

Wiltshire Council

Environment Select Committee

5 November 2019

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. The Council, as local highway authority, is assisted by a number of specialist contractors and suppliers. An annual review of the highway service for 2018/19 has been prepared (see **Appendix 1**), together with summary of the schemes delivered during the year (see **Appendix 2**).

Reducing the environmental impact of highway maintenance operations is of increasing importance. The highway service already recycles a considerable volume of the waste material generated (see **Appendix 3**). The service is also taking measures to reduce the carbon footprint of its operations, including the introduction of energy efficient LED street lighting.

The highways contract with Ringway Infrastructure Services started in April 2016. The contractor's performance during the third year of the contract has been assessed and continues to be good (see **Appendix 4**). Consequently, a further six months extension to the contract has been awarded in accordance with the conditions of the contract. Ringway has so far achieved 15 months out of a possible 24 months of extensions for its contract.

The performance of the Council's highway consultant, Atkins, continued to be good during 2018/19. The contract has already been extended by the maximum of two years as provided for in the contract, and it will now end in November 2019. A procurement exercise was undertaken to award a replacement contract, and the results of the procurement were reported to Cabinet on 11 June 2019 when the new contract was awarded to Atkins to start on 1 December 2019.

The operation of the highways service is monitored through the Performance Management Framework, which was first reported to this committee in October 2016 and is updated annually. An updated version for 2018/19 has been prepared (see **Appendix 5**). There has been an increase in the number Killed and Seriously Injured, but the number of slight injury casualties has decreased. The number of potholes did increase slightly in 2018/19, but the number of safety defect potholes decreased. Public satisfaction with the highways service was close to the national average.

The Council's street lighting LED project is starting and will continue for the next two years. Over 40,000 lights will be changed to energy efficient units in the £12,295,000 project which will be taking place over the next two years (see **Appendix 6**).

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 2018/19.
- (ii) To welcome the results summarised in the Highways Performance Management Framework but note the concern about the increase in those killed and seriously injured on the county's roads in 2018.
- (iii) To confirm that the performance of Ringway Infrastructure Services during the third year of its contract continued to be good and a further extension of six months should be awarded in accordance with the conditions of contract.
- (iv) To welcome the start of the Council's LED street lighting project which will reduce energy costs and significantly reduce the Council's carbon footprint.
- (v) 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, taking into account the environmental implications.

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 OBE
Executive Director Growth, Investment and Place

Wiltshire Council

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Key Decision: No

Purpose of Report

1. To provide a review of the performance of the highways service during 2018/19 and give 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 efficiently and is making a significant investment in improving the condition of its highway assets.
4. At its meeting in November 2018 this committee requested an annual report on the performance of the highway service and the contractors involved in maintaining the highway network.
5. There are a number of specialist contractors now carrying out work on the highway network for the Council following the end of the previous highway contract in March 2016 and the transfer of sub-contracts to the Council. These contracts have worked well in recent years; however, the majority of them will end in May 2020 and arrangements are being made to replace them.

6. The Highways Asset Management Guidance published by the Highway Maintenance Efficiency Programme (HMEP) provided guidance on the approach to be followed in managing the highways network. It recommended that a Performance Management Framework should be developed that is clear and accessible to stakeholders as appropriate and supports the asset management strategy.
7. 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 as required by the DfT.

Main Considerations for the Council

Annual Review of Service

8. 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 highways service during 2018/19 has been prepared (see **Appendix 1**).
9. The review indicates the large range of works undertaken by the Council and its contractors on the highway network last year, and the progress made on delivering schemes. The schemes completed in 2018/19 included road surfacing, repairs, road safety improvements and structures work (see **Appendix 2**).
10. The environmental impact of highway maintenance operations can potentially be considerable. The Council and its contractors reduce the adverse effects by recycling waste, using recycled materials and adopting procedures that reduce the environment impact (see **Appendix 3**).
11. This committee has previously received reports and a presentation about the new Highways Infrastructure Asset Management System (HIAMS) software, which was introduced in April 2018. The implementation of HIAMS has been going well and has been delivering the anticipated benefits in connection with managing the highways infrastructure, avoiding duplication of reports and enabling mobile working by staff.
12. The HIAMS project has included the introduction of mobile working to assist the streetworks team, and this year the highways safety inspection teams have started to carry out defect and pothole inspections on mobile devices. The defect reports are included in the system and the information used to manage the highway assets and help prioritise treatments.

