

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	10 December 2012
Report of:	Kevin Melling, Head of Highways and Transportation
Subject/Title:	Highways Maintenance Response Times
Portfolio Holder:	Councillor Rod Menlove

1.0 Report Summary

1. To consider a notice of motion submitted by Cllr D Brickhill at the meeting of full Council held on 11th October 2012. The notice of motion stated that:

“That the Environment and Scrutiny Committee conduct an examination of the performance of the highways contract and its contