

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM



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Acting on behalf of the Trunk Road and Bus Operations
Directorate of Transport Scotland

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FUTURE OPTIONS FOR THE MANAGEMENT AND MAINTENANCE OF FORTH REPLACEMENT CROSSING AND THE FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

N.B. This paper is a working draft using the information received to date. The information used and any conclusions made have not been agreed or discussed with FETA at this time. It is produced to inform other work underway within Transport Scotland on FRC/FRB at this time.

10 June 2011

Objective

This review considers the processes that exist within the Forth Estuary Transport Authority (FETA), together with relevant comparable evidence from similar bridge structures within the UK, to assess Value for Money (VfM) in its delivery of maintenance services on the Forth Road Bridge (FRB).

Approach

PAGplus has undertaken this review by considering FETA's management and maintenance service arrangements, together with a benchmarking exercise comparing the FRB against the similar service arrangements for other large bridge structures in the UK.

PAGplus has held a number of meetings with senior staff from FETA to discuss their management and maintenance services arrangements and to identify financial and any other management information necessary for the review. Documentation requested by PAGplus was received as well as any further information sought.

Teleconference meetings were held with representatives of Humber Bridge (14 April 2011) and Severn Crossing (6 May 2011) to discuss their management and maintenance arrangements and identify any useful information for the PAGplus review as part of the benchmarking exercise. We also considered information from Amey as 3G Contractor for the Trunk Road South West Unit for the Erskine Bridge and its approaches and for the Dartford Crossing.

It should be recognised that information obtained from the various sources was not always in similar format or complete and these factors result in certain limitations in terms of the conclusions that can be drawn (i.e. indicative rather than absolute conclusions) as to the VfM represented by FETA's maintenance arrangements for the FRB.

Methodology

The review consisted of the following steps

1. Considering internal processes within the governance of FETA
2. Establishing the size and cost of the maintenance service within FETA (see tables throughout report, in particular Table's 3 and 4 and Appendix 4)
3. Drawing relevant comparisons between FRB and other large bridge structures
4. Concluding on the available information to assess VfM of FETA Maintenance arrangements for the FRB

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

1. Considering internal processes within the governance of FETA

Structure

The FRB is operated and maintained through FETA, a consortium of local authorities (See Appendix 2) whose public have a vested interest in the existence and availability of the bridge. FETA has been in existence since 2002 when it replaced the Forth Road Bridge Joint Board. We are informed that ultimate ownership of the bridge at this time is “unclear” although its ultimate “public” ownership is not in doubt.

An “executive management” team, under the Chief Engineer and Bridgemaster is in place to manage the day to day running and maintenance of the bridge. A copy of the current organisation chart of that team and other staffing is attached at Appendix 3. The Bridgemaster reports to the FETA Board at its meetings every two months. Financial affairs are the responsibility of the Treasurer (appointed from within Edinburgh City Council (ECC)) who reports on financial and audit matters to the Board.

Both Audit Scotland and ECC’s internal audit function provide “comfort” on financial controls and annual accounts to the FETA Board through annual reports. ECC additionally undertakes financial and treasury services as well as providing wages and creditor payments on behalf of FETA.

We have reviewed the minutes and associated papers of the Board meetings, which are contained on the FETA website.

Funding for FRB Maintenance

Since toll abolition on 11 February 2008 FETA has been 100% funded by the Scottish Government through Transport Scotland for its revenue and capital maintenance works. Both revenue and capital maintenance expenditure are accounted for on an “incurred basis” i.e. in year of expenditure.

Transport Scotland issues an annual grant to FETA on behalf of the Scottish Government. Meetings regarding the grant take place between FETA and Transport Scotland throughout the financial year. The annual grant request process is set within the terms and conditions of the grant. FETA submits a formal approval request to Transport Scotland for an initial review and this is then submitted to the Scottish Government for approval.

The grant is normally agreed and included in the Scottish Government budget for the full term of a spending review period. This is normally a three year period thereafter the grant is reviewed on an annual basis. However, due to the elections and comprehensive spending review underway within the Scottish public sector, the 2011/12 budget was for a one-year period only.