Ringway Infrastructure Service

13. The highways term maintenance contract with Ringway was the subject of a two-stage procurement exercise in 2015. The contract started in April 2016 and is for five years with possible extensions of up to two years which can be awarded subject to performance.

14. The Ringway contract provides a range of highway services, including dealing with potholes, gully emptying, 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 service.
15. Ringway employs the Parish Stewards. This scheme was originally introduced with the earlier highways contract 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 continues to be successful and very popular with local communities and has received good feedback from Town and Parish Councils.
16. 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 to determine the entitlement to contract extensions. For 2018/19 the score was assessed as being 8.2 (see **Appendix 4**), which entitles Ringway to the award of a further six month extension to the contract in accordance with the contract conditions.
17. Ringway is currently entitled to a 15 month extension to the contract out of a maximum of 24 months. The performance during future years will continue to be monitored to determine entitlement to further extensions up to the maximum provided for under the contract. In the event of non-performance by the contractor it would be possible for the extensions to be cancelled.

Other Highways Contractors' performance

18. Following the termination of the Balfour Beatty Living Places (BBLP) contract in 2016 several sub-contracts were transferred to the Council. This provided continuity of service in 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.
19. These contracts with Idverde, Tarmac, Eurovia and the other specialist contractors continue to be successful with good working relationships. The performance of all the contractors is monitored closely, and there has been good performance that meets all expectations with a high degree of confidence in the operation of all of these contractors.
20. Most of these contracts are due to end on 31 May 2020, and arrangements are currently being made to procure replacement contracts. 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 considered in developing future service delivery.

Highways Consultancy Contract

21. The Highways Consultancy contract with Atkins started in December 2012. It was for five years and has been extended for two years as provided for in the contract. Atkins provides a range of services and support to the highways teams, including the design and supervision of highway, transportation and drainage schemes.
22. The current contract ends on 30 November 2019, and a procurement exercise was undertaken earlier this year. The results were reported to Cabinet on 11 June 2019 when it was agreed to award the new contract to Atkins as the price and quality of the Atkins submission were both considered to be good. The contract will start on 1 December 2019, and as with the previous contract it will be for five years, with a potential two-year extension subject to performance.

Performance Management Framework

23. The Performance Management Framework was originally prepared for this committee in 2016 and is updated annually (see **Appendix 5**). It 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
24. Six key indicators have been identified for each theme, which 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.
25. Each indicator is measured at a high level as: poor – does not meet minimum standards, fair – meets minimum standards, good – exceeds minimum standards. Long term performance aims have been developed for each indicator, and a red, amber and green colour coding is used to aid understanding.
26. The framework enables performance to be tracked on a year by year basis. The measures include several indicators which are National Indicators or previously Best Value Performance Indicators. It also includes performance indicators using the National Highways and Transportation (NHT) public satisfaction results.
27. The Framework indicates that overall progress and performance has been good. However, the number Killed and Seriously Injured (KSI) on the county's roads increased during 2018 and remains a serious concern.
28. For most aspects of the service the performance was rated as good. The number of potholes increased, but the number of the more serious safety defect potholes decreased. The condition of roads, footways and traffic signals remain a concern and will need to be monitored, as will the treatment of noxious weeds.

29. Overall, public satisfaction with most aspects of the highway service in Wiltshire is close to the national average.
30. It is proposed that the indicators should continue to be reviewed on an annual basis and performance reported to the Environment Select Committee.

Wiltshire LED Street Lighting Project

31. Only a very small proportion of the Council's existing street lighting are LED lights. Most of the street lights are the older types which are less energy efficient and in some cases are going out of production. The rising cost of energy and the need to reduce the Council's carbon footprint means that there is now a good case for converting the street lighting to more energy efficient units.
32. This committee previously considered a report on the LED project on 6 November 2018, when the committee endorsed the scheme, which was subsequently approved by Cabinet in December 2018. It is now included in this year's capital programme.
33. The £12,295,000 project is expected to take two years and will involve over 40,000 lighting units. The contract for the supply of the new units has recently been awarded following a tendering exercise. The design work is being carried out by the Council's highways consultants, Atkins, and the new lighting will be installed by the term maintenance contractor Ringway so that the work can be integrated with the normal maintenance operations.
34. The conversion programme is starting in Chippenham and will be rolled out across the county following the maintenance programme of the existing lighting. A Frequently Asked Questions document has been prepared for the project (**Appendix 6**).

