

Wiltshire Council

Environment Select Committee

6 November 2018

Subject: Highways Annual Review of Service

Cabinet Member: Councillor Bridget Wayman - Highways, Transport and Waste

Key Decision: No

Executive Summary

The local highway network is vital for businesses and communities, and effective maintenance to ensure its availability is essential to the economic development of the county. Wiltshire Council recognises the importance of maintaining and managing its highway network effectively. The Council is assisted in this task by a number of specialist contractors and suppliers, and an annual review of the service for 2017/18 has been prepared (see **Appendix 1**).

The Performance Management Framework was first reported to this committee in October 2016. An updated version has been prepared (see **Appendix 2**), which indicates that there has been a reduction in the number Killed and Seriously Injured, but that the number of potholes in 2017/18 increased considerably as a result of the severe weather.

The highways contract with Ringway Infrastructure Services started in April 2016. The contractor's performance during the first year was good, and an extension to the contract of three months was awarded in accordance with the conditions of the contract. Performance during the second year has continued to be good and the assessment for 2017/18 indicates that a further extension of six months should be awarded (see **Appendix 3**).

A number of sub-contracts were transferred to the Council following the early end of the previous highway contract, and the performance of these contractors has been good, and will continue to be monitored.

The National Highways and Transportation Survey provides a good indication of public satisfaction with the overall highways service. Creating a similar survey of the public in connection with streetscene services would be desirable, and the survey company will be approached to request consideration of extending the survey scope. In the meantime, it is proposed that further consideration should be given to contractor performance measures to be incorporated in the new streetscene contract currently being developed.

Proposals

It is recommended:

- (i) To endorse the Highways Annual Review of Service, and confirm that the performance of the Council's highways contractors has been good during 2017/18.
- (ii) To welcome the reported reduction in killed and seriously injured on the county's roads as described in the Highways Performance Management Framework.
- (iii) To confirm that the performance of Ringway Infrastructure Services during the second year of its contract has continued to be good, and a further extension of six months should be awarded in accordance with the condition of contract.
- (iv) To acknowledge that creating a public satisfaction survey for the streetscene service has been considered, but that it should not be a high priority in view of current funding and resource levels for this service.
- (v) To request that the Key Performance Indicators being developed for the proposed streetscene contract should be considered by a future meeting of this committee when they have been developed further.
- (vi) To support the implementation of the new Highways Infrastructure Asset Management System (HIAMS) which is delivering the anticipated benefits, especially in terms of facilitating mobile working for highways staff.
- (vii) To request a report on the highways service and the Performance Management Framework in a year's time.

Reason for Proposals

The highway network forms the Council's largest asset, and it is important that it is maintained in the most cost-effective way that demonstrates value for money. This includes the use of asset management and whole life costing approaches to inform investment decisions.

The performance of the Council's contractors and their supply chains are important in maintaining the condition of the highway assets and ensuring an efficient and effective highways service. Their performance is continuously monitored, and is reviewed and reported annually to this committee.

Alistair Cunningham
Corporate Director

Wiltshire Council

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Key Decision: No

Purpose of Report

1. To provide a review of the performance of the highways service and an update on performance of the contractors and suppliers involved in delivering the service.

Relevance to the Council's Business Plan

2. The Wiltshire Council Business Plan 2017 – 2027 sets out the vision to create strong communities, with priorities for growing the economy, strong communities and protecting the vulnerable. As part of growing the economy it is acknowledged that it is necessary to bring the county's roads up to an acceptable state. The goal is that road infrastructure is improved and to:
 - Improve asset management and the use of investment to improve the condition of Wiltshire roads (implementing our Highways Asset Management Strategy).
 - Promote and further development the MyWiltshire app to improve and increase the reporting of issues.

