:** I was referring specifically to the GAE formula for roads, not for anything outside that. I do not know what Glasgow City Council's position is on the GAE formula for roads. Those to whom we spoke about the road maintenance backlog said that their issue was not particularly with the formula that was used to distribute the roads GAE, but with the overall amount that was allocated.

**Tommy Sheridan:** The reason why I ask is that, during the 11 years that I was a councillor in Glasgow, my experience was that the council's level of funding per mile of road was the same as that for authorities in more rural areas, in which the wear and tear was significantly less than that on the roads that we were responsible for maintaining. Most of the funding was distributed under a formula that was based on how many miles of road an authority had, rather than on road use. Are you saying that that is not a problem?

**John Lincoln:** The funding formula tries to take account of traffic by including vehicle ownership, and urban areas get more GAE per kilometre of road than rural areas do. It is not our place to comment on whether the GAE formula is right or wrong.

**Tommy Sheridan:** Perhaps that is another area that the committee will have to look into. It deserves to be investigated.

I will ask a couple of questions about the accuracy of the figures that are before us, if you would not mind commenting on that. In your report, you talk about an estimated backlog that amounts to some £1.7 billion. Are you and SCOTS of a like mind on the various estimates of expenditure backlogs on roads and the associated infrastructure? Are you singing from the same hymn sheet as far as those figures are concerned?

**David Pia:** The figures that we give in the report are, as we say in it, the ones that SCOTS has produced using the methodology that was available at the time. That methodology, as we said earlier, is being developed and improved. We are not in a position to verify the methodology that is currently being used; we have not examined it.

**John Lincoln:** When we did the report, we knew that the United Kingdom roads board was

developing a methodology and formula for measuring backlogs consistently, not only for Scottish councils but for the Scottish Executive and other parts of the UK, so we did not want to jump in and try to develop a methodology of our own that might come up with something different and muddy the waters. We do not have the resources and expertise to do that anyway, so we rely on the estimates that SCOTS has made, which are based on a formula from the UK roads board. The witnesses from SCOTS might be able to tell you what developments have taken place since we quoted the figures six or eight months ago. Work is continuing not only on the model, but on all the costs that go into it.

**Tommy Sheridan:** We will have the opportunity to question SCOTS later, but I asked you those questions because, according to SCOTS, a 10-year plan to tackle the backlog in any reasonable way would require expenditure of £387 million per annum. The evidence from the Chartered Institute of Public Finance and Accountancy is that, across Scotland, the expected expenditure in 2004-05 will be £188 million, so it looks as though we are talking about a shortfall of £199 million in that year. If we allow for spending projections, it would be reasonable to suggest that the shortfall will be almost £200 million a year. From an Audit Scotland point of view, is a figure in that ballpark acceptable?

**John Lincoln:** Exhibit 16 in the report illustrates some work that Glasgow City Council did on examining the effect of various levels of expenditure on the overall maintenance backlog. It would be useful if similar figures could be produced for all Scottish councils, as that would allow us to examine the relationship between annual expenditure and the backlog. The study in Glasgow shows that by spending additional moneys on getting rid of the backlog, one can save money overall in the long term. It would be useful to use that model to provide a number of options for clearing the backlog and to consider the costs of those options, bearing in mind what councils can afford at the time.

**Tommy Sheridan:** I take that point, but will you comment on the accuracy of the projected figures that have been put to us? It seems that we are being told that we face a projected shortfall in expenditure of some £200 million a year. Does Audit Scotland accept that?

**David Pia:** We have not examined the most recent figures. When we produced the report, we referred to the estimates of the road engineers on meeting the backlog. We make it clear that investment in structural maintenance is needed now if the backlog is to be addressed. Decisions on the extent of the backlog and how quickly it is to be addressed are policy decisions, which it is

not for us to make. If we wanted to clear the backlog totally, we would be talking about a 10-year programme of substantial investment. I do not know whether the figures from SCOTS are right or how much of a difference we are talking about. We are certainly talking about a significant programme of investment.

**Tommy Sheridan:** I must pursue the matter. I am not asking you to make policy decisions. I am clear about the fact that it is not up to you to direct councils how to spend money. However, people rely on Audit Scotland to give reliable figures that can be used to inform policy decisions. You use a figure of £1.7 billion in your report. Do you accept that that is an accurate and robust estimate?

**David Pia:** Yes, but we indicate that that figure comes from councils' estimates; it is not our figure.

**Tommy Sheridan:** But it is in your report. What is your best estimate or do you not have one? If you do not think that the figure that you use is reliable, you should tell us that.

**David Pia:** We do not have the information to make a direct assessment of the situation. The best thing that we can do is report the assessment of the professional road engineers who are involved, and that is what we report. We indicate that that is the estimate that councils have made on the basis of the road engineers' assessments of what it would take to meet the shortfall.

**Tommy Sheridan:** So you would not like to comment on the £200 million a year shortfall over the next 10 years. Do you think that that is wildly out of step with the evidence or is it near the mark?

**David Pia:** We do not have the information to allow us to take a view on that.

**The Convener:** I apologise for the fact that Fergus Ewing and I covered the subject that Michael McMahon wanted to cover. I do not know whether you want stay on the same subject, Michael, or to move on to a different one.

**Michael McMahon (Hamilton North and Bellshill) (Lab):** That is okay. My question is on the same subject. Experience has taught us—I think that the answers that you have already given confirm this—that it is difficult to compare different local authorities; doing that is like comparing apples and oranges. However, there are some common costs that can be examined, which your report identifies. Are different common costs a result of the calculation methodology in each local authority area? Can savings be made? Does how local authorities calculate costs create the difference, or can savings be derived from a real difference?

**David Pia:** I will make a general comment and ask John Lincoln to talk in more detail. I remind

members that this is the first time that anyone has put together information about costs throughout the country. The information is difficult to obtain. The quality of information that councils can provide is not consistent and is not very good. With that qualification, I ask John Lincoln to talk in detail.

**John Lincoln:** One recommendation that we make that could result in savings is that councils should consider working together. For example, the Tayside councils—Perth and Kinross, Dundee City and Angus Councils—have kept Tayside Contracts as a larger organisation that can afford more complex equipment and use resources better. Some councils' direct labour organisations and roads departments are very small. Councils could achieve economies of scale through working together. Glasgow City Council has a large roads department; small councils might consider working with it to purchase equipment jointly. Councils might also consider merging DLOs.

Councils can work together in all sorts of ways to reduce costs and they have done that. For example, they work together by having joint contracts with electricity companies. However, the savings that could accrue from such working are not of the same order of magnitude as the backlog.

**Michael McMahon:** But the savings are real—the difference is not just in the methodology for calculating costs. Addressing some issues will reduce costs item by item.

