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# Roads Collaboration & Partnership Working – Looking Ahead

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Gold Partners



Silver Partners



## What we will talk about

- Roads & Transportation – An Essential Service
- Contextual Factors
- Financial Pressures and the Gearing Effect
- RAMPS – Performance and Return on Investment?
- Critical Workforce Issues
- The Inverclyde Journey
- Developing Future Delivery Options?

# Roads - An Essential Service

- Underpins all economic activity
- Directly influences all aspects of life e.g.
  - Quality of working surfaces for the elderly
  - Travel times for industry and commerce
- Must be efficient and fit for purpose to deliver on:
  - Education
  - Health, social exclusion
  - Economic regeneration
  - Employment

## Contextual Factors

- 5G Trunk Roads Consultation – Opportunity or Threat?
- Audit Scotland – Option 30 and Performance Audit
- Spending Review
- Commission for Strengthening Local Democracy
- Forthcoming Scottish Government and Council Elections

# Financial Pressures

## SG Funding Limits/Conditions

- SG Settlements Estimates suggest real terms reduction of 10-14%
- Cash Terms 6-8% Reduction
- Scottish Government funding conditions 2015/16
  - Police numbers protected
  - Council Tax Freeze (£1.01m cost if not agreed)
  - Education protected – teacher numbers
- Social Care and Health Protected – Integrated Joint Boards
- Targeted Policy Priority Spend – No Ring Fencing???

## Inverclyde - Budget Pressures

- Reducing Population leading to further cuts in Government Grant
- Workforce Pay Increase Demands
- Increasing elderly population
- Increased number of young people with Additional Support Needs
- Welfare Reform – Cuts in DWP funding and increased demand
- Infrastructure Maintenance (Roads, Flooding, Coastal Defences)
- Continuing Financial Austerity (to 2019/20?)
  - Reduced Government Funding
  - Reduced Partner Funding

# Finance & The Gearing Effect

	<u>£million</u>	<u>£million</u>	
<b>Inverclyde's Revenue Budget 2015/16</b>		196.00	100%
<u>Protected Areas</u>			
Education	70.00		
Inclusive Education	9.00		
Health and Social Care Partnership	49.00		
Loan Charges	14.00		
Pensions	<u>2.00</u>		
Sub Total		<u>144.00</u>	73%
Other Services (Including Roads)		<u>52.00</u>	37%

**£21million Estimated Savings Requirement by 2017/20 (3years) = 11%**

# Inverclyde – The Gearing Effect

**£21million Estimated Savings Requirement by end 2017/20 (3years) = 11%**

	<u>£million</u>	<u>% of Total</u>
Estimated Savings Requirement by end 2017/20 (3years)	21.00	11%
Protected Areas – estimated maximum saving	<u>2.88</u>	2%
Balance of Savings from Other Services	18.12	9.2%
Other Services (Including Roads)	52.00	37%

**Therefore £18.12m out of the £52m = 35% saving**



# RAMP – Performance and ROI

## Inverclyde:

- Delivery of Best Value – efficiency/optimum use of resources
- Service Resilience and Sustainability?
- Audit Scotland Expectation – Plan fully funded
  - 365kms of Local Roads
  - £29million Investment
- Significant reduction in Pothole complaints
- Longevity – Materials Specification
- Greater efficiencies - spend to save e.g. street lighting
- Service User Satisfaction

# Critical Workforce Issues

- Previous staffing cuts – Capacity
- Age profile
- Loss of skills and expertise
- Generalists and not Specialists
- Sustained lack of investment in training and development
- Emerging recruitment and retention crisis
- Significant competition from other sectors
  - 28500 construction jobs by 2019
  - 40-50,000 professional LGV drivers needed now
  - Pay differentials

# The Inverclyde Journey Thus Far

- Arbutnott Report November 2009 – Clyde Valley Shared Services
- Options 30 Report: July 2012
- Inverclyde, Renfrewshire and East Renfrewshire Councils:
  - First Report (with IS): April 2013
  - Second Report - Detailed analysis (9 Roads Functions): May 2014
  - Leaders/CEs Meeting to discuss May report: December 2014
  - Third (Final) Report - Savings: January 2015
  - Leaders(x2) Decisions – No to sharing: February 2015
- Now developing options with other Councils – report by December 2015
- Audit Scotland Reports: 2004, 2011, 2013 and Now!

# What does the Evidence Show?

Evidence supports the introduction of LG Shared Services to ensure:

- Local Democratic Governance
- Improved performance
- Improved Roads and Transportation network for service users
- Service standardisation and consistency
- Increased specialist management capacity
- Improved staff retention, skills development and training
- Improved business resilience
- Improved sustainability
- Increased efficiency and effectiveness
- Better procurement
- Commercial Opportunities
- Delivery of Best Value

# Developing Future Delivery Options?

## Key Questions:

- Should future organisation be at a local, regional or national level or a combination?
- Should change be voluntary or on a statutory footing?
- Just roads or should transport or wider infrastructure be included?
- Should change proposals be led by Local Government or should we wait and see?
- What is the optimum pace of change?



# Delivery Options - Back to the Future?



**Council (Regional?) Delivered Local & Trunk Roads**