Background

3. The local highway network is vital for businesses and communities; effective maintenance to ensure its availability is essential to the economic development of the county. Wiltshire Council recognises the importance of maintaining and managing its highway network effectively, and is making a significant investment in improving the condition of its highway assets.
4. This committee has previously requested an annual report on the performance of the highway service and the contractors involved in maintaining the highway network. There are a number of contractors now carrying out work for the Council on the network, following the end of the previous contract in March 2016, and the transfer of a number of sub-contracts to the Council.
5. This Committee last received a report on 21 November 2017 regarding the Highway Annual Review of Service. At its meeting on 16 January it requested that the development of the public satisfaction survey for streetscene key performance indicators be part of the annual highways report.

6. There have also been other reports to this committee on public utilities and streetworks and on the National Highways and Transportation Survey on 13 March 2018. On 4 September 2018 the committee received a report on the Well-managed Highway Infrastructure, which is the new highways Code of Practice which came into effect in October 2018, and on the proposed Highways Consultancy Contract.

Main Considerations for the Council

7. The Council's highways service is delivered by a number of contractors, managed by the Council's highways staff, with the support of the Council's highways consultant. A report on the delivery of the service during 2017/18 has been prepared (see **Appendix 1**).
8. The review indicates the large range of works undertaken by the Council and its contractors on the highway network, and the progress made on delivering schemes.

Performance Management Framework

9. The Highways Asset Management Guidance published by the Highway Maintenance Efficiency Programme (HMEP) recommended that a Performance Management Framework should be developed that is clear and accessible to stakeholders as appropriate and supports the asset management strategy. The development of the initial Performance Management Framework has been previously described to this committee last year.
10. In order to encourage the adoption of good asset management practice the Department for Transport (DfT) introduced Incentive Funding for part of the highways maintenance block funding. The Council has to complete a DfT self assessment form annually in connection with its performance on highways asset management. It is important to have a Performance Management Framework to help manage the service and to demonstrate the application of good practice.
11. The Performance Management Framework (see **Appendix 2**) contains a suite of performance measures based on the themes of:
 - Network Safety Condition and Resilience
 - Planned Maintenance
 - Maintenance for Sustainable Transport
 - Infrastructure to Support Economic Growth
 - Environmental Sustainability
 - Customer
12. Each theme is generally measured at high level as: poor – does not meet minimum standards, fair – meets minimum standards, good – exceeds minimum standards and refines service delivery to suit the need of the customer. Long term performance aims are being developed for each theme. A red, amber and green colour coding is used to aid understanding.

13. The framework enables performance to be tracked on a year by year basis. Benchmarking is also being carried out against other local authorities, including through the South West Highways Alliance and the Direct Management Group, which are groups of highway authorities that the Council has joined to jointly monitor and compare performance.
14. The measures in the framework include a number of indicators which were National Indicators or previous Best Value Performance Indicators. It also includes performance indicators based on the National Highways and Transportation (NHT) public satisfaction results. Six key indicators have been identified for each theme. The indicators are a mixture of outcome, output and input measures designed to provide an overall view of performance without being too complex or difficult to collect or understand.
15. The Framework indicates that overall progress and performance has been good. In particular, the number Killed and Seriously Injured (KSI) on the county's roads reduced during 2017/18 and is now on target.
16. There were some areas where performance was rated as fair, and which will need to be monitored, including planned routine maintenance, footway conditions, treatment of noxious weeds, drainage schemes and the age of the traffic signal stock.
17. Overall public satisfaction with most aspects of the highway service is close to or just below the national average. However, public satisfaction with road conditions has decreased considerably in 2017/18. The number of potholes and carriageway safety defects increased significantly as a result of the severe winter weather earlier in the year.
18. The indicators will continue to be reviewed on an annual basis and performance will continue to be reported to the Environment Select Committee annually.

Ringway Infrastructure Service

19. The current highways contract was the subject of a two stage procurement exercise in 2015, and the contract was subsequently awarded to Ringway Infrastructure Services. It started in April 2016 and is for five years with possible extensions for a further two years which are awarded subject to performance.
20. The Ringway contract provides a range of highway services, including dealing with potholes, gully emptying, minor road and footway repairs, Parish Stewards, bridge works, street lighting maintenance, winter maintenance, out of hours emergency response, integrated transport and Community Area Transport Group (CATG) schemes. Ringway works in partnership with the Council to deliver these services through the Service Delivery Teams established to manage the services.
21. Ringway employs the Parish Stewards. This scheme was introduced when the highways works contract was previously awarded to Ringway in 2005. It provides a steward for each area board to respond to requests for minor highway works from town and parish councils. The scheme was re-launched in October 2016, and has continued to be successful and is very popular with local communities.

22. The performance of the contractor has been assessed against the contract objectives using a mixture of satisfaction scoring by staff managing the contract, and by measured Key Performance Indicators as set out in the contract documentation. A score out of 10 was derived in order to determine the entitlement to contract extensions (see **Appendix 3**). For 2017/18 the score was assessed as being 8.4, which entitles Ringway the award a further six month extension to the contract in accordance with the contract conditions.

Other Highways Contractors' performance

23. Following the termination of the Balfour Beatty Living Places (BBLP) contract a number of sub-contracts were transferred to the Council. This provided continuity of service in a number of key areas, and preserved the cost savings and operational benefits obtained through the original tender process. These included contracts to provide urban grass cutting, major resurfacing, tree maintenance and specialist road surfacing.
24. The operation of the contracts with idverde, Tarmac, Eurovia and the other contractors continue to be successful and good working relationships have been established. The performance of the contractors is monitored closely, and there has been good performance that meets all expectations with a good degree of confidence in all of these contractors.
25. Most of these contracts end on 31 May 2020, and arrangements will be made to review future requirements and arrange the procurement of replacement services. It should be noted that some of these services, such as grass cutting, have proved difficult to deliver in the past and there are legal implications in connection with the Transfer of Undertakings (protection of Employment) Regulations (TUPE) that need to be taken into account when considering future service delivery.
26. The Highways Consultancy contract with Atkins started in December 2012. It is for five years and has been extended for two years as provided for in the contract. Atkins provides a range of services and support with regard to mainly highways services, including design and supervision of highway, transportation and drainage schemes. The procurement process for the new contract was reported to this Committee in September.

Streetscene Contract

27. When the BBLP Highways and Streetscene contract ended, the sub-contract with the streetscene contractor idverde was one of the contracts novated to this Council. The contractor has continued under the terms of the original contract with the same management and monitoring processes generally being used to monitor and record performance.
28. The performance of idverde has been good during 2017/18. It has delivered to programme and budget all year, and has delivered to the contract requirements. There is still potential for further improvement and this is being discussed with its management team. The performance of idverde will continue to be monitored.
29. The matter of public satisfaction surveys and Key Performance Indicators for the streetscene service was raised by this Committee's Task Group on the highways and streetscene contract which reported in January 2018.

30. The NHT survey was the subject of a separate report to this committee in March 2018, which was attended by a representative of the company that undertakes the survey. It was indicated that a large number of survey forms are sent out, which are then analysed and adjusted taking into account local factors to get a representative sample to reflect public opinion with a high degree of confidence in the results.
31. The NHT survey provides a good summary of public satisfaction regarding aspects of the overall highways service, but it does not include streetscene and related operations. Creating a similar survey of the public in connection with streetscene services in Wiltshire has been considered, but it would be difficult and expensive to match the level of accuracy achieved by the NHT survey. An approach is being made to NHT via the South West Highway Alliance to request street scene measures are included as an option in the survey.
32. There are some limitations in connection with a public satisfaction survey of this type for contract management as the results do not necessarily reflect the performance of the contractor, but are more likely to reflect service levels resulting from current expenditure levels. The frequency of grass cutting has reduced considerably in recent years as a result of budget limitations.
33. A template for a potential satisfaction survey for the streetscene service was developed and circulated to the town and parish councils for comment in March 2018. It was also discussed at the evening meetings held with the town and parish councils. It is likely that a satisfaction survey involving the town and parish councils would provide a more realistic means of getting a representative view of the service being delivered.
34. In view of the limited budget available for the streetscene service, and likely future budget pressures, it is suggested that it would not be prudent to incur expenditure to develop an extensive public satisfaction survey of the streetscene services at this time. Instead it would be more cost-effective to concentrate on developing specific measures to monitor the proposed new streetscene contract, and to await the comments of NHT regarding the potential inclusion of street scene measures.
35. Key Performance Indicators do need to be developed for the new streetscene contract which is likely to start in December 2020. The advances in electronic performance monitoring in recent years provides opportunities to incorporate such measures in the new contract management. This could include carrying out the satisfaction surveys through the town councils and larger parish councils.
36. Currently, the streetscene contractor holds monthly meetings with the Council's team in order to monitor and manage service delivery. Whilst not a requirement of the current contract, a weekly key performance monitoring system is being trialled (see **Appendix 4**).
37. There are a number of potential measures being considered in connection with grass cutting and landscape maintenance work for the new contract including:
 - Frequency of grass cuts (number of cuts)
 - Public perception of maintenance (town and parish council surveys)

- Appearance of public places (inspections)
 - Involvement of the public in doing something about grounds (amount of land service delegated)
 - The cost to the public maintaining grounds (per square metre costs)
 - The contractor set of suggested grass cutting KPIs.
38. There are also likely to be indicators for litter collection, which could include:
- Incidents of litter on the ground
 - Time taken to clear litter
 - Public perception of litter
 - Involvement of the public in doing something about litter
 - The cost of keeping streets clean
 - The contractor set of suggested litter KPIs
39. The intention is that a 'dashboard' summary of performance should be developed. These indicators will be developed further, and will need to take account of factors such as adverse weather which may decrease the number of grass cuts for example as a result of weather rather than an actual issue with the contractor's performance.
40. The views and suggestions of this committee will be sought as the new contract is developed through the procurement process. It should be noted that actual indicators adopted will depend on the budget available to fund the service.

Highways Infrastructure Asset Management System

41. At its meeting in November 2017 this committee received a presentation about the new Highways Infrastructure Asset Management System (HIAMS) software, which had just been procured and was being introduced. The benefits of the new system were outlined, especially in terms of managing the highways infrastructure, avoiding duplication of reports and enabling mobile working by staff.
42. The implementation of HIAMS has been going well. The electronic work ordering part of the system was implemented at the start of the 2017/18 financial year as planned, and is being used for the contracts with Ringway, Eurovia, Tarmac and Atkins. The budget monitoring part is currently being developed. It is intended that future highway contracts will also use the system.
43. The streetworks noticing and road space management, where public utilities provide information on proposed works, are now operating through HIAMS, and the old system has been turned off. The Council's five streetworks inspectors have been provided with mobile devices linked to the system, and are carrying out inspections using them.
44. The next stage of rolling out mobile working is to equip the highways safety inspection teams with mobile devices so that defect and pothole inspections are carried out on routes included in the system. The intention is that defect reports will be included in the system and the information used to manage the asset.

45. The databases for managing the Council's street lighting and bridges are under construction. The support from the system's supplier has been good throughout the process. The modules introduced so far have proved to be successful, and the implementation is progressing well. The indications are that the new system will deliver all the anticipated benefits.

Overview and Scrutiny Engagement

46. The review of the highways service is reported annually to the Environment Select Committee. The report also includes the annual update of the Highways Performance Management Framework. It is proposed that these reports should continue to be made annually.

Safeguarding Implications

47. None.

Public Health Implications

48. The condition of roads and related infrastructure can have serious safety implications, especially with regard to skid resistance and condition of highways and the contribution they can make to reducing accidents. Roads, bridges, highway structures, signs and street lighting need to be kept in good condition in order to protect the public and those maintaining the assets.

Environmental and Climate Change Considerations

49. The effects of climate change could be significant for the highway network. There was considerable damage to the roads, footways and drainage systems in the flooding of 2014, and such events could be repeated. Having robust maintenance strategies to improve the condition of the network and good maintenance contractors will help build resilience into the highway network and the infrastructure.

Equalities Impact of the Proposal

50. The improved maintenance of the highway network, its management using sound asset management principles, and good performance by the highways contractors, should benefit all road users, including public transport, and vulnerable road users such as cyclists and pedestrians.

Risk Assessment

51. There are considerable risks associated with the highway network, particularly in terms of safety, financial and reputational risks. The highways contracts provide resources to ensure the delivery of the highways service and reduce the risks to the Council.
52. There is a risk management process in place to manage the risks connected with the highways service, which includes regular liaison with service suppliers and management of resources. A risk based approach has been adopted as required by the latest code of practice, and is included in the Wiltshire Highways Safety Inspection manual considered by this committee at its September meeting.

Risks that may arise if the proposed decision and related work is not taken

53. No specific decision is required at this time, but it should be noted that there is a risk of increased accidents, claims and public dissatisfaction if the programme of highway maintenance and related services are not delivered effectively or are delayed.
54. Future DfT funding will be dependent on demonstrating the application of good practise and asset management principles. Failure to do so will result in reduced funding in future years.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

55. No decision is required. Processes are currently in place, with Service Delivery Teams managing the various aspects of the highway services, and these are the appropriate groups to continue to manage the associated risks. The teams include representatives from the Council, consultants and contractors involved in delivering the services, and they report to the Contract Management Meeting comprising senior managers from those organisations.

Financial Implications

56. The highway network and related infrastructure forms the Council's largest asset, and has a replacement value of over £5 billion. It is important that they are maintained in the most cost-effective way in order to obtain value for money. This includes the use of a whole life costing approach to inform investment decisions on highway maintenance.
57. The increasing drive for asset management from DfT will mean that failure to demonstrate the application of this approach will result in reduced funding from central government. An increasing proportion of available funding will be potentially withheld as an incentive. By 2020/21 Wiltshire could lose out on £2,782,000 of DfT funding if good asset management is not followed. It is therefore important to meet the requirements of the incentive funding self assessment.
58. There are no procurement implications at this stage. However, the arrangements for a new Highways Consultancy Contract are being made for when the existing contract ends in November 2019. The contracts novated at the end of the BBLP contract will generally end in May 2020. Many of these contracts will have significant TUPE implications and the procurement process will need to be given careful consideration in due course.

Legal Implications

59. The Council has a duty under the Highways Act to maintain the county's roads. The highway inspection procedures, policies and improvement plans ensure that this duty is fulfilled. The increased investment and improved road conditions in recent years is helping the Council meet its responsibilities with regard to road maintenance.

Options Considered

60. There is a need to continue to apply asset management principles to the highway network and to ensure the performance of the contractors involved in delivering the service is good in order to keep the network in good condition and to ensure value for money.

Conclusions

61. The highway network forms the Council's largest asset, and it is important that it is maintained in the most cost-effective way in order to show value for money. This requires the use of whole life costing approaches to inform investment decisions, and effective asset management procedures.
62. The performance of the contractors delivering the Council's highway service is important in ensuring that the Council is able to meet its responsibilities as Highway Authority. The current performance of the contractors is good and will continue to be monitored.

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November 2018

The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

Appendix 1 – Annual Review of Highways Service

Appendix 2 – Highways Performance Management Framework

Appendix 3 – Ringway Infrastructure Services Performance 2017/18

Appendix 4 – Draft Streetscene Contract Key Performance Indicators