



How Does Riga City Municipality Succeed in Developing Urban Transport Infrastructure?

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Audit Report

How Does Riga City Municipality Succeed in Developing Urban Transport Infrastructure?

Regulatory and Performance Audit “Whether the Construction, Reconstruction, and Maintenance of Riga Urban Transport Infrastructure, Including Parking Lots, Complies with Statutory Requirements, Is Planned, Efficient, and Economic?”

18 January 2019

The audit was carried out based on the assignment No 2.4.1-2/2018 of Auditing Department No 5 of the State Audit Office of Latvia of 3 January 2018.

The cover incorporates an image from the archives of the State Audit Office’s auditors.



Dear Reader,

We have completed auditing the development of transport infrastructure in Riga.

The development of urban transport infrastructure begins with a comprehensive, unbiased, and up-to-date identification of the current situation, which results in clear problems to be addressed and future challenges. Then the choice of appropriate solutions and their targeted and consistent implementation follow.

In this audit, we assessed whether the solutions contained in the Riga Development Planning Documents relied on a comprehensive and impartial assessment of the current situation in the area of transport infrastructure and whether the solutions identified by the city and their implementation were aimed at tackling the transport infrastructure problems in Riga.

In the course of the audit, we also evaluated all planned deliverables in the area of transport infrastructure sequentially and assessed the progress of their achievement together with the employees of Riga City Municipality. Our report provides an assessment whether the quality of urban cycle lanes improves, whether the total length of streets increases, whether the number of asphalt-free streets decreases, whether the length of public transport lanes increases, whether the accessibility of personal transport parking increases, and whether the fact how the population evaluated the quality of street infrastructure for public transport, pedestrians, and cyclists.

The third issue that we focused on is related to the implementation of transport infrastructure projects. Being aware of the existing problems and of the work required to solve them are not enough because one must to them practically. We have

assessed how many projects out of the transport infrastructure projects prioritised are being implemented, whether they have been completed within the planned timeframe, and whether that has been done managing the money of the taxpayers in the most economical way possible. The construction of transport infrastructure is resource-intensive, so every euro available must be used with even greater care.

We expect our work to help improving the development of transport infrastructure in Riga by implementing long-term solutions to acute problems successfully and implementing the priority order defined by Riga fully: pedestrian – cyclist – public transport – vehicles – trucks.

We thank the employees of the Riga City Council Traffic Department, Development Department, “Rīgas Satiksme” Ltd, and “Rīgas pilsētņēmnieks” Ltd for their constructive cooperation in providing the information necessary for the audit and discussing the audit results. We extend our gratitude to our expert Rien Smalleher for the cooperation. We greatly appreciate the work he has done as part of the audit when assessing the performance of Riga in urban transport planning!

Special thanks to the representatives of the Association “Pilsēta cilvēkiem”, and all 2,860 residents who responded to our call and provided their opinion to us on their satisfaction with the development and solutions of Riga urban transport infrastructure!

Respectfully,

Mr Edgars Korčagins,
Department Director

A handwritten signature in black ink, appearing to be 'EK' or similar initials, written in a cursive style.

Summary

Motivation

Nowadays, any municipality must be able to create not only individual improvements to transport infrastructure but also an urban environment that is ready to face the challenges of the 21st century.

Problems affecting the planning of urban transport infrastructure in Riga, especially repairs of streets and bridges, and the quality of execution of works are very often raised in the society.

Both Riga residents and city guests use Riga's transport infrastructure daily, who are not only drivers and passengers of vehicles, but also cyclists and pedestrians, who are an important part of traffic participants.

Since the transport infrastructure consists of pavements, cycle lanes, streets and roads, pedestrian crossings, tunnels, bridges, overpasses, parking lots, and other engineering structures, the quality of their maintenance, improvement, and operating functionality concerns all of us. It is crucial for everyone to get from point A to point B safely, quickly, and easily irrespective of the mode of transport we use, whether we are walking, cycling, getting on public transportation, or driving a car.

Majority of urban transport infrastructure in Riga was built in the 1960s by shaping the streets as comfortable as possible for road transport but forgetting about pedestrians and cyclists.

While performing its functions in improving transport infrastructure, it is essential for the local government to identify existing problems promptly, to search and find potential solutions to current events, as well as to implement them in a planned and purposeful manner.

The future environment will not suit us if we do not make timely improvements to the urban environment, especially in the context of the rapid development and use of modern means of transport in our daily lives.

The State Audit Office wishes to outline those issues as a challenge for the future, with a significantly different vision of urban development, where more advanced planning approaches should be used for solving the problems.

As public space fills up with dissatisfaction among the population with the activities of Riga City Municipality in the development of transport infrastructure, we would like to pay more attention of the municipality to the planning of transport infrastructure development, tasks, activities, and duties while implementing projects related to construction, renovation, and improvement of transport infrastructure objects.



The audit was carried out to draw the attention of the municipality to the planning of urban transport infrastructure development in Riga, as well as to the tasks, activities, and duties when implementing transport infrastructure projects

Main Conclusions

During the audited period, Riga City Municipality (hereinafter referred to as the Municipality) has not acted efficiently, economically, and compliant with the requirements of regulatory enactments when providing for the construction, renovation, and maintenance of city streets, roads and squares, including parking lots.

Problems in transport infrastructure in Riga have not been solved purposefully and grow bigger year by year, whereas the implementation of the executed projects has been chaotic and blurred. The Municipality has not dealt with road safety and engineering and communication system problems that have been present for years. Although street renovation projects are commissioned and paid for, it does not mean that they are being implemented, whereas the projects implemented do not bring significant improvements in solving transport infrastructure problems.

This behaviour has resulted in more than 5.4 million euros not used purposefully but use of 9.1 million euros is not traceable.

Shortcomings in planning the transport infrastructure development

Municipal development planning documents set ambitious goals for the development of transport infrastructure, but their achievement is not ensured. When elaborating new development planning documents in 2017, they used the results of the 2005 case study, among other things, which do not correspond to today's reality anymore.

The tasks and solutions envisaged by the Municipality are not aimed at solving the acute problems of transport infrastructure for users and do not comply with the principles of sustainable urban planning because:

- ✓ They do not address road safety issues, for example, with the number of cyclists on city streets increasing, the number of road accidents involving cyclists and drivers of various scooters and other individual vehicles increases accordingly, which means that Riga cyclists have no reason to expect safe and convenient movement across city streets;
- ✓ There is a lack of solutions to eliminate the danger on pedestrian crossings, such as the one on Kurzeme Avenue, where road accidents have occurred frequently in recent years;
- ✓ Proposed solutions and changes in transport flows are not based on the up-to-date and in-depth case study, for instance, modelling and analysis of transport flows;
- ✓ Nobody has considered alternatives to traffic flow management, such as the location of roundabouts around the city centre, which will not reduce congestion on city streets.

For the most part, no measurable performance indicators exist for the tasks to be solved, which prevents both the public and the



The ambitious goals set in development planning are based, among other things, to an outdated situational analysis.



It is impossible to evaluate the progress in meeting the set goals according to the defined performance indicators.

Municipality from evaluating the performance and the progress towards the goals every year.

Inefficient implementation of transport infrastructure projects and targets

Although the Municipality has stipulated in its internal regulations that all transport infrastructure projects, ideas, and plans are evaluated according to the priorities set in the planning documents by awarding certain points and ranking them in priority order, those principles are not observed in practice.

The process of selecting projects for the implementation of the activities carried out by the Municipality is not transparent. As a result, it is not possible to trace the principles, according to which priority projects are chosen. For example, the 2017 Investment Program did not include any of the 48 project plans considered by the Traffic Department, whereas seven road surface reconstruction projects were included which the working group had not even considered. Such action relied only on the decisions taken by Councillors of the Riga City Council.

Also, when selecting projects that are funded from an earmarked grant for municipal roads and streets, the funding totalling to 3.3 million euros for at least 30 projects has been granted without any assessment or opposite to the recommendations of the working group.

The Municipality has set a goal in 2014 to develop park-and-ride services that would allow people living near Riga to park their cars on the Riga border area and use the public transport to reach their work in the city centre in order to facilitate unloading of the city centre from road transport and improving ecological status of the city.

The Municipality has entrusted the provision of park-and-ride services to “Rīgas pilsētņēmnieks” Ltd, but the fulfilment of the assignment to develop services related to the park-and-ride mode located on 13 Ulbrokas Street has not encouraged drivers to choose leaving their cars in this park-and-ride, as it is located far from the centre and the available public transport does not offer any advantage.

The workload data of the created park-and-ride space shows that the parking place is not used in the park-and-ride format practically. In the last four years, there have been only 28 uses of the park-and-ride place, so the average daily workload of the park-and-ride place is close to 0%.

The objective set by the Municipality of promoting a reduction in the use of parking lots in the city centre is not achieved either, as the pricing policy applied for paid parking lots has not contributed to the reduction of using parking places in the city centre. In tariff zones A, B, and R of the central Riga, the number of parking cases is increasing every year. For example, the number of parking cases in zone R was 77,000 in 2015, and it was already 109,000 in 2017 or 41% more.



Introduced principles and procedures do not function in project implementation.

Evaluate some projects, but realise completely different projects.



Goals and targets set are not achieved.



Provision of park-and-ride services fails.

Workload of the park-and-ride is 0.

Uneconomic use of financial resources

Between 2010 and 2017, the Traffic Department has developed several technical projects for the construction of urban transport infrastructure objects and has even started construction work in some cases. Yet, the technical construction and research projects developed have not resulted in further action regarding the organisation of construction work, or the commenced construction work has been suspended, but their cost of 5.3 million euros have been written off in losses.

Such action is most often justified with the aging of projects, lack of funding, loss of project relevance, as well as unresolved land ownership issues or even termination of a construction contract. In the opinion of the State Audit Office, the Municipality as a careful landlord should assess project implementation risks both about solving land ownership issues, allocation of financing, and opportunities to start the construction work before commissioning construction projects.

Even when transport infrastructure projects are implemented, they lack comprehensive solutions, which result in only partial solutions to existing problems, but the work done must be redone causing both additional costs and inconvenience to the users of the infrastructure.

For example, there are no comprehensive solutions to solve the problem of rainwater drainage from the streets, and there is no planning and execution of successive actions provided, which results in repeated repairs to the engineering and communications systems within less than a year after the restoration of the road surface in several instances. For example, on Avotu Street, after the road surface was restored in 2015, emergency repairs of the water mains were carried out at least in six locations.

Without the reconstruction of the rain sewer collector on Karlis Ulmanis Avenue simultaneously with the renovation of the road surface as planned in the development plan, one will be forced to pay again for laying asphalt concrete in the repaired sections of the road in the future.

Unclear rules for collecting money and untraceable spending thereof

The Municipality has stipulated that parking users do not have to pay for the use of parking lots for up to 5 minutes, but it has not set clear rules on how to use the opportunity.



The parking business in the city centre is expanding.

Opposite to the set goal, the number of parking cases is increasing every year.



As a result of unclear payment rules, the users of parking lots have paid 165,800 euros in total for parking time less than 5, where they could have parked free of charge.

It is impossible to trace spent 9,113 million euros charged from paid parking lots.

The audit found that a total of 165,800 euros were charged in more than 300,000 cases when the parking time was less than 5 minutes between 1 January 2015 and 31 December 2017.

According to the regulation of the Municipality, the revenue from paid parking lots shall be spent for the maintenance and management of paid parking lots, as well as for the construction of new paid parking lots and development of traffic infrastructure. But in reality, that money of at least 9,113 million euros has flowed into the “pot” of “Rīgas satiksme” Ltd. Thus it is impossible to determine the purpose of its spending, and it can be used to finance any other activities.

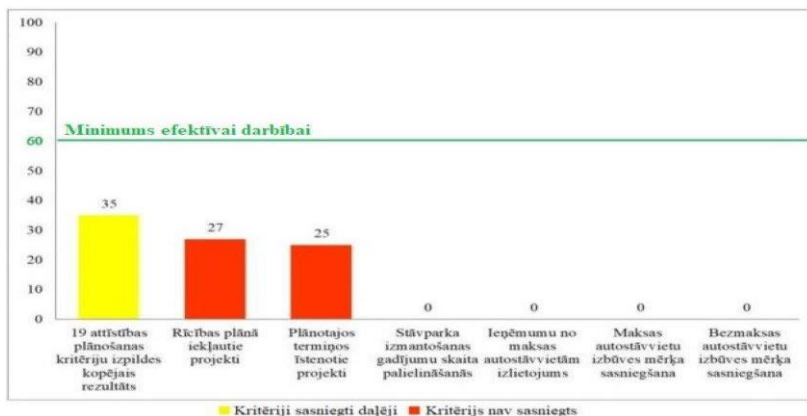
Organisation of work at the Traffic Department

Regulatory enactments require a contracting authority to engage an independent building supervisor for construction supervision. The Municipality does that way, but it obliges its employees to carry out construction supervision instead of controlling the work of building supervisors. Also, the engaged building supervisors have not even fulfilled their duties in some cases. Thereby, one job is paid twice, or there is a risk that the payment will be made without proper provision of the service. For example, building supervisors were paid 37,600 euros for construction supervision which does not comply either with the statutory requirements or with the contracts entered into as a result of such a system during the audited period.

Before the termination of the employment relationship, the Chairperson of the Riga City Council has suspended and laid down the Director of the Traffic Department without sufficient and clear justification while retaining his salary. Moreover, the Chairperson has appointed another salaried person to act as Director of the Department resulting in the municipal financial means of at least 46,200 euros used inefficiently between 16 August 2016 and 31 October 2018.

Achievement of the criteria set in the audit

The criteria set in the audit and agreed with the Municipality for assessing the efficiency of transport infrastructure development planning and project implementation and task performance are mainly not met (See section ‘Audit Criteria’ in the draft report). The summary of the criteria performance is summarised in Figure 1.



The Traffic Department has two directors, one of whom has been idle for more than a year and a half.

At least 46,200 euros have already been paid for such downtime.

Threshold for efficient performance;** Total score of the compliance with 19 development planning criteria; The projects included in the Action Plan; projects implemented in the planned timeframe; Increase in the number of park-and-ride place uses; Spending of the revenue from paid parking lots; Achievement of the objective on construction of paid parking lots; Achievement of the construction of free-of-charge parking lots. **Criteria met partially; Criterion is not met/

Figure 1. Results of the achievement of audit criteria in the assessment of the efficiency of transport infrastructure development planning, project implementation, and task performance.

Of the 19 criteria set out in the audit for assessing the efficiency of transport infrastructure development planning, three are achieved, three are achieved partially, and 13 are not achieved. The total score for the criteria evaluation is 35 out of 100 (See Figure 1).

For the planning of transport infrastructure development be considered efficient, the compliance to the criteria must exceed 60 points.

Of the seven criteria set out in the audit for assessing the efficiency of project implementation and execution, six are not achieved (See Figure 1), but one criterion - the compliance of earmarked grant spending to the stipulated target - cannot be evaluated as neither the objective nor the performance indicators to be achieved in the fulfilment of the cycling development program were set.

For transport infrastructure projects and performance be considered efficient, each criterion must have achieved a score above 60%.

Major Recommendations

Based on the findings of the regulatory and performance audit and our conclusions, we call on the Municipality to take steps for improvement of the planning and project implementation of transport infrastructure development and for the elimination of the shortcomings identified during the audit.

To ensure more efficient and economical planning of transport infrastructure development and implementation of planned projects, the State Audit Office recommends that the Municipality performs the following activities:

- ✓ Improve development planning documents by assessing the current situation and problems and defining appropriate priorities and challenges to be solved;
- ✓ Review and improve project implementation activities to ensure a transparent assessment of project plans;
- ✓ Introduce control procedures for the design and use of technical projects to ensure successive construction work;
- ✓ Introduce a three-year plan reconciliation with the holders of engineering and communication systems to ensure the organisation of construction work that is mutually and logically subordinated during project implementation;



To eliminate the shortcomings and inconsistencies found in the audit, the Municipality shall:

- ▼ Take care of the environment fit for the future of children;
- ▼ Know what is happening in the urban environment;
- ▼ Understand what they wish to do for the public;
- ▼ Measure the results achieved;
- ▼ Give a fair assessment of what the responsible people have achieved.

- ✓ Evaluate the options for a thorough pre-feasibility study to assess the technical condition of the road surface and engineering and communication system before the planning of road surface reconstruction to provide that construction work is organised in a mutually and logically subordinated manner during project implementation;
- ✓ Establish control procedures for monitoring project implementation so that projects are implemented within the scope and timeframe set out in the development planning documents;
- ✓ Improve the procedures for monitoring the performance of the budget programs regarding the definition of measurable performance indicators for the tasks to be performed;
- ✓ Improve development planning documents by elaborating parking lot policy with specific objectives and specific performance indicators to achieve the goals set, as well as ensuring their monitoring;
- ✓ Develop a free parking lot development policy for solving parking problems in urban neighbourhoods and include analytical indicators for assessing the achievement of goals in addition to performance indicators in the development planning documents.

“Rīgas satiksme” Ltd shall improve its accounting system to track the spending of the revenue from the use of paid parking lots.