

Wiltshire Council

Cabinet

21 May 2013

Subject: The New Highways and Streetscene Contract

Cabinet Member: To be appointed

Key Decision: No

Executive Summary

Since 2009 the Council's highways and streetscene functions have been delivered by three separate contracts and an element of in-house provision. Following a review of the service it was agreed in March 2012 that tenders should be invited for a new Highways and Streetscene Contract.

In December 2012 the Local Highways and Streetscene Contract was awarded to Balfour Beatty Living Places. Since then, preparations have been underway for the transition to the new contract, including the transfer of staff and operatives to the new supplier for the contract start on 1 June 2013.

One of the major innovations with the new contract is the creation of Community Teams to build on the success of the existing Parish Steward scheme, and to provide a more responsive service with a single point of contact through the Community Co-ordinators.

Preparations for the new contract are proceeding well. The management of the transition process to the new contract by a multi-discipline team, with the active involvement of the Balfour Beatty Living Places, has significantly reduced the risks associated with the start of this contract.

Proposal

That the contents of this report and the progress made on preparing for the start of the new Highway and Streetscene contract on 1 June 2013 be noted.

Reasons for Proposal

- (i) The new Highways and Streetscene Contract offers opportunities for further efficiencies in future years, and for achieving service improvements from economies of scale, innovations and by incentivising the contractor.

- (ii) There are significant benefits that a major contractor such as Balfour Beatty Living Places can bring to the Council, including the provision of a new fully integrated communication system to provide a more responsive service to customers and deliver efficient operation.

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Purpose of Report

1. This report is to update Cabinet regarding the mobilisation of the new Highway and Streetscene contract which commences on 1 June 2013.

Background

2. On 18 December 2012 Cabinet approved the award of the Highways and Streetscene Contract to Balfour Beatty Living Places. The new contract starts on 1 June 2013 and brings together the previous highways, street lighting and streetscene provision into one contract. The contract period is for five years, with a possible two year extension subject to suitable performance.
3. The Highway and Streetscene Contract is likely to have an annual value of over £27 million. There is a separate Highways Consultancy Contract which was awarded to Atkins and started on 1 December 2012. This has a value of approximately £4 million annually, and provides professional design and specialist technical services in connection with roads and bridges.
4. Both contracts use the 'New Engineering Contract' (NEC3) form of contract, which is a family of contracts that facilitates the implementation of sound project management principles and practices, as well as defining legal relationships. The implementation of NEC3 contracts has resulted in major benefits for projects both nationally and internationally in terms of time, cost savings and improved quality.
5. It is anticipated that the new Highway and Streetscene Contract will deliver cost savings with the potential for ongoing efficiencies in future years, whilst providing a number of operational improvements in key areas.

The New Contract

6. The new contract will combine the services currently provided by the three different contractors and those provided by the in-house team. The main services to be provided under the new contract include:
 - Local Highways and Streetscene – Street cleansing, litter picking, grass cutting, maintenance of public open space, Parish Steward service, footway and carriageway repairs, potholes, gully emptying, road markings and signing.
 - Highways Major Maintenance – Road resurfacing, surface dressing, road reconstruction, footway surfacing, road improvements and schemes.
 - Weather and Emergency response – Winter gritting, grit bins, response to flooding, emergency response to incidents on the highway.
 - Bridges and Structures – Bridge strengthening and repair, maintenance of retaining walls and other highway structures.
 - Street Lighting – Maintenance of lighting, replacement of damaged units, new street lighting and improvements.
 - Drainage and Flood Alleviation – Drainage surveys, improvements and flood protection works.
 - Vehicle Maintenance – Maintenance of the winter gritting fleet.
7. The new contract was awarded taking into account quality and price considerations. Five tenders were received, and that submitted by Balfour Beatty Living Places was assessed as being the best overall. The company is a leading provider of highways, street lighting and maintenance. They currently manage and maintain over 27,000 kilometres of the local and strategic road network nationally, and look after 567,000 street lights in the UK. Balfour Beatty employs over 50,000 people around the world.

The Community Team

8. A major innovation with the new contract is the creation of Community Teams. This is a new concept for the Local Highway and Streetscene local services, which includes pot hole filling, grass cutting, litter collection, bin emptying, and routine highways maintenance. The service will be provided by a team of stewards located in each community area, and will build on the success of the existing Parish Steward scheme.
9. The benefits will include:
 - (a) An increase in the scope of activities undertaken by the stewards to cover all the Local Highway and Streetscene duties, allowing a greater range of services to be provided locally.

- (b) Previously there were a maximum of two Parish Stewards in any given community area, now there will be a team of a minimum of four stewards, increasing the visibility of the Council in the community.
 - (c) The stewards will now be responsible for Wiltshire Council amenity land as well as highway land.
 - (d) All the teams will operate on a 'Find and Fix' philosophy, so that when issues are identified they can be resolved immediately where possible. This will remove duplication and the waste of different operatives visiting the same site, and it will ultimately reduce the time taken to deal with issues.
10. A new Local Highway and Streetscene client structure was introduced in March 2013. The new structure follows the philosophy of having a single point of contact for all Local Highways and Streetscene Services for each community area. This will provide a robust, transparent client structure with clear lines of responsibility, accountability and authority for both external and internal stakeholders.
11. The Community Co-ordinator will be an empowered local client officer for all Local Highway and Streetscene services. This will allow local priorities to be considered and greater involvement by the town and parish councils. For example, it could allow community groups to work with the Community Co-ordinator to identify changes in maintenance schedules. This could include reducing grass cutting to allow the growth of wild flowers, or moving litter picking areas from one location to another to better meet the demands of the local area.
12. The new arrangement builds on the work by the Council to increase community involvement and support initiatives such as the Britain in Bloom events. There is the potential for local groups to improve private land, and for the community teams to address all issues on highways and streetscene land resulting in improvements to the whole area.
13. Technical support for the Community Co-ordinators will be provided by Engineers who will be Council staff, each covering two community areas. The Engineers will liaise regularly with the Community Area Boards and the Community Area Board Transport Groups (CATGs).
14. It is proposed that enquiries from members of the public will go directly to the local highways office or Clarence team, and customers will also be able to enter details of defects on the Wiltshire web portal or via a mobile phone App. The contractor's operatives undertaking work will also be able to report directly into the system, taking before and after photographs, and providing information through the system to the customer. The opportunity is also being taken to provide more information through the Council's website, allowing stakeholders to be advised of reported issues, activities undertaken, and live updates of actions on the ground.