**John Lincoln:** We have asked councils to consider how they might make savings when their costs are out of line and to examine councils that have lower costs. Councils are sometimes rigorous at comparing costs with their neighbours. I included in the report the example of the Ayrshire councils, plus one or two others, which compare their contract prices not only among contractors but among their DLOs, to improve their DLOs' performance.

**The Convener:** You mentioned the need for councils to work together to achieve economies of scale, which is a significant part of your report. It strikes me that a key decision in recent years was to take trunk roads maintenance away from local authorities, which many suggest produced diseconomies of scale. Has Audit Scotland examined that? I realise that the report says that, broadly, the operating companies have delivered on their contracts, but the debate is broader than that. Has contracting out the work had an impact on the efficiency of local authority DLOs?

**John Lincoln:** It is difficult for us to assess that. We did not consider the matter in detail. Staff from some of the DLOs to which we talked transferred to the trunk road contract operating companies, so

the DLOs became smaller and lost some economies of scale. However, the trunk road contracts also involve economies of scale. It is difficult to get a handle on that.

**The Convener:** I realise that the performance audit group examines the trunk road contracts, but it would be appropriate for somebody to consider roads maintenance as a whole, rather than in two sections. Audit Scotland advocates generating economies of scale. An economy of scale could be achieved by bringing back together the two aspects of road maintenance.

**John Lincoln:** That sort of decision is beyond our remit. It is a policy decision and is probably covered by European rules.

15:00

**The Convener:** If you are making a case for local authorities to bring together their roads maintenance projects in order to generate economies of scale, surely it is not too great a leap of the imagination to think about local authorities and the Executive bringing together their programmes in order to generate economies of scale.

**David Pia:** I do not think that we can draw that kind of conclusion. However, we can say that there is a case for economies of scale. It is not for us to decide how that statement is interpreted in organisational terms, unless we can find evidence that would support the case for integrating or co-ordinating Executive and local authority roads maintenance projects. That kind of evidence is not available to us.

**The Convener:** Would Audit Scotland be able to take on the task of examining whether these contracts have led to diseconomies of scale in local authorities?

**David Pia:** In principle, yes. Periodically, we review our programme of work and can consider such issues. *[Interruption.]* I do not think that the window blew open because of something that I said.

In drawing up our programme of work, we consult the committees of the Parliament. Obviously, we take note of the views that committees express. If particular issues are identified, we can consider examining them.

**John Lincoln:** The trunk road contractors can and do subcontract certain parts of their operations to councils to achieve economies of scale, and vice versa. Tayside Contracts does work on behalf of the trunk road contractors. Quite a few councils also do subcontract work. That culture exists in councils in respect of roads and transportation. Councils and contractors can work together without structural changes.

**Iain Smith (North East Fife) (LD):** When I examine the report, it strikes me that it is input based, but the outcome that we want for roads is output based. We cannot judge how effectively we are maintaining the roads from the amount of money that we are spending on them. The important issue is how effectively we are spending the money.

For future reports, are you considering with SCOTS ways of measuring outputs rather than inputs—how many miles of roads are being resurfaced, rather than how much money is being spent on resurfacing roads? In theory, if we amalgamated all the high-cost authorities, we would get far less done than if we amalgamated all the low-cost authorities. Have you been examining output measures as a more effective way of judging the effectiveness of roads maintenance, rather than examining just broad expenditure?

**David Pia:** I am not sure that such detailed information is available. We are using the condition of the roads as the key measure of output, outcome and how things are going. We are trying to connect three elements: the condition of the roads, spending and how things are managed.

**Iain Smith:** I accept that. I am thinking back to my days as a councillor. We used to receive a monitoring statement for the roads budget, which told us how much was spent against the budget. However, we did not know how much the budget was meant to do in the first place or what had been done. Examining spending did not put us in a position to make a judgment about what was happening on the roads. That is why I wonder whether we should not take the physical work that is done on the roads as the measure, instead of focusing solely on the financial side. It is important that one gets value for money, but it is also important to know that one is delivering on the roads what one budgets to deliver.

**John Lincoln:** The majority of the structural maintenance expenditure is spent via a competitive tendering process in which the council DLO and private firms compete for the contract. That is the major mechanism for getting value for money and if the tendering mechanisms work well, one would expect value for money.

**The Convener:** I think that you wanted to ask a final question on economies of scale, Fergus, although perhaps you feel that the rest of us have covered it for you.

**Fergus Ewing:** I want to ask one question, if I may, as I have the opportunity—windows permitting. It arises from the reference to exhibit 16. I ask members and witnesses to have a look at paragraph 67 of the Audit Scotland report. It describes the estimates that Glasgow City Council provided to describe how the backlog will rise if

spending is restricted to current levels. I ask you to comment on that council's prediction that,

"if spending on structural maintenance continues at its present level, the backlog will rise from the current level of £100 million to around £300 million in five years' time and £500 million in ten years' time."

Glasgow suggests that the backlog would increase by 500 per cent in 10 years if it is not addressed. You said that the figures in the report come from local authorities and that is what we have to go on, but the total figure that SCOTS has given us for a 10-year programme is £4 billion.

If the spend is maintained at the current level, does that £4 billion over 10 years take account of Glasgow's prediction of the consequences of underspend, which are that roads will so further deteriorate and become unsafe that the costs needed to bring them back to a proper condition could be several times more than the already worrying scenario of £1.7 billion? If that is right—and it must be—what is the worst scenario? Is it £8 billion or £12 billion, for example? You have not produced those figures, although I would have thought that it would be the sort of work that falls within the audit function. If you cannot provide the figures today, do you feel that they should be looked at, given that Glasgow City Council has led the way in saying, "These are the consequences of underinvestment"?

**John Lincoln:** The figures that you quoted from paragraph 67 about there being a £500 million backlog in 10 years' time come from the Scottish Executive, which also provided us with figures. So the figures of £100 million, £300 million and £500 million are from the Scottish Executive rather than from Glasgow City Council.

Exhibit 16 shows what would happen if Glasgow City Council spent various amounts on road maintenance over the next 10 years: nothing, £11 million, £6 million or £5 million. That allows the council to examine the consequences of its spending decisions. For example, exhibit 16 shows that if Glasgow City Council does not spend any money on roads maintenance over the next 10 years, the backlog will increase from the current £50 million to £250 million.

**Fergus Ewing:** That is a fivefold increase.

**John Lincoln:** Yes. However, if the council spends £11.5 million a year over 10 years—£115 million in total—it will make a considerable saving by getting rid of the backlog. We have suggested that it would be useful if other councils throughout Scotland could provide similar information to say what would happen if they spent £300 million, £200 million or their current spend, so that we have a basis on which to make decisions on expenditure. That basis would be subject to all our caveats about the accuracy of the model, but that

sort of information would be a useful decision-making tool for councils, together and individually.

One of the caveats is that councils need a good asset management system to generate those figures in the first place. Glasgow has invested a lot of money in asset management in order to produce that information. One of the benefits of investing in asset management and inventories is that you have the tools to make the decisions. Until you invest in those tools, it is difficult to make sound long-term expenditure decisions.