Overview and Scrutiny Engagement

35. The review of the highways service is reported annually to the Environment Select Committee. The report also includes an update on the Highways Performance Management Framework, which it is proposed to continue to make annually. The committee has been kept informed about the introduction of HIAMS and the procurement of the highways consultancy contract through regular updates.

Safeguarding Implications

36. None.

Public Health Implications

37. The condition of roads and related infrastructure can have serious safety implications, especially with regard to skid resistance and road surfaces. The good maintenance and improvement of the highway network can make a significant contribution to reducing collisions, especially those resulting in killed and seriously injured. Roads, bridges, highway structures, signs and street lighting all need to be kept in good condition in order to protect the public and those maintaining the assets.

Environmental and Climate Change Considerations

38. The effects of climate change could be significant for the highway network. There was considerable damage to the roads, footways and drainage systems during the flooding in 2013/14, and in 2018 road surfaces were damaged by high temperatures during the summer. Such events could be repeated and having robust maintenance strategies to improve the condition of the network, and experienced maintenance contractors, helps build resilience into the highway network and the infrastructure.
39. The highway service recycles a large proportion of the waste material generated by its highway operations and takes specific measures to protect the environment when carrying out maintenance and construction work. In recent years the Council has been using 'warm asphalt' which has a lower carbon impact.
40. The carbon footprint of the highways service will be reduced considerably by the introduction of energy efficient LED street lighting over the next two years.

Equalities Impact of the Proposal

41. 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 particularly vulnerable road users such as cyclists and pedestrians.
42. The employment policies of the Council's contractors are taken into account when considering the award of contracts. They are required to conform to the Council's Behaviour Framework, and the contracts are closely monitored and managed.

Risk Assessment

43. There are considerable risks associated with the highway network, particularly in terms of safety, environmental, financial and reputational risks. The highways contracts provide resources to ensure the successful delivery of the highways service and reduce the risks to the Council.
44. There are risk management processes in place to manage the risks associated with the highways service, which include regular liaison with service suppliers and the effective management of resources. A risk-based approach has been adopted as required by the latest code of practice and is incorporated in the Wiltshire Highways Safety Inspection manual which was considered by this committee at its September 2018 meeting.

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

45. 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 the related services are not delivered effectively or are delayed. Future DfT funding is dependent on demonstrating the application of good practice and asset management principles. Failure to do so will potentially 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

46. No decision is required. Processes are currently in place to reduce risks, 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

47. 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 the network is maintained in the most cost-effective way to keep it safe and ensure value for money. This includes the adoption of a whole life costing approach to inform investment decisions on highway maintenance.
48. 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. A proportion of available funding could potentially be withheld as an incentive, and in 2020/21 the Council could lose out on up to £2,782,000 of DfT funding if good asset management principles are not followed. It is therefore important to demonstrate that the Council is meeting the requirements of the incentive funding self-assessment.
49. The LED street lighting replacement scheme is being funded as an 'invest to save scheme' which will significantly reduce energy costs which are becoming increasingly unaffordable.
50. There are no procurement implications at this stage. Several road surfacing and other works contracts will end in May 2020. Many of these contracts could have significant TUPE implications and the procurement processes for these contracts are starting with a view to ensuring that value for money is obtained.

Legal Implications

51. The Council has a duty under the Highways Act to maintain the county's roads. The highway inspection procedures, policies and asset management plans help ensure that this duty is fulfilled. The increased investment and improved road conditions in recent years are helping the Council meet its responsibilities regarding road maintenance and keeping the network safe.

Options Considered

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

Conclusions

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

Parvis Khansari Director Highways and Waste

Report Author:

Peter Binley

Head of Highways Asset Management and Commissioning
November 2019

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

None

Appendices

- Appendix 1 – Annual Review of Highways Service 2018/19
- Appendix 2 – Wiltshire Highways Schemes 2018/19
- Appendix 3 – Wiltshire Highways Maintenance and the Environment
- Appendix 4 – Ringway Infrastructure Services Performance 2018/19
- Appendix 5 – Highways Performance Management Framework 2018/19
- Appendix 6 – Wiltshire LED Street Lighting Project