Discussions on the grant for the three years thereafter (2012/13, 2013/14 and 2014/15) will take place between FETA officials and Transport Scotland in summer 2011. Transport Scotland will issue guidance on budget requirements and FETA will submit a draft budget around November/ December 2011.

Transport Scotland has no seat on the FETA Board and does not formally “approve” its planned utilisation of annual revenue and capital budgets.

FETA’s funding for the last seven years is outlined in Table 1 below. It should be noted that all yearly comparative tables within this report have been extracted from the audited FETA accounts to 31 March 2010 and Treasurer Board reports for 2010/11 and 2011/12.

Financial Year	Grant in Aid		Grant for one-off toll abolition costs	Tolls/Other	Total
	Revenue	Capital			
	£'000	£'000	£'000	£'000	£'000
2011/12	5,100	8,600*	-	-	13,700
2010/11	5,115	8,730	-	-	13,845
2009/10	5,674	7,381	-	144	13,199

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

2008/09	7,070	6,895	2,956	493	17,414
2007/08	-	6,445	544	10,879	17,868
2006/07	-	22,055	-	12,714	34,769
2005/06	-	-	-	12,674	12,674

Table 1 – FRB Income 2005-2012

*£1.4m advance capital funding for 2011/12 received 2010/11 – treatment to be confirmed.

Note: Tolls/ Other category include revenue from tolls (in 2005/06 to 2007/08) together with minimal sums for interest on investment income & miscellaneous income.

Controlling Expenditure

In “high level” terms FETA spends some £5m per annum on its fixed staffing and infrastructure costs including maintenance and the balance of spend (c£8-10m on recent budgets) on externally procured maintenance projects of a non recurring nature. Annual Programmes of revenue and capital works are prepared as an output of ongoing inspection work. Specialist external inspection works are commissioned as necessary. Strategic maintenance needs are identified within a 15 year indicative spend budget.

The competitive tendering of all contracts over £25k provides a VfM assurance to FETA’s Board. On the basis of recent annual accounts this would equate to some 60-70% of expenditure.

However, whilst works not capable of in house delivery are routinely tendered for, the in-house team will undertake certain routine and cyclic maintenance works regardless of value e.g. re-painting of the Bridge, without any competitive exercise. This potentially compromises VfM for the organisation.

The fixed staffing and infrastructure costs representing Management, Administration, Operations and Maintenance functions are reflected by the Organisation Chart shown at Appendix 3.

Certainty as to funding exists only for 2011/12 with the likelihood of reductions on current levels thereafter. The Comprehensive Spending Review of public spend by the Scottish Government represents a significant “risk” to FETA as acknowledged by the Board Treasurer in his paper to the December 2010 Board. The requirement for proactive identification of efficiencies was also reiterated in the 2011/12 Grant Award letter of 31 March 2011 from the Director of Trunk Roads and Bus Operations (TRBO) of Transport Scotland.

Our review of the minutes and actions from the December 2010 and February 2011 Board Meetings did not highlight or evidence any actions to identify and implement efficiencies to date.

FETA Board meetings routinely consider the ongoing financial performance against budget as well as receiving the annual revenue and capital maintenance programme.

Budgets have been routinely overspent in the last five years with FETA utilising accrued balance sheet reserves to meet deficits. Table 2 below provides further details on the use of accrued reserves:

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

Overall Financial Position

Financial Year	General Reserve Fund Balance b/f	Gains/ (Losses) for the year	Transfers between Reserves	General Reserve Fund Balance c/f
	£'000	£'000	£'000	£'000
2009/10	6,913	(4,302)	2,842	5,459
2008/09	4,486	(2,298)	4,725	6,913
2007/08	13,054	(12,090)	3,522	4,486
2006/07	18,643	(8,626)	3,037	13,054
2005/06	16,471	(984)	3,156	18,643

Table 2 – Movement in General Fund

To meet current maintenance needs FETA is utilising reserves accrued in prior years to address shortfalls in funding. It is forecast by the Board Treasurer that available reserves will have reduced to c£3.3m by 31 March 2012.

The FRB will continue to be the main route across the Forth until 2017 if current Forth Replacement Crossing (FRC) timescales are adhered to. The impact of maintaining the FRB in the event of the General Fund being fully utilised in the interim period as well as likely restrictions in grant levels against maintenance programme costs should be considered and appropriate actions identified.

As part of our work we reviewed a “draft Final” document – FETA Corporate Governance Framework 2010-11. This document sets out how FETA will address six principals of public sector best practice for public bodies. Section 3.1 of that document asks how VFM is to be measured within the Authority. The evidence of compliance noted by FETA refers to the existence of a strategic Capital Plan (2025/26) and the budgetary control processes in place.

We would comment that whilst setting a budget and monitoring delivery constitutes control of spend it does not critically question the need for and ultimate sourcing of that expenditure.

Whilst there is evidence of robust budgetary control on expenditure, the recurring pattern of funding shortfalls and the likely curtailing of funding as part of the Comprehensive Spending Review makes the need for a robust VFM agenda on all areas of spend, as well as putting in place an effective and timely efficiency savings plan, a priority for the Board.

In considering its planned spend the Board should consider the process applied in establishing maintenance needs as to whether these could be revisited to defer, remove or reduce remedial actions thus reducing pressures on budgets. Co-terminously FETA should robustly challenge the costs of those maintenance services which are not currently subject to competitive tender.

Some £5m or less per annum exists from which to identify efficiencies to address budgetary pressures. The bulk of this portion of expenditure lies with the in house maintenance team and its management and supervision. Employee costs across Administration, Maintenance and Operations costs for 2010/11 equate approximately to some £3m per annum (see Table 4 below).

In considering actions on the matters raised above it should be borne in mind that the FRB's current existence as a heavily utilised main transport link is likely to be for only another 6 years – strategic maintenance needs reflected in programmes should ideally be reflecting this fact.

2. Establishing the size and cost of the in house maintenance and operations services within FETA

We are informed by FETA management that the annual works programme is established on the basis of maintenance “need” through a detailed inspection programme as opposed to any consideration of the staffing size and composition of the current in house maintenance function. We were also informed that the in house team in most cases undertakes routine and small scale ad hoc projects. We would comment as above, that some routine maintenance areas may involve significant levels of time and cost without any competitive tendering.

The cost of the in house team is included within the revenue maintenance budgets. Remaining revenue and capital works are delivered by external contractors. We were informed that all projects identified as **requiring outside delivery** and estimated to cost more than £25,000 are procured through a competitive tendering process to ensure VFM. We noted that the current standing orders

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

for FETA required competitive tendering at over £50,000 unless FETA decides otherwise. We have not audited this process.

We obtained detailed financial information from FETA for the five years to 31 March 2010. To allow a better understanding of the maintenance activity and associated costs we also received information on staff structures, associated pay grades, together with annual revenue and capital works programmes.

Structure of team

Operations and maintenance is delivered by an in house team. A high level comparison of the total employee numbers pre and post tolls abolition has been outlined in Table 3 below.

Pre Tolls Abolition (Nov 2007)		Post Tolls Abolition (March 2010)	
FTEs	Temporary/ Part-time Employees	FTEs	Temporary Employees
95	11 to 20	69	4

Table 3 – FETA Employee Numbers (Pre / Post Tolls Abolition Comparison)

Source: Extracted from organisational structure (November 2007) and organisational structure (Amended March 2010).

The staffing restructure following toll abolition has resulted in a reduction of staff overall of approximately a third by number. FTEs have reduced by 26 employees: 14 of these employees relate to operations and this would have been expected due to the tolls abolition on 11 February 2008. In other divisions FETA has reduced the number of top tier management/supervision roles resulting in fewer employees. A fuller analysis of these numbers is shown in Appendix 4.

Using financial information supplied by FETA we have established the following levels of spend annually for employee costs:

FY	Total	Admin	Maintenance	Operations
	£'000	£'000	£'000	£'000
2010/11*	2,937	551	1,396	990
2009/10	3,178	662	1,486	1,030
2008/09	3,082	754	1,387	941
2007/08	3,002	829	1,323	850
2006/07	2,436	820	1,075	541
2005/06	2,241	674	988	579

Table 4 – FETA Annual Employee Costs – 2005-2011

* unaudited accounts

The table above indicates a significant increase in employee costs in 2007/08. The reduction seen in 2010/11 is anticipated to continue in 2011/12 as part of the Revenue Budget tabled for the Board's approval.

The reductions in overall staffing numbers in Table 3 are not reflected in the employee cost figures of Table 4. This issue requires further discussion with FETA management.

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

Maintenance Expenditure and External Contractor Spend

Using the annually audited financial statements external contractor expenditure as a percentage of total maintenance expenditure for the six years to 31 March 2011 has been provided in Table 5 below.

Financial year	Maintenance Expenditure	Consultant Fees and Contractor Costs	External Fees as a % of total expenditure
£'000	£'000	£'000	%
2010/11	No Annual Accounts figures available to date		
2009/10	2,795	626	22%
2008/09	3,086	517	17%
2007/08	3,617	1,810	50%
2006/07	2,545	998	39%
2005/06	1,757	332	19%

Table 5 – Contractor Costs

N.B. 2007/08 external contractor expenditure was higher than average due to £800,000 being contributed to the Rosyth Link Road and £849,000 relating to a main cable replacement/ augmentation study.

N.B. 2006/07 external contractor expenditure was also notably higher than average due to £500,000 being contributed to Ferry Toll park and ride.

Excluding significant non recurring events such as those noted above some 20% of revenue maintenance expenditure is contracted out. The level of competitive tendering undertaken for that spend is not ascertainable at this stage.

The revenue spend element attributable to maintaining and operating FRB is not subject to value for money consideration currently. Although this area of spend constitutes only some 25-30% of the overall cost of maintaining FRB, in the absence of any amendments to the current work's programming regime, it remains the main area of spend open to identifying efficiencies.

3 Drawing Relevant Comparisons between FRB and other Large Bridge Structures

The bridges identified for potential benchmarking have differences in age, size and level of use. These are summarised in Table 6 below. Any observations or conclusions drawn from a benchmarking exercise will take account of these differences in terms of their impact upon maintenance needs and costs.

	Measure	FRB	Humber	Severn	Erskine	Dartford
No. Of Structures	Unit	1	1	3	1	3 (Bridge and two tunnels)
Length/Area	Metres	2,512	2,220	5,128 (all)	1,310	2,872
Age	Yrs	47	30	45/15	40	20
Load/Volumes	Daily Traffic (Vehicles)	65,000	17,000	70-80,000	30,000	150,000 (based on 2 tunnels and bridge)

Table 6 – Other UK Bridge Statistics Overview

Information Sought and Received from other Bridge Operators

PAGplus has sought to obtain information and relevant statistics from the following bridges: Humber, Severn, Erskine and Dartford. It has sought to use this information to draw relevant comparisons on maintenance costs between FRB and the other structures. This section details the information requested and obtained by PAGplus. Section 4 concludes on any valid comparisons.

Humber Bridge

As noted in Section 2 above, PAGplus has held a teleconference meeting with the Bridge Manager and his deputy. This meeting discussed both the information requested as part of the PAGplus proposal and any additional required information following the meetings with FETA. Both the teleconference meeting and Humber Bridge's own website has provided useful high level information,

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

both on the operational and financial aspects of the bridge. However, Humber Bridge has confirmed that it is too resource intensive a process to obtain the detailed information requested and has concerns over the disclosure of HR information for posts where individuals could be easily identified.

Accordingly, PAGplus has been able to review only the high level information provided by Humber Bridge and seek to benchmark this, where practicable, against the information provided by FETA.

Severn Crossing

PAGplus held a teleconference with Severn Crossing senior executive management on 6 May 2011 to discuss the management and maintenance services provided for this bridge and seek what information Severn Crossing can provide to contribute to the benchmarking against FRB. At that meeting officials answered fully on operational and organisational matters but were unable to discuss detailed financial information for reason of commercial confidentiality. Barry Colford, Bridgmaster for FRB participated in the teleconference meeting. The only information made available to date on Severn Crossing has been an organisation structure provided by Severn Crossing via Transport Scotland on 22 March 2011.

PAGplus has also reviewed the Severn Crossing website, however, unlike FETA and Humber Bridge the website does not contain any financial information which could assist in this review.

Erskine Bridge

PAGplus made contact with Amey's Bridges Manager to discuss the information required as part of this review. Amey staff that would be involved in collating and providing the requested information are at present fully utilised managing the tender process for the major works contract to replace the parapets on the Erskine Bridge. As this works contract is a key priority for Transport Scotland, PAGplus agreed this would take priority over the provision of information as part of this Vfm review. Amey committed to providing the requested information by 29 April 2011. This deadline was not met and PAGplus has issued several reminders to Amey for the information.

PAGplus has in the meantime interrogated Amey's CCMS for financial costs claimed through the 3G Contract and will liaise with Amey to confirm the relevance of these costs for this Vfm review.

Dartford Crossing

To date contact has been limited in respect of this crossing. PAGplus has been liaising with the Highways Agency to obtain relevant information. However, with the exception of a link to Dartford Crossing on Highways Agency's website no information has been received to date in respect of the crossing.

PAGplus will continue to try and obtain information to assist in this review and benchmarking exercise.

- For the reasons discussed above PAGplus has been unable to receive a meaningful level of operational and financial information to allow effective benchmarking for Vfm purposes.
- FRB, Severn and Humber discussions have all indicated that pay and conditions for maintenance staff remain in line with nationally negotiated local government terms and could therefore be deemed comparable. FRB and Severn are actively looking to move staff onto new terms at the time of this review.
- Both Severn and Humber have a senior in house finance officer embedded within their management teams. FETA currently relies upon financial advice and direction from ECC officers.

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

High level Benchmarking

From the limited information available we have attempted to compare similar maintenance function resource levels and related expenditure information from similar UK structures. A high level comparison of employee numbers can be found in Table 7.

Total Number of Employees			
Grade/Role	FRB	Humber (Inc. Tolls)	Severn (Inc. Tolls)
Management	7	8	12
Administration	8	1	15
Maintenance	30	35	58
Operations	28	50*	84
Total	73	94	169

Table 7 – Total number of employees

* Further analysis requested but not provided

In terms of overall employee numbers we would see the FETA staffing levels as “reasonable” in comparison to those of Humber and Severn. However, further clarification over toll staff levels are required for both Severn Crossing and Humber Bridge.

In summary we would see the level of financial information publicly available or made available to us for these bridges as insufficient to allow any effective benchmarking of costs.

No costs are available for Severn. We are however able to compare overall provisional employee costs for 2010/11 for the FRB and the Humber Bridge:

	Admin	Maintenance	Operations	Treasury	Total
	£'000	£'000	£'000	£'000	£'000
FETA	551	1,396	990	-	2,937
Humber	576	449*	1,540	8	2,573

Table 8 – Employee costs – 2010/11 (Provisional and unaudited)

* anomaly requires clarification by Humber Bridge

Tables 7 and 8 above appear to indicate that, in comparison to the Humber Bridge, FETA is delivering its maintenance service at a significantly higher cost. We would see this anomaly as potentially due to classification of expenditure. This matter requires further clarification from FETA and Humber.

A 5 year comparison of all employee costs for Humber and FETA shows the following:

	2009/10	2008/09	2007/08	2006/07	2005/06	Total	Five year average
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FETA	2,922	4,522	4,111	3,548	3,304	18,408	3,682
Humber	2,433	2,429	2,321	2,319	2,076	11,577	2,315

Table 9 – Total Employee Cost Comparison – FETA v Humber 2005-2011)

The “fixed” employee costs of managing and maintaining the Humber Bridge appear significantly lower than those of FETA. This requires further discussion with FETA.

4. Concluding on VfM of FETA Maintenance arrangements for the FRB

In the sections above we have considered a number of sources of evidence to support the value for money or otherwise, provided by FETA's in house maintenance function.

The main areas of activity considered were available financial information, organisation structure charts and works programmes.

We are not at this stage able to conclude on the content of Work Programmes at FRB or any other large bridge structure.

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VfM

The available information seen does not currently either substantiate nor dispute the type, level and costs of maintenance work within FETA. The high level costs comparison with Humber shown above indicates a higher cost base. However, the figures used would require further validation and a greater understanding of Humber staffing structures.

However, we are able to highlight a number of matters and issues from our review to date that would support the pursuit of VfM within FETA. In summary we would highlight:

- There is insufficient demonstrable VfM focus and challenge at Board level other than budgetary reporting. Future budgetary pressures should encourage actions in this area.
- A comprehensive review of maintenance needs to consider VfM on the planned Capital Programmes should be undertaken
- A review of potential efficiencies over staffing and non staffing costs within revenue expenditure is required.

Taking the above into account and on the basis of the detailed financial information provided to us, we are only able to conclude that FETA does not have sufficient processes in place at this time to test and improve the efficiency of services allowing VfM to be evidenced in its operations. However, the absence of robust benchmarking information makes the VfM case for FETA “not proven” at the time of reporting.

To ready itself for the forthcoming likely period of financial stringency and FRC commissioning a way forward for FETA may be that:

FETA should seek to embed a VfM focus within its governance arrangements over the levels of necessary work planned and the most efficient method available for delivery of these services. Specifically budgets should be matched to “Risk Assessed” and fully costed Annual Maintenance Programmes. The current level of “as of right” work should be effectively “challenged” as to where the balance between effective and efficient repair v the economic cost to FETA lies. As part of the Business Improvement (BIP) programme underway within FETA we would see the use of that vehicle to roll out these change processes as worthy of consideration.

Some examples of possible measures for developing such a process are given in Appendix 5 to this paper.

PAGplus/DM/JAW/BDL

10 June 2011

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

Appendix 1 - summary of the actions undertaken to date

- 10/03/11 – Approval from Transport Scotland to progress the Vfm review;
- 15/03/11 – Meeting held between FETA and PAGplus to explain the reasons for the review, information being requested and timetable for undertaking the review. FETA open and willing to provide information requested.
- 21/03/11 – Bill Valentine met with Severn Bridge Manager to explain review and request assistance. Passed contact details to PAGplus (22/03/11).
- 24/03/11 - FETA forwarded information related to the review.
- 24/03/11 – PAGplus made contact with Severn Bridge and awaiting call back from Bridge Manager;
- 24/03/11 – PAGplus contacted Amey and made request for information on Erskine Bridge. Amey seeking to provide info w/c 28/03 once major Erskine tender out of way.
- 24/03/11 – PAGplus making enquiries regarding information on Dartford crossing.
- 25/03/11 – PAGplus reviewing information received from FETA and identify any gaps or clarifications - feed back to FETA for additional information as required.
- w/c 28/03/11 – PAGplus started Vfm review and analysis of information received from FETA.
- 05/04/11 – PAGplus requested additional information from FRB following review of information provided previously.
- 06/04/11 – PAGplus informally briefed Transport Scotland on progress.
- 08/04/11 – PAGplus contacted Severn Bridge and Humber Bridge to seek a teleconference meeting to discuss the Vfm review and information required.
- 15/04/11 – Second extensive meeting with FRB operational management to review information provided to date, obtain clarifications as necessary and request further information.
- 18/04/11 – PAGplus provided Severn Bridge with list of possible additional information requests for discussion at future teleconference meeting (date to be confirmed).
- 18/04/11 – FRB forwarded further electronic information related to the review following meeting of 15/04/11.
- 19/04/11 – PAGplus received hard copy financial information from FRB.
- 28/04/2011 – FETA Business Improvement Manager provided additional information and responded to queries regarding FETA's post tolls organisation chart.
- 11/05/2011 – FETA Business Improvement Manager provided pre tolls organisational chart.
- 01/06/2011 – FETA Business Improvement Manager responded to queries and provided information regarding FETA's grant application process and provided audited accounts for 2005/06, 2006/07 and 2007/08.

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Appendix 2 – FETA Board composition

The FETA board is made up of ten elected members from four constituent local authorities as follows:

City of Edinburgh Council

Represented by 4 members:

Councillor George Grubb
Councillor Kate Mackenzie
Councillor Phil Wheeler
Councillor Norman Work

Fife Council

Represented by 4 members:

Councillor Ian Chisholm
Councillor Tony Martin
Councillor Mike Rumney
Councillor William Walker

Perth & Kinross

Represented by 1 member:

Councillor Willie Robertson

West Lothian Council

Represented by 1 member:

Councillor Martyn Day

FORTH ROAD BRIDGE – CURRENT BRIDGE MAINTENANCE VFM

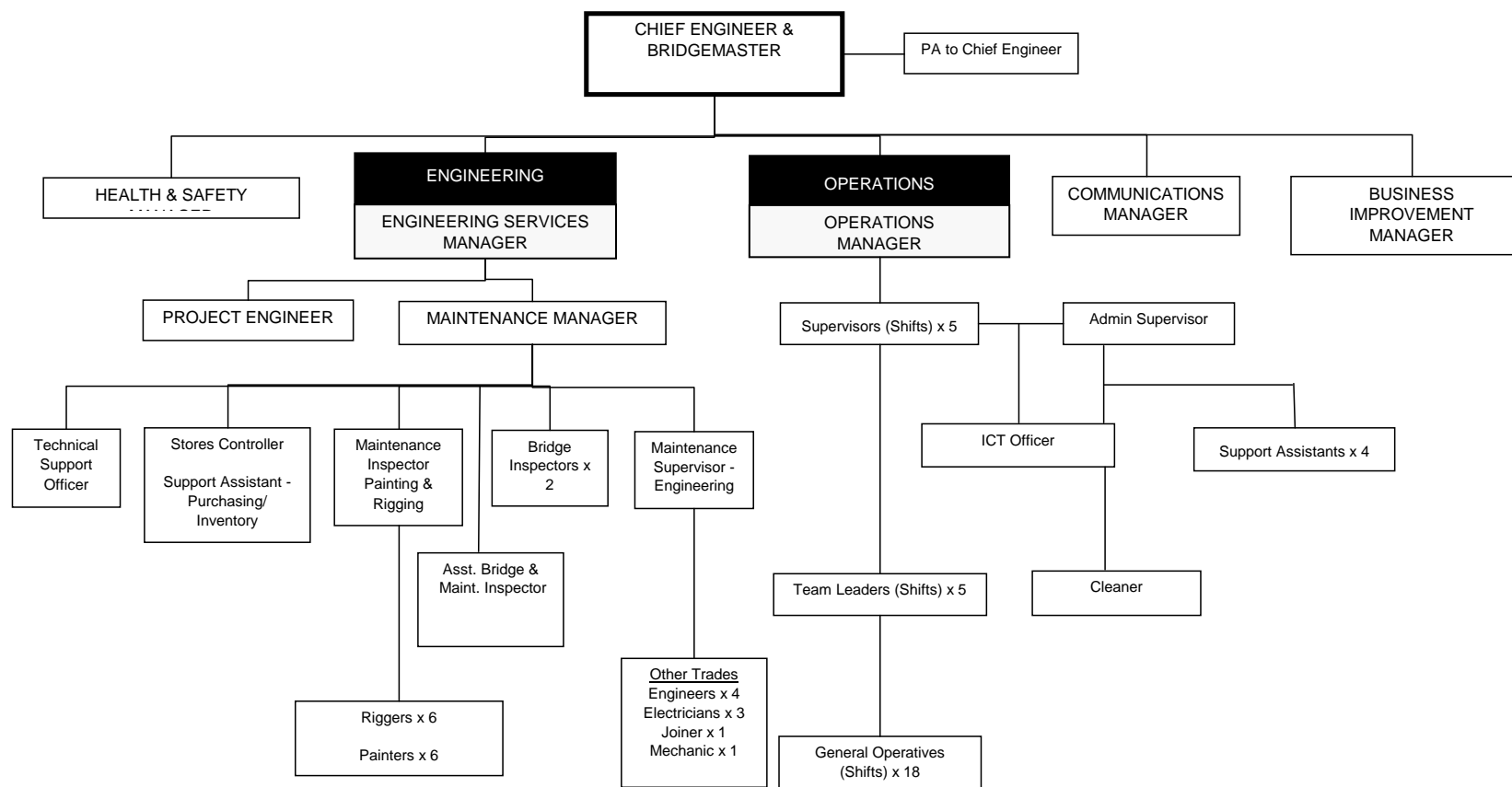


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Appendix 3 – Organisational Structure (Adapted from FETA Org. Structure March 2011)



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Appendix 4 – FETA Employee Numbers (Pre and Post Tolls Abolition Comparison)

Grade/Role	Pre Tolls Abolition - FTEs (Nov 2007)	Temporary/ Part-time Employees	Post Tolls Abolition - FTEs (March 2010)	Temporary Employees	Differences
Management	8	n/a	7	n/a	Post Tolls Abolition has resulted in the exclusion of Depute General Manager
Administration / Support Workers	15	5	8	n/a	Based on the organisational charts provided by FETA, the restructure has resulted in the exclusion of the following employees: - Business Support Officer- ICT Engineers x 2 - Management Support Assistant / Part-time Support Assistant x 2. Four Support Assistant's were employed by FETA pre tolls and these positions have been unaffected by the restructure. The reduction has been on a management and part-time level only. - Management Support Assistant Secretary- Temporary Support Assistant x 3
Maintenance – Supervision	8	n/a	9	n/a	Post Tolls Abolition includes Assistant Bridge & Maintenance Inspector.
Maintenance – Manual Workers	22	Ranges from 6 to 15 workers	17	4	Manual Maintenance Workers include Riggers, Painters, Engineers, Electricians, Joiners & Mechanics. Pre-tolls abolition, FETA employed seasonal employees ranging from 6 to 15 workers. Post-tolls abolition has resulted in the employment of 4 temporary employees only.
Operations – Supervision	10	n/a	5	n/a	As would be expected, post-tolls abolition has resulted in the reduction of 5 Toll Supervisors. The organisational chart shows no evidence of these employees being deployed in other areas of work.
Operations – Manual Workers	32	n/a	23	n/a	FETA's operation structure has moved away from being 'squads' of traffic officers and toll officers to general operatives. It should be noted that 6 of these manual workers (post tolls) assist maintenance staff on a daily basis.
Total	95	11 to 20	69	4	Overall Difference: The restructure has resulted in a reduction of staff. FTEs have reduced by 26 employees: 14 of these employees relate to operations and this would be expected due to the tolls abolition on 11 February 2008. In other divisions FETA has reduced the number of top tier management/ supervision resulting in fewer employees.



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Appendix 5 - Examples of VfM Processes for Public Bodies

Setting VfM Objectives

- i. Integration of VFM into decision making, planning and reporting;
- ii. monitoring of the achievement of VFM through reporting and benchmarking;
- iii. ensuring that the principles of VFM are understood and that it is the responsibility of all staff to pursue VFM in the organisation's activities;
- iv. ability to demonstrate that VFM is being achieved.

Potential Methodology

- i. through benchmarking an activity against similar activities in other relevant organisations
- ii. by using performance indicators
- iii. through conducting VFM studies (possibly in conjunction with other Authorities)
- iv. by seeking out and then adopting recognised good practice where this can be adapted to the FETA's circumstances
- v. through internal audit work. Although internal audit has a primary responsibility for assessing the internal control system, the auditor is frequently well placed to assess and comment on VFM in the areas reviewed. This should be reported in individual audit reports and in the internal audit annual report
- vi. through retaining both documents that show how an activity has been planned to build in VFM, and evidence of the good practices adopted
- vii. by examining the results or outcomes of an activity.