Current Position

15. Since the contract award in December the mobilisation for the new contract has been taking place with the support of a Project Team involving Balfour Beatty, Atkins and Council officers. The contract management processes and performance indicators were set out in the contract documentation and have been developed in more detail during the mobilisation period.
16. The mobilisation includes the preparations for the transfer of staff from existing service suppliers, including from the Council on 1 June 2013. Preparations are being made to enable Balfour Beatty Living to operate out of the Council's depots at Devizes (Kennet House), Chippenham (Bath Road), Melksham (Bowerhill) and Salisbury (Churchfields and Wilton). To facilitate operations a shared telephone system is being installed for both client and contractor usage.
17. The contract will provide improvements in the way that information on highway and streetscene matters is reported to Members and the public through the Council's website, and will provide new means of reporting problems and defects, including use of a new App, which will be rolled out during the first months of the contract.
18. The mobilisation has proceeded smoothly, and the identified risks have been managed, especially with regard to the handover to the new service supplier.

Environmental and Climate Change Considerations

19. The Council has a target to reduce its carbon footprint by 20% by 2013/14 and an aspiration to achieve a 50% reduction by 2020. The new contract includes a requirement for the contractor to both accurately report emissions and seek to reduce them in line with targets set out in the Council's Business Plan. With the increasing cost of fuel and Carbon Reduction Commitments (CRC) allowances this approach has the potential to improve the sustainability of the contract and avoid exposure to increased costs in the future.
20. The Council is coordinating production of a three way Joint Sustainability Action Plan (JSAP) with Atkins and Balfour Beatty Living Places, embedding sustainability into the contract in the initial stages, identifying innovation and working towards performance targets.
21. The contract offers the Council the opportunity to quantify financial benefits of sustainability. There is the opportunity to achieve environmental improvements and prove financial savings through the JSAP, especially in terms of reduced carbon footprint, the introduction of energy efficient lighting units and recycling of materials.

Equalities Impact of the Proposal

22. The new contract will result in employees of existing service providers and the Council having the right under TUPE regulations to transfer to the new supplier. Balfour Beatty Living Places have been making the necessary arrangements with appropriate consultations with staff.

23. The staff currently employed by the Council on the streetscene elements of the service have been regularly updated on the progress of both the Systems Thinking Review and the procurement process. Meetings with the representatives of the trade unions have been held, and a Union Representative sits on the Systems Thinking working Group, the Contract Project board and on the Transition Project Team.
24. Balfour Beatty Living Places have confirmed that in dealing with staff and in appropriately providing services which are responsive to community needs including any interactions with the public it is their policy to comply with all Equality related legislation, that they have a written Equality Policy and their staff are trained in Equality and Diversity issues.
25. The services provided through the contract are important to the local communities, especially in terms of dealing with streetscene issues, including litter, graffiti, and vandalism. The service helps build local resilience and cohesion by working with communities in connection with flooding, winter response and emergencies.

Risk Assessment

26. There are significant risks associated with the Council's highway and streetscene operations, especially in terms of health and safety, and in financial and reputational risks to the Council. The appointment of a good quality supplier has been important in managing and reducing these risks. Balfour Beatty Living Places have demonstrated the ability to manage these risks, and has a proven track record with a number of similar local authorities.
27. The management of the transition process to the new contract by a multi-discipline team, with the active involvement of the new contractor, has significantly reduced the risks associated with the start of this contract.

Financial Implications

28. The financial assessment of the bids for the new contract was considered in detail at the time of the contract award. It is anticipated that as well as delivering immediate financial savings, the new Contract has the potential for delivering further savings through innovation and service improvements during the life of the contract.

Legal Implications

29. The procurement process was carried out with appropriate support from Legal Services and the Corporate Procurement Unit, to ensure compliance with the Council's Contract Regulations and domestic and EU legislation.
30. The Highways and Streetscene Contract will deliver important aspects of the highway service, and help ensure that the Council meets its obligations under the Highways Act and other legislation. The new Contract and the appointment of a suitable supplier will help ensure that the services are provided to the standard necessary for the Council to fulfil its statutory duties.

Options Considered

31. Future service requirements in connection with the Council's highways and streetscene service were reviewed in 2011 when a range of options were considered, especially with regard to in-house and tendered services, and Cabinet agreed in March 2012 that tenders should be invited for the Highways and Streetscene Contract.
32. Following the invitation of tenders, the bids were assessed in terms of quality and price in accordance with the methodology set out in the tender documentation, and the contract was awarded to Balfour Beatty Living Places.

Conclusions

33. The new Highways and Streetscene Contract offers significant scope to improve the provision of services and achieve efficiencies.
34. The introduction of the contractor's new Community Teams will provide a more responsive service for the local communities, with a single point of contact through the Community Co-ordinator.
35. Preparations for the new contract have proceeded well, with the active involvement of all parties through the Project Team. No significant risks have been identified, and the contract will start on 1 June 2013 as planned.

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Background Papers

None

Appendices

None