

Presentation to Road Expo Scotland 2010 by Ewan Wallace, Vice Chair, SCOTS

Can our transport network continue to enable our economy and support our communities?

Could this be the headline that we face on the 1st of April 2011?

As the comprehensive spending review cascades down through the system and merges with the reductions that all of our authorities have already been considering, there is the potential for a perfect storm to emerge in relation to the impact upon the transport system in Scotland.

CHALLENGES

The challenges facing Local Authorities in setting their budgets for the coming 4 years are beginning to emerge.

- Stretched budgets as authorities balance competing priorities
- Mature transport networks with a significant backlog of required maintenance.
- Increased accountability to communities, businesses and elected representatives.
- Increasing public expectations that all needs should be met and costs will be reduced within a context of demographic change and environmental pressures.
- Increased collaborative work across agencies, authorities and services

Budgets

Whilst the precise amount (£900 million to £1.3bn) to be taken out of the Scottish block grant in 2011/12 is still to be announced, the 38% reduction in Capital expenditure will have a massive impact upon the short to medium term management and development of the transport network. Whilst budgets have been constrained previously, the scale of reductions for some authorities in the coming period could be well beyond anything that has been dealt with before.

The network of transport services across the country be it based on rail, road, sea or air, is after all reliant upon the most valuable physical asset that Scotland has and one that supports every sector of society.

Travel to school, deliveries to shops and supermarkets, shipping products to and from the world market, enabling access to leisure and tourism, connecting communities, walking the dog, cycling to work, linking jobs, people, goods and markets, transportation is the lifeblood of a vibrant economy and inclusive society.

Time and again figures are produced from complex studies that show the benefits of investment in our transport network exceeding the costs by 3, 4 or 5 times. And the same body of evidence clearly shows that properly planned investment in the transport network is critical to making our communities wealthier and fairer, safer and stronger, smarter, healthier and greener. Are there any other areas of investment which deliver across this range of priorities?

So the overarching challenge facing us is not to lose sight of the role that the transport network has in delivering the strategic priorities of our individual organisations and the wider public value that is brought to Scotland PLC. But most importantly there is a need to ensure that this message is reinforced at every opportunity.

Maintaining and Managing

Such a statement on reinforcing messages is easily said of course and as officers have been going through every budget line by line over the last few months it is understandable if that message has become blurred.

The budget pressures on transport are not new. As the consequences of reduced investment levels on infrastructure are usually not immediate, the perception of transport as an easy target can grow within the minds of some key decision makers. But the backlog of work required to keep our network in a state that allows transport services to work efficiently, will continue to grow.

With regard to the local road network, SCOTS has, since 2002, been overseeing an area of collaborative work across all 32 authorities on the condition of the local road network which then puts a financial value against the condition of our local roads network. In 2009 we produced our most comprehensive model yet, comparing expenditure against need and forecasting trends over the next 10 years.

To maintain the road network at today's condition, Scotland's Local Authorities need to spend £167.6 million every year – currently they spend £122.5 million / year. The saving made - £451 million over 10 years - by not spending at steady state budget, will result in the asset value reducing by £987 million and the amount of the local public road network in good condition will fall from 64% to 53%.

At an individual level we all know that putting off the day when you repair your windows or replace a boiler is a false economy. As the condition of the local network is allowed to continue to deteriorate there is a point at which all the cracks form one chasm that can no longer be papered over. A road network that is heading towards less than 50% of it being ranked as good is heading rapidly towards that scenario. This then will impact upon all aspects of the economy as the movement of goods and people has to allow for the delays associated with emergency repairs, width and weight restrictions, closures and even full reconstruction on key routes.

The investment in public transport services, whilst more direct in terms of the impact of any changes, follows a similar pattern in that gradual reductions in service over time will generally require disproportionately large future investments to recover to the same position.

Thankfully in recent years the professionals who deliver the programs on the ground have been increasingly focussed on cutting out waste and introducing innovations that allow an increasing % of available budgets to be spent on improvements.

On the Roads Expo 2010 program there are a number of specific papers that set out how the profession has already been looking to deliver greater value for money. However even these types of approaches have limitations and are unlikely to fill the gap. Therefore the prospect of a managed deterioration is a very real one.

Accountability

So how may the decisions on budget allocations on transport play out in our communities, with the business sector and with our elected representatives?

There is a great mythological time that seems to have existed when our parents and grandparents were young, when budgets were plentiful and the work of local authority municipal engineers was held in great esteem. There was no need to ask a question or complain as your needs as citizens were always met.

The new reality is of course that the same professional staff are now classed within a group referred to collectively as "They" and "They" are increasingly being held to account for "Their" actions and use of public funds.

As the prioritisation of budgets leads to fewer projects being delivered there is an increasing challenge within all Local Authorities to ensure that decisions and processes are open and that those providing the information on which the decisions are based, are accountable. With increased consultation, involvement with community planning networks and links to business groupings such as Chambers of Commerce, SCDI and Association of Small Businesses, the processes are undoubtedly extensive but officials will still have to work hard at ensuring they are effective.

The provision of clear information to these key groups, in the same manner that elected members are fully briefed prior to taking decisions, will always ease the process even when the decisions are not favourable. The challenge of developing projects/priorities through early discussions is also one that is already being met in many authorities, often with the added benefit of managing expectations from the outset.

It is a constant challenge to Local Authorities to provide more and more access to the information used in decision making but thankfully one that is aided by technology. Whether by making the information more accessible we see a greater understanding of the decision making process developing across communities is debatable, but it will almost certainly assist the manner in which public servants are held to account for those decisions.

Expectations

There are undoubtedly major challenges in relation to the expectations within communities given the levels of service they will have been used to in many locations. Whilst the wider message around the spending review has been for everyone to lower their expectations, the likelihood is that as each team, within each service, within each authority begins to put in place the reduced budgets from April 2011, then this message will be forgotten as previously promised projects are delayed or cancelled.

Directly related to this message is the separate challenge to widen the understanding that "transport" is in itself a means to an end and not the means itself i.e. it will help to deliver the sustainable economic growth that we are all seeking and the carbon reductions that everyone is looking for. It must be fair to ask the question "If transport budgets are cut, then as a consequence will it be less likely that we will come out of recession? By ensuring a shared understanding of this linkage we can look to ensure that the effectiveness of transport budgets is clearly set out to the public and politicians alike.

There is a major challenge here for Local Authorities to ensure that members and officers work together on backing up the decisions taken over the coming months when they are then being translated into actions on the ground. Whether it be encouraging greater individual resilience on the back of another winter like 2009/10, attending community meetings where bus services are being scaled back, or setting out an extended timescale to deliver flood alleviation works within reduced budgets, there will be difficult discussions facing us all.

Whilst the majority of the focus may be on how to secure business as usual in meeting the expectations of the public, two particular areas where the expectation levels are only increasing relate to the move towards a low carbon Scotland and the demographic changes that are facing us over the next 25 to 50 year horizon.

There are increasing expectations on all of us to identify how we will reduce Scotland's greenhouse gas emissions by at least 80% by 2050 and the interim target to cut greenhouse gas emissions by at least 42% by 2020.

From Climate Change 'Mitigation' through new energy technologies such as offshore and onshore renewables to 'Adaptation' based around changes to physical infrastructure and Low Carbon 'Transition' by de-carbonizing transport, utilities, logistics, and supply chains, Authorities and Agencies will be required to meet the commitments under the Climate Change (Scotland) Act 2009.

Whilst many of the emerging technologies do offer up longer term savings in relation to energy usage, the initial expenditure as the technology develops can be prohibitive e.g. £1m for a hydrogen powered bus makes a business case difficult. These can be offset in some cases through national schemes that have been brought forward which are targeted at putting trial projects in place.

SCOTS members are involved in these projects and also other ongoing research from the use of recycled materials through to street lighting burning hours. Undoubtedly this is an area of our work that will both grow in significance and become increasingly challenging as we seek to deal with extreme weather events, continuity of energy supply, scarcity of raw materials and the need for a skilled workforce.

It is related to this aspect that a further challenge for all of us is already becoming very real. With an increasing elderly population and a reduction in those of working age there are challenges in coping with the demands both directly through commitments such as concessionary fares and indirectly through maintaining levels of social care and access to services. Is it better to keep people in their homes and provide transport for them using Demand Responsive Transport than to build and operate centralised care homes

This type of solution fits within the challenge of delivering improved outcomes with less money. It clearly links to an area which has a high public profile and is most certainly on the agendas of all of our management teams that of sharing services and collaborative working.

Collaborative Working

Working jointly across agencies, partnerships and authorities is not a new area for SCOTS members as it is the foundation of everything that we do. We are a Society, and a society allows its members to achieve needs or wishes they could not fulfill alone.

Indeed with Regional Transport Partnerships as SCOTS members there are good examples of working jointly across boundaries and disciplines. Within the core business of the Society there is an extensive list of projects and initiatives which SCOTS has delivered on a collaborative basis from the work to deliver part time 20mph zones outside schools to the Roads Asset

Management Project and our members will continue to play key roles in bringing forward further areas.

Announcements are being made all across Scotland, from the Clyde Valley to the North East, Fife to the Highlands, where authorities are looking at formal joint working and already SCOTS have been discussing opportunities with colleagues in Transport Scotland and Scottish Government and have for example been looking at how the duties under the Flood Risk Management Act can be best met on a collaborative basis across multiple agencies or how current delivery of Road Safety initiatives could be better co-ordinated.

So the challenge of working collaboratively is one that is already very real but one that we should be well placed to influence and deliver.

Summary

The pace of change in many of our organisations over the last couple of years has been a challenge in itself and one that will no doubt continue for at least 4 to 5 years.

But challenges are what keep many of us motivated and so in the coming months and year's motivation should not be in short supply as long as we have met those challenges and continue to do what we do best; deliver the best services, to the best of our abilities, within the resources we have available.