**Bruce Crawford:** I guess that the asset management point relates to exhibit 17 in the report. There are some figures in that table that need to be explained. The most obvious figure is for the inventory item

"Footways by length and width".

The

"Number of councils knowing the number and location of each item"

is 13, but 30 councils claim to know the condition of those footways. How can that be? If only 13 councils know where they are and yet 30 claim to know their condition, there appears to be a contradiction.

**John Lincoln:** The councils know the condition because they have had people walking round the pathways, but they do not know exactly how long the pathways are or where they all are. The information in the exhibit 17 table makes up the essential building blocks of a good asset management system. If, for example, you do not know the condition of the non-skid surfaces, which is important, or you do not know where they are, you will not know how much it will cost to maintain them in the long term. If you do not know how much you have spent on them, you will not have a good idea of how much it will cost to maintain them in the long term.

**Bruce Crawford:** That helps to emphasise the point.

**The Convener:** That brings us to the end of our questions. I thank David Pia and John Lincoln.

I suspend the meeting for two or three minutes before we question our next group of witnesses.

15:11

*Meeting suspended.*

15:16

*On resuming—*

**The Convener:** I welcome to the committee Jim Valentine, the head of roads for Perth and Kinross Council and a member of the Society of Chief

Officers of Transportation in Scotland, and Hugh Murdoch, the head of roads management for Aberdeen City Council and a member of SCOTS. I thank both gentlemen for coming this morning and for giving committee members copies of their initial response to the Audit Scotland report. I invite Jim Valentine to make some introductory remarks on behalf of SCOTS.

**Jim Valentine (Society of Chief Officers of Transportation in Scotland):** I will add a couple of things to the evidence that we have submitted. I would also like to clarify points that were raised in questions that were asked earlier.

We have to recognise that the roads industry, local government and central Government are at the cutting edge of technology. On a worldwide basis, road condition surveys and the associated backlog calculations are in their infancy. The technology is developing and there are bound to be differences as the technology moves on.

In its report, Audit Scotland quoted a figure of £1.7 billion, which compares with the figure of £1.55 billion that is contained in our evidence. At the time that Audit Scotland put together its report, SCOTS was reporting a figure of £1.7 billion. However, because of the work that Hugh Murdoch has been doing, that figure has been revised to £1.5 billion. That figure relates to a big-bang approach that would involve all the roads being fixed tonight without disrupting the traffic and bringing the economy to a halt. Obviously, however, that is totally unrealistic and there has to be some kind of programme. Our starting point was to reflect the 10-year programme that is being undertaken in England and Wales and to work out the costs that would be involved over 10 years, bearing in mind the fact that the network will continue to deteriorate over those 10 years. That is how we come up with the figure of £3.87 billion over the 10-year period. I hope that that explains the difference in the figures.

Some councils have been monitoring the increase in the backlog fairly vigorously while others, because of a lack of resources, have not. Because Perth and Kinross is in the fortunate position of having monitored its backlog and reported on it annually, we are aware that our backlog went up by 10 per cent in one year. That is because of wear and tear on the network and things that just come to light, because there is not an adequate asset management system in place. The wear and tear is not less in the rural area; it is just different. While I was driving round Perth and Kinross on Saturday and Sunday, I could see the roads breaking up—not failing catastrophically, but breaking up from the level of surface water on the roads and the effect of the water washing off.

The cities have problems, but so do the rural areas, although the problems are different. To

address that, we split the backlog figures into five families, which we have described in the paper. It is important to explain what the families are. They are cities; urban; semi-rural, which is between 25 per cent and 70 per cent urban; rural; and island. We tried to consider the families, and then pull them together into one big picture.

The Audit Scotland report mentions the code of practice and the fact that councils were not always working to the code. I was involved in drafting the initial code back in 1999, and within a year we realised that there were problems with it. It has now been reviewed by the UK roads board, and we hope to have a revised edition out in June 2005. Councils really should not be hit over the head if they are not conforming to the code, because the problems with compliance with it have been recognised by the industry for the past two years. What was needed was the impetus from the Department for Transport to get someone on board to revise the document.

There are discrepancies in asset management and the collection of data throughout Scotland. Some councils are good at data collection and some are bad. It is very patchy but, with the work that Hugh Murdoch has carried out, we have managed to get the family groups together, and we think that the data that we have are fairly representative. However, further costs are involved in bringing the systems in and putting the procedures in place. In Perth and Kinross, we have allocated about £0.5 million just to get the system in place—not to get it up and running. That is a burden that councils will have to bear on top of any backlog costs.

**Hugh Murdoch (Society of Chief Officers of Transportation in Scotland):** Jim Valentine has explained quite well how we have been trying to take this matter forward. The reference to exhibit 17 that was made in questions to colleagues from Audit Scotland highlighted clearly the problem that local authorities have in deciding where best to invest their money at any given time. It has been very much a case of using ad hoc systems of allocating money, with specific percentages allocated to structural maintenance, street lighting, and drainage and so on, in any given year. We have been unable to make the best decisions about where to invest money because of the lack of an adequate inventory system. Addressing the backlog will save money in the longer term because it will no longer be a case of taking a sticking-plaster approach to spending money. It is very much the case that spending money on strategic maintenance where it is needed reduces the amount of response maintenance in the longer term.

**The Convener:** I thank Jim Valentine and Hugh Murdoch for those introductory remarks. Paul Martin will kick us off in this session.

**Paul Martin:** Audit Scotland recommended that the local authorities report annually on the condition of the road networks. Does SCOTS have any views on that recommendation and on whether such reporting could be introduced?

**Jim Valentine:** We have a statutory performance indicator on carriageway condition, which is reported annually. SCOTS has suggested that we should rerun Audit Scotland's report, perhaps modifying it slightly but collecting the same information year on year to see how the situation develops. It is a good report. In the past, it was difficult to get such information and, although the report did not present some areas in the best light, it was a useful exercise.

**Paul Martin:** In your view, is there sometimes an obsession with collecting statistics and the various ways in which we can do that, and less emphasis on the experience of the road user? I am not saying that the problem is unique to your business, but we seem to be obsessed with the methodology of collecting statistics. Perhaps there should be much greater emphasis on the experience of those who use the roads.

**Jim Valentine:** The UK roads board has been trying to gather some research on that and it will perhaps be incorporated into the new code of practice, but public perception is difficult to deal with. A road that is structurally sound might have a lot of patches on it. People might not like the look of that road, but it is structurally sound.

**Hugh Murdoch:** We agree that we should try to make the best use of our investment through development of asset management systems, and one of the key planks of an asset management plan is that it relates to public and user expectations. When surveys are undertaken to indicate where the network is failing, that work is not just about the gathering of statistical information. It allows a common base, so that local authorities in Scotland can say that a road that is in a poor condition is in the same condition as a road in another local authority area, because the surveys are like for like. In the past, the survey methodology allowed local interpretation and we did not have a consistent base. If we have the information, we know where we should target expenditure to address the backlog and we can also see whether users in an area are flagging up matters that need to be addressed.

**Paul Martin:** Can I ask for a behind-the-scenes view? Do you sometimes say, "Here is somebody else wanting us to carry out another statistical exercise that might not be necessary. Let's get down to the front-line work of delivering an effective road network and ensuring that we maintain it properly"? Do we sometimes collect statistics that are not required to do the job that you do?

**Jim Valentine:** From the efficient government angle, we need the statistics to be collected so that we, as stewards of the road network, know that we are looking after it in a robust manner. The problem is that there were so many statistics and surveys, with various figures appearing in the press. Different people asked different authorities the same question and got different answers. That caused us problems, not only in the Parliament and council chambers but with the UK roads board at the Westminster Parliament—there were so many figures floating about. The good thing about the Audit Scotland report is that it has focused our minds on what the actual figures are and what the actual backlog is. I do not think that collecting statistics is a waste of time. It detracts from the day job, but it is really just part of the day job.

**Paul Martin:** I have one final question. Given that we have the new uniform approach to the reporting of information, can you say that there will be a significant difference in the way in which roads are maintained and the way in which expenditure is targeted? Will people in Scotland be able to look back and say that the new approach contributed to the improvement of the road network, given that we did not have a uniform approach before, which caused you some difficulties in providing a service?

15:30

**Jim Valentine:** The process will be in place to allow us to monitor the condition of roads. However, if that is not accompanied by money, conditions will not improve. Although we need the means to measure improvement, such improvement will not happen unless there is a means of delivering it. Things will simply flat line or dip.

**The Convener:** I know that we have asked about this issue before, but you said in response to the previous question that more resources are needed to address the overall issue. However, some councils do not seem to be spending their existing funding allocation. If the GAE formula were not changed but the Executive simply decided to put more money into improving Scotland's roads, what guarantee would it or the Parliament have that the money would be spent on that and not diverted into other, perhaps very worthy projects? What would be the best way of ensuring that that happened?

**Jim Valentine:** We are here as technical advisers, not decision makers, and our technical advice is that we are facing a major problem. The question of how money is fed back into solving that problem is a matter for national and local government.

**The Convener:** But you accept that existing expenditure compared to GAE varies very widely across the 32 councils.



**Jim Valentine:** Yes.

**Bruce Crawford:** Building on that point, I realise that it is difficult for you, as technical officers, to comment on GAE and how money is distributed, but will you comment on the question that I raised earlier with Audit Scotland on the balance of expenditure on national and local roads? I think that, according to my quick divisions, the figures that I mentioned are accurate. Given that the pot of money might stay the same, does SCOTS think that the balance of expenditure needs to be improved?

**Jim Valentine:** When we met the Scottish Executive just before Christmas, we pointed out the very imbalance that you mentioned. Perhaps we need to revisit the way in which roads are classified. For example, certain A-class roads are carrying more traffic than trunk roads. I am not sure how we take the matter forward, but we certainly acknowledge the problem and are speaking to the Executive about it.

**Hugh Murdoch:** There are locations in every authority where there has been investment in trunk road maintenance and where the local authority would have loved to have made the same investment in its own network. I am not talking about only carriageways or footways; the issue could simply come down to replacing a set of traffic lights. We have to make the traffic lights on our road networks last five years longer than those on the trunk road network.

The approach that you outlined could drive savings in the longer term, which is what we would like to do. As Jim Valentine has already said, we have already started to engage with the Executive to find an approach to the transport network that takes in the 33 roads authorities in Scotland and does not separate the 32 local authorities from the authority that looks after trunk roads.

**Bruce Crawford:** A good example of that can be found in Jim Valentine's own area, where the new Kincardine bridge will be opened before 2010. As a result, the Kincardine-Kinross-St Andrews road will perhaps need to be reclassified and returned to the trunk road network in order to get the balance right. I presume that the same will hold true for the A8000, which has caused problems for many years.

**Jim Valentine:** But the A85, which runs from Perth through Crieff to Oban, would perhaps be served best by being brought under local authority control. After all, it dissects a number of communities, which itself causes problems.

**Bruce Crawford:** Those comments have been useful. We should put the issue of reclassification on the map.

**The Convener:** Exhibit 1 in the Audit Scotland report shows that although trunk roads and

motorways make up 6 per cent of the road network they take 34 per cent of the total vehicle kilometres in Scotland each year. To what extent is that level of usage taken into account in deciding whether the split between local authority and Executive expenditure is right?

**Jim Valentine:** That needs to be taken into account, but it is only one aspect and there are others that we need to consider. For example, I believe that Buchanan Street in Glasgow is either a C-class or an unclassified road, but it requires a lot of maintenance; if you went purely by the category of the road, you would not provide a lot of maintenance on it. When we consider reclassification, we have to examine a greater range of statistics.

**David Mundell:** Your submission highlights the national backlog of carriageway repairs amounting to £700 million. However, there are significant differences in the backlogs between local authorities, even if we take into account variations in population, prevailing weather conditions and so on. Can you explain those differences? Are they simply due to a lack of maintenance in the past? Are they due to the way in which the roads were constructed—as Audit Scotland seemed to say—and on the fact that some roads were drove roads while others were first built in new towns?

**Jim Valentine:** There are a couple of points. First, the model that we developed to examine which roads need to be investigated takes into account the class of the road, which goes against what I said previously, but it was the best that we could do at the time. If there is a high proportion of unclassified and C-class roads, roads can be in a poorer condition before they will trigger the intervention criteria. However, there is a history of underinvestment in some areas. The issue is not purely the method of construction, but that is one of the issues. For example, in some areas the development of the roads network has been organic and roads have gone from being farm tracks to carrying 400 forestry vehicles over a two-week period. A raft of factors undermines the condition of a road, but the condition is the condition that it is in now.

**David Mundell:** So there is no consistent factor affecting roads' conditions.

**Jim Valentine:** You can see that there are consistent factors if you start to compare within family groups and compare the unclassified, C-class and B-class roads across areas with the same characteristics. However, that information was not available to Audit Scotland when it pulled its report together.

**David Mundell:** Clearly, the maintenance of a forestry road is not a one-off—it has to be ongoing, given the high volume of lorry traffic. It

would not be a case of going to a road in a rural area that had a large volume of forestry traffic, doing something to it once, and that being the end of the story. There would be an on-going maintenance requirement. Is that accounted for within your model?

**Jim Valentine:** Timber extraction tends to occur over a long time and there might be five or six years when the road is left and nobody goes into the forest. That comes back to the fact that the wear and tear on rural roads is different from that on urban roads, where utilities come in every other week. The point that I made at the beginning was that the amount of wear and tear is probably about the same throughout Scotland but it is of different kinds in different areas.

**David Mundell:** But within your model there is no concept of the one-off repair and maintenance of every road.

**Jim Valentine:** No.

**David Mundell:** There is the concept of an on-going maintenance requirement.

**Jim Valentine:** Yes.

**David Mundell:** And to get rid of the backlog you need on-going maintenance as well.

**Jim Valentine:** At the end of the 10-year period, we estimate that we will still need a sum somewhere in the region of £150 million per annum to keep the roads in condition—not in perfect condition but in what we guess will be an acceptable condition. That means that the proportion of the road requiring work is about 8 per cent on an A-class road and up to 15 per cent on an unclassified road.

**David Mundell:** On the question of acceptable condition, I understand that there is no minimum condition for a non-trunk road. Is that correct?

**Jim Valentine:** That is right. The 8 per cent figure came from work that the Highways Agency had done, which was based on user acceptability. The 15 per cent figure was reached in discussion with our technical advisers; we thought that that was a reasonable figure. If the UK roads board came up with user acceptability figures, we would obviously adapt our model to suit them.

**The Convener:** You talked again about using families of local authorities to provide comparisons. I am sure that you heard us asking the Audit Scotland witnesses about comparisons, and Fergus Ewing asked about the comparisons in the cost of reconstruction between different local authorities. Looking specifically at the cities, according to the Audit Scotland report, we see that the cost of reconstruction of a B-road is about £40 per square metre in Edinburgh, not much higher in Dundee and Aberdeen, but almost twice as high in

Glasgow. Although there will be variations in condition in each local authority area, I would expect there to be a high degree of correlation between City of Edinburgh Council and Glasgow City Council in terms of the level of traffic through both cities. Do you have any explanation for such a wide variation?

**Hugh Murdoch:** I am glad that you picked the cities, because that is one of the groups for which I was involved in looking at the comparative costs. I know that the figures that Audit Scotland has appear to be different from the figures that we have gathered for the four cities in the group. As Jim Valentine explained, one of the benefits of splitting into groups when developing the model was that we were able to say, "Well, that's a cost for that group," rather than saying that the roads in Moray are at one rate, which differs from the rate for the roads in Dumfries and Galloway. We took the collective grouping and said, "That's the average cost or agreed notional cost for any particular treatment." That includes a much larger group of treatments than was identified in the Audit Scotland report, hence the reason for our saying that we might want to modify and continually improve the information that we gather.

The figure that I have for Glasgow is less than the figure in the Audit Scotland report. That is why I think that the report was a snapshot in time. The work that we have been doing has used the information available. There could be various factors that explain that difference. It could just have been that the type of road that was being surfaced or treated at that time in Glasgow had a specific cost because of particular difficulties with the treatment. The job might have required a different depth of construction, for example. I cannot give a specific reason why that cost would be higher than would have been expected in Edinburgh. The work in Edinburgh might have been a very simple job that had no difficult traffic management associated with it.

As we said at the outset, we welcome the report, which has enabled us to gather a lot of information. However, it is not a case of putting it in the cupboard and saying, "That's the exercise done." We now accept that the family groups have to look at the costs together. That does not mean that the cities cannot look to the costs in the urban areas, because there are some areas that are comparable with cities. We look sideways and we also look in collective groups at how we can gather that information.

**The Convener:** So you are saying that, in the information that you gathered, the level of variation within the cities group is not as great as that indicated in the Audit Scotland report. You may not have the figures to hand, but could you send them to the clerk so that we can look at them. In

this case, we would just like to see the figures for the cities group, because that information would help to illuminate that point.

**Hugh Murdoch:** No problem.

**Fergus Ewing:** I want to ensure that I understand the correlation between the figures that we have talked about. Are your figures the same as those produced by the Scottish road maintenance condition survey?

15:45

**Jim Valentine:** Yes, they are the same—they come from the 2003-04 survey.

**Fergus Ewing:** The Audit Scotland report states that, on 16 March 2004, SCOTS presented to the Local Government and Transport Committee the Scottish road maintenance condition survey figure of a requirement for £1.5 billion of repair work. Am I right that the figure is about a year old?

**Jim Valentine:** The figure was our best estimate at that time. It is actually more than a year old; I first reported it in November 2003.

**Fergus Ewing:** So, as one would expect, the figure is more than a year old.

**Jim Valentine:** Yes.

**Fergus Ewing:** I just wanted to make that clear—I do not want to attribute fault. We are talking about the figures as if they were valid today, but that is patently not the case.

You have presented a plan, following the model in England, to tackle the backlog over 10 years, which most people would agree is a sensible approach. You have also helpfully quantified the amount that should be spent on works each year as being just under £400 million—the figure is £387 million. However, CIPFA has pointed out that local authorities currently spend just under £200 million a year, which is about half your estimate of what needs to be spent. If spending falls substantially short of what is required—let us assume it will be about 50 per cent short, which seems to be the case at present—what impact will that have on the cost of tackling the backlog in five and 10 years? As technical experts, do you agree that if we fail to provide the necessary investment now we are storing up much more serious problems that will cost exponentially more to solve in the short term, namely five to 10 years?

**Jim Valentine:** Without an increase in funding, roads will continue to deteriorate. The Perth and Kinross model that I mentioned illustrates that. If weather conditions continue to deteriorate, that will kick in hard on a road network that is already falling apart.

**Hugh Murdoch:** Another issue is that Scotland has about 290,000 street-lighting columns that are

more than 30 years old, which is about 37 per cent of the lighting columns in Scotland. In five years, that figure will have increased. Of those columns, 230,000 are made of mild steel, which creates problems with internal corrosion and leads to significant failures. Over a longer period, the need to replace street-lighting columns to protect communities will increase. We do not have a statutory requirement to provide street lighting, but the lighting exists for community safety reasons. The demand from communities to invest in street lighting will increase. If there is no increase in funding, the money will have to come out of the budget for structural maintenance of carriageways. Carriageways and footways will deteriorate as a result of our ensuring that street lighting is in place.

**Fergus Ewing:** Are you saying that there is a danger of lamp posts or lighting columns falling over because they are structurally unsafe? If so, how serious is the problem? We would all be concerned if the public faced the prospect of lamp posts falling on top of them or their property. Councils would face litigation costs, not to mention the potential human tragedy that would be involved.

**Hugh Murdoch:** My authority did what was meant to be a non-destructive test of lighting columns, but we removed them because in our opinion they were dangerous. There have been occasions when lighting columns have fallen over. Thankfully, those have not created a public safety issue—no one has been injured. However, we face real problems with an aging street-lighting stock that will need to be replaced in the not-too-distant future.

**Fergus Ewing:** A jocular interpretation of the issue is possible, but the prospect of a lamp post falling on top of someone is not particularly funny.

I would like to ask about a related topic. Does your calculation of £387 million a year include an element for costs that might be said to be related to failure to carry out necessary works, such as legal claims that arise from people having accidents on pavements and with street apparatus and claims from motorists who say that damage to their property or injury to themselves has arisen from failure to fill potholes? You mentioned dangers from lamp posts. Other street furniture may be in such a defective state that local authorities are failing in their statutory obligations.

**Jim Valentine:** We have taken no account of any costs that arise from failure to carry out works. The backlog in dealing with street lights has been mentioned. Many urban traffic control systems have been installed in the past 20 years. Huge systems in cities such as Glasgow and Edinburgh are reaching the end of their working lives and will need to be replaced or will require considerable

maintenance at some point. That is another emerging cost.

**Fergus Ewing:** Mr Murdoch mentioned that there are 230,000 lamp posts or columns of mild steel. Can you give the committee an idea of the approximate number of columns that you regard as being unsafe or that require to have work carried out on them to render them safe?

**Jim Valentine:** It would be foolish to give the committee a percentage figure. In Perth and Kinross, we carried out non-destructive testing and found no problems with our lighting stock. The issue is dependent on topography, how close columns are to the sea and traffic flows.

**Hugh Murdoch:** I know of one street in Aberdeen where, of eight lighting columns, six had to be removed and only two were left. However, in the next street, where the same lighting columns were installed at the same time, it might not be necessary to remove any. Such are the vagaries of the issue.

In working out the backlog, we have had to consider what a backlog is. Are we saying that all lighting columns that are beyond their life expectancy must be replaced? If we had taken that approach, we would have come up with a figure that was far greater than £1.55 billion. We have tried to ensure that the figure is limited to problems that we know exist and to work that must be undertaken. In relation to street lighting, we have adopted the same methodology that has been used in the rest of the UK. We have estimated the cost of replacing columns that are more than 40 years old and how many more columns will come into that category over a period of 10 years.

**Fergus Ewing:** So the figures relate to the cost of bringing carriageways and lamp posts up to reasonable condition, rather than perfect condition.

**Hugh Murdoch:** That is correct.

**The Convener:** No one would underestimate the problems that you face in relation to road-lighting columns and so on. Do you have figures for the number of incidents that have resulted from poor-quality roads or to which potholes and other road conditions have contributed?

**Hugh Murdoch:** We do not have specific numbers. Audit Scotland asked for information on the number of public liability claims in each year; it may not have included that information in its report—I do not recall seeing it. However, when information was sought from local authorities, we were specifically asked for the number of public liability claims.

**The Convener:** It may be useful for us to follow that up with you in order to get figures for

accidents and to ascertain whether any involved fatalities.

**Tommy Sheridan:** This is a complex area and it can be difficult to ensure that we are comparing like with like. You may have heard my questions to Audit Scotland on the robustness and accuracy of the figures that you have provided. Those figures are helpful—I hope. I add that rider because the figures can only be as helpful as they are accurate. The estimates that you have provided appear to suggest that the shortfall in the required expenditure is a minimum of £200 million. That figure will obviously increase as deterioration increases; after five or six years of continuing deterioration, the figure will be more than £200 million. Cast-iron assurances are too much to ask for, but can you tell us how rigorously the figures have been checked? How accurate are they? I know that they have not simply been plucked out of the sky, but Audit Scotland did not seem to be prepared to back them. That worries me.

**Jim Valentine:** The figures that we have given on carriageways are in accordance with the methodology that we have developed across the United Kingdom. The Scottish model is now being used for the rest of the UK, so if the model is wrong it is wrong across the UK. However, a body of scientific work has been carried out and we are quite comfortable with the carriageways figure.

To arrive at the figures for ancillary matters—the remaining 50 per cent—we have had to use the road family groups and we have had to build figures up. Those figures could vary over the years, which is where the asset management system would come in. Once that system is in place and there is robust information on every council, the figures will be more accurate. However, the information that we have given you is the best starting point at the moment.

**Hugh Murdoch:** A specific benefit of setting up the road family groups was that they allowed us to consider why, for example, more footways were in bad condition in Edinburgh than in Glasgow. We were not simply asking about costs; we were asking about the percentage of the network in different areas that surveys had shown to be in such poor condition that it constituted a backlog. That allowed us, for example, to consider the results from Aberdeen and Dundee and to compare them with the results from Glasgow and Edinburgh. If the results were similar, that was fine, but if they were not, we were able to ask why one result was higher than others. Were the figures based on detailed surveys or on somebody's gut feeling? We were able to discuss the figures as a group and come to a collective explanation for why a cost might be reasonable in any particular circumstance.

Glasgow has particular issues. For example, it has the only tunnel in Scotland, which has a significant cost attached to it and is in need of repair. When we started gathering together costs, that figure was included in the backlog. However, the contract has been awarded, so there is no longer a backlog in respect of the tunnel as far as we are concerned, and it has been taken out.

We are fairly robust on the costs of structures such as bridges that need to be repaired, because that information is gathered by SCOTS every two years. We know about structures, street lighting and footways and the information on carriageways is based on a national methodology. The rest of the ancillary figures are based on, as you would imagine and as can be seen in exhibit 17, our asking how one authority compares with another authority in the group and then trying to feed that information through the system.

This is the start of a process; as the Audit Scotland survey has started something that needs to be continued, we accept that we have to continue to work to improve the way in which such information is gathered on an on-going basis. The methods must be more and more rigorous so that, when we come before a parliamentary committee, we can say with hands on our hearts that we are certain about the figures. However, as Jim Valentine said, the figures that we are talking about are the best estimates that are available at present and represent the most rigorous assessment that we have done in the past decade.

16:00

**Tommy Sheridan:** Are you saying that the backlog figure that you have provided does not include the estimate from Glasgow City Council for work on the Clyde tunnel? It was included to start with, but has it been removed?

**Hugh Murdoch:** The council has awarded a contract that covers part of the backlog of works that it must do on the tunnel. That part has been taken out of the backlog figure because funding for the work has been secured. However, some works that must be done on the tunnel are still part of the backlog.

**Tommy Sheridan:** I ask about the matter because the contract will take a while to complete, so people will still see it as being part of a backlog of work that remains to be done even though the contract has been awarded. You seem to be suggesting that the starting point is robust and reliable and that, therefore, a shortfall of £200 million a year could not be challenged by the Executive. Is that correct?

**Jim Valentine:** Thirty-two councils have agreed that the methodology is robust, which is as good

as we can get. We will have to keep developing the process and we might discover that we have made errors that mean that the figure might be adjusted by £100,000 either way some years down the line. However, everybody appears to be happy with the process at the moment.

**Tommy Sheridan:** You referred to road family groups and I think that the information that you provided in relation to street-lighting columns was helpful and interesting. What about drainage? Earlier, we talked about the extra wear and tear that is being caused by changing weather conditions. What feedback did you get on drainage backlogs?

**Hugh Murdoch:** I noticed that reference was made to people not knowing where their footways were. I have to say that there is an even greater problem in identifying where our drainage systems are. Across Scotland, we have an estimated backlog of £60 million in relation to drainage.

**Tommy Sheridan:** Is that figure for drainage alone?

**Hugh Murdoch:** Yes.

**Tommy Sheridan:** From the breakdown that you have acquired, what areas would you say have the biggest backlogs?

**Hugh Murdoch:** Water tends to find its way through systems. It might be that it will erode areas around the drainage system, which will lead to catastrophic failures of the carriageway in the longer term. We have considered the problems that are caused by damaged gullies that need to be replaced. I am talking not about replacing the covers because, for example, they are orientated the wrong way for cyclists, but about gullies that we know are blocked and need to be replaced. Dealing with rural drainage is a major issue, as we have seen over the past few days. We have to ensure that the roads are clear. As Jim Valentine said, the fact that this time of year brings long periods of rain followed by periods of frost means that the sub-layers of roads remain extremely wet, which leads to the break-up of roads in the longer term. Drainage is an important element of ensuring that roads last.

**Jim Valentine:** There is not much that I can add to that. We have realised that if we have had a problem with footways that we can see, drainage that we cannot see will have been a big problem. Comprehensive drainage records were maintained probably 100 years ago, but we are really starting from square one. A big cost is associated with simply tracking drains and finding out where drainage runs go. I have talked about £0.5 million in Perth and Kinross, but the London borough of Hammersmith and Fulham is doing a full inventory survey, which includes its drainage, and it is paying £1,500 a kilometre to collect the information.

**The Convener:** You will realise that you have probably triggered a press release from one of my colleagues saying that SCOTS advocates that £60 million of public money needs to go down the drain.

**Paul Martin:** My question is about the £60 million estimate. It has been said that there are difficulties in tracking where drains are. How was the £60 million estimate arrived at?

**Hugh Murdoch:** Again, we considered the family groups. One authority would know what it needed to spend on drainage. In the cities, we mostly considered what it would cost to replace gullies and the number of gullies where we knew there were blockages that were causing problems that we would have to rectify. We know about drainage runs that we have had a camera down and we will perhaps know that there are broken drains. Waters may be clearing, but we know that we must rectify things in the longer term. Things can sit on the to-do list on an on-going basis.

Available information that is based on surveys or whatever can be used. Information that one authority has can be considered and we can ask what that information means for the other authorities in the group by considering and comparing road lengths. Glasgow's road length is roughly double that of Aberdeen—it is slightly more. Therefore, if Glasgow knows what its drainage backlog is and other information is not available, it can be said that Aberdeen's backlog will be around half of Glasgow's and that Edinburgh's will be similar. Information is gathered. As Jim Valentine said, we know that we must improve the information that we hold about particular categories of infrastructure. Audit Scotland has identified that as one area that we need to improve on.

**Paul Martin:** Would it be correct to say that a health warning should be attached to the figure of £60 million and that no exact science was involved in reaching that estimate, so the figure could be much more or much less than that?

**Hugh Murdoch:** We looked to compare figures across the overall groups. The rural group tended to have the longest road lengths, but the overall road lengths for the other three groups collectively were very similar. There were similar lengths in the four cities and the urban areas. Therefore, if the figures for the cities come to £10 million or £12 million, one could ask what figures would be expected in an urban context. The £60 million estimate comes with a bit of a health warning, and we must knock off its rough edges. The figure might go up by 10, 12 or 15 per cent, or it might go down by 10 per cent, but what is £6 million here or there in the context of an overall figure of £1.5 billion?

**Jim Valentine:** We attach a health warning to what is said about drainage, which we cannot see, and structural retaining walls, which are difficult to find. For bridges and street lighting, for example, we have built on UK-wide methodologies to arrive at the figures. If the sum of money in question were handed to us, it would be big, but in the grand scheme of things there is no big sum of money for drainage, compared with the sums required for carriageways or footways.

**Michael McMahon:** In your introductory statement, you mentioned the 10-year plan that exists in England to address the situation there. I agree with Fergus Ewing that it sounds like a good idea to have some forward thinking on how to tackle the problems that you outline. What would the benefits and funding implications of a 10-year road plan for Scotland be? Would it be possible or desirable to examine the English plan and implement it here or would we have to have our own plan?

**Jim Valentine:** We would have to have our own plan, because there have been problems with the delivery of the English plan—you are probably all aware that it has lagged a bit. A plan would have major funding implications, but it would at least let us see the way ahead, as it did for our colleagues in England, where it meant that a path was marked out for funding and that a programme of works could be prepared. Simply to resource a plan to be delivered over 10 years will be a big problem. We have a skills shortage in the engineering industry and we will have to increase resources to deliver anything. However, 10 years appears to be a reasonable period and I do not think that the problems that have been experienced with delivery in England would occur in Scotland because SCOTS exists and because those involved in road maintenance talk to and learn from one another. SCOTS would be able to drive forward a 10-year plan from a technical point of view.

**Michael McMahon:** So a 10-year plan would be good for technical reasons. We have heard in evidence that we have taken on other issues from the Civil Engineering Contractors Association (Scotland) that it would like there to be a road maintenance programme. It is all right to identify what is required, but because of the availability of skills and other workforce issues, it is then necessary to develop a programme of how to do it. Are those the same concerns that you have about laying out a programme, making it deliverable and allowing everyone to participate in a way that could deliver?

**Jim Valentine:** SCOTS has exactly the same concerns as CECA. If we—I refer to committee members, the regional transport partnerships and the Scottish transport agency, which will place

burdens on local authorities and the industry as a whole—were developing a plan, we would have to step back, consider the issue holistically and consider how to deliver solutions that tie everything together.

**Michael McMahon:** The matter has been raised in relation to the Transport (Scotland) Bill. Has the committee had any submission from SCOTS on it? If not, such a submission might be useful to our consideration of the bill.

**Jim Valentine:** There has been a SCOTS submission.

**The Convener:** I confirm that there has been.

**Iain Smith:** Asset management planning, which is highlighted in the Audit Scotland report, seems to me to be crucial to developing and implementing a national plan. At present, there seems to be a problem—certainly in some areas—of simply not knowing what the assets are. How has that come about and what advice are you able to give to authorities that are having problems in getting asset management plans together? How can you share best practice to ensure that they draw up plans?

**Jim Valentine:** Because the regional councils had larger bodies in which asset management was being developed, we lost economies of scale and quite a lot of knowledge when those councils were disbanded. We then went to much smaller councils in which asset management was the responsibility of, perhaps, one person. As budgets reduced, that role ceased to exist and was subsumed into the overall operation.

There are people who are trying to restart the process of asset management, but we will not have any centres of excellence. SCOTS has talked about how to address the problem. Should SCOTS produce guidance for councils? Should councils think about how they work together? It seems ludicrous that a small council would appoint asset management professionals if the council next door had three people already doing asset management. Councils already work together—Audit Scotland acknowledged that in its oral evidence—and asset management is another matter on which they could work together.

16:15

**Hugh Murdoch:** In England and Wales, in this round, there is a requirement on councils to submit an asset management plan when they submit local transport strategies. In Scotland, we have worked with our counterparts south of the border and elsewhere in the UK to consider how to develop a framework for asset management plans. That is very much the first step on the road to developing guidance. The feeling was that there was little

point in having something that was of use in one part of the UK but which would not be of similar use in others. The authorities in Wales and authorities in some other parts of the UK have engaged a single consultant to take the work to the next stage and to develop a common framework so that they adopt a common methodology for gathering information to create an asset management system.

SCOTS has engaged the Executive in the process and has said that it is further ahead than we are on the whole issue. The Executive has said that it is prepared to make available to us any information that it has about how to go about the process. We want to play catch-up and we want to start off by asking how all 33 authorities can go about the process together rather than the 33 individual authorities going their own way and spending a massive amount of money to engage the same consultants to do the same piece of work for us all. We want to establish how the work can be done collectively to take the whole issue forward on a Scottish basis.

**Iain Smith:** Your submission refers to the fact that the development of an asset management plan could cost an authority up to £0.5 million per annum. How does that estimate come about? By how much could that figure be reduced by authorities working together?

**Jim Valentine:** That estimate came about because that is what we in Perth and Kinross Council, which is an average-sized authority, are spending on the development of an asset management plan. We have let a contract for inventory collection and we have also put staff in place to deal with our asset management plan. There are recurring costs beyond the £0.5 million.

**Iain Smith:** So the £0.5 million is a set-up cost. What is your estimate of the annual recurring cost?

**Jim Valentine:** It will probably be in the region of £100,000. We will have to update our inventory continually and keep the staff who administer the system involved. Cross-service savings can be made because a lot of the good work that has been done on the definitive national address system and the development of corporate address gazetteers links into asset management. We have tried to make councils aware that other people within their authority might be skilled in the type of work that requires to be done. We need to look across, perhaps to our property colleagues.

**Iain Smith:** If £0.5 million is a council's set-up costs, are there advantages in councils developing an asset management plan as a consortium to minimise those costs?

**Jim Valentine:** That is certainly a matter that some councils have been discussing.

**The Convener:** You have talked about the way in which local authorities work together to some degree and Audit Scotland has recognised that. It seems to me that this specific matter is one that the new regional transport partnerships could perhaps take on in working with the new national agency. That would mean that the work would be done between one national agency and half a dozen regional agencies. That would greatly increase the economies of scale in the process. Is that feasible?

**Jim Valentine:** That is one of the issues that was discussed at the most recent SCOTS meeting and I believe that the matter is part of our submission under things that we think could be managed regionally.

**The Convener:** That is useful.

You have acknowledged that there was some loss of economies of scale in the move from regional authorities to unitary authorities. Another matter that we talked about with Audit Scotland was the potential loss of economies of scale owing to local authorities no longer running the trunk road maintenance contracts. To what degree has that impacted on the ability of local authorities to manage their road networks efficiently?

**Jim Valentine:** It has had a lesser effect in my authority area because Tayside Contracts managed to pick up work from the trunk road operators. However, that means that specialist tasks that were managed effectively when the two networks were joined up are perhaps not managed as effectively now on either side. As we said, there is scope to revisit the network and to determine who has responsibility for what.

**Hugh Murdoch:** In my authority area we have continued to undertake work for the trunk road managing agents where we could make cost savings. In our most recent meeting with the Scottish Executive, we highlighted the other side of the coin, where local authorities have got together to purchase salt for winter maintenance or specific contracts, such as for weather forecasting. Had the Scottish Executive and the trunk road management agent been involved, there would have been savings for them as well, but they went down a different route.

**The Convener:** So irrespective of who the contracts are awarded to in 2006 or thereabouts, there is scope for further economies of scale if local authorities and the Executive work together more closely.

**Hugh Murdoch:** We could sit down with the Executive at the outset and say that a collective approach would lead to further economies, because of the bulk and everything else. At the moment, there are two consortia in Scotland for purchasing energy for street lighting and the

likes—one covering the north and one covering the south—but I do not think that the Executive is involved in either.

**The Convener:** That is interesting.

**Bruce Crawford:** I have a small point that builds on what the convener asked you about the proposed new regional transport structures. You said that asset management is better done at a regional level. Does the same apply to the trunk road maintenance contracts? Could they be more satisfactorily managed by the regional transport partnerships working together with local authorities?

**Jim Valentine:** There are probably good reasons for keeping the motorway network separate, and possibly some of the higher-use routes, particularly in the south. However, regional transport partnerships would be a good delivery mechanism for strategic road maintenance across the network.

**The Convener:** That brings us to the end of questions. It has been a useful session. I thank Jim Valentine and Hugh Murdoch.



## Railways Bill

*Members indicated agreement.*

**The Convener:** We move into private session.

16:23

**The Convener:** Our next agenda item is consideration of the specification for our adviser on the Sewel motion on the Railways Bill, which we will consider at the committee next week. We have a very short timescale. We indicated to the Conveners Group the draft adviser's schedule that I approved, but if members want to amend it we can communicate that to the Conveners Group before final approval to appoint our adviser is given. The paper covers the main qualities that we want to see in an adviser. Do members have items to add to the person specification?

**Bruce Crawford:** I thought that we could build on the duties in the specification. Given our questions on the financial settlement that will come from passing powers to Scottish ministers and the Minister for Transport's previous evidence to us, there will be complicated issues concerning the negotiation or settlement—whatever we might call it—of resource transfer. An adviser will need to have some understanding of resource transfer issues and future funding mechanisms, which will need to spin off into the person specification. Those qualities might be in the specification and I just did not see them, but there is nothing about addressing resource transfer issues in the adviser's duties.

**The Convener:** The third bullet point refers to "the transfer of resources to the Scottish Executive which will arise from the Railways Bill".

**Bruce Crawford:** Are you including financial resources as well as people resources in that?

**The Convener:** Yes, absolutely. In addition, the first bullet point of the person specification identifies

"issues relating to the financing of the rail industry."

It is understood that it is essential for the adviser to address that.

**Bruce Crawford:** As long as that is not just about money, but also about people, because a transfer of people might be needed.

**The Convener:** Do we agree to the specification?

*Members indicated agreement.*

**The Convener:** I have another issue to raise to save time at our next meeting. I suggest that the adviser's briefings to the committee be in private, so that the witnesses and the minister do not have advance notice of the areas on which we intend to question them. Do we agree to hold those briefings in private at our meetings next Tuesday and Wednesday?

16:26

*Meeting continued in private until 16:39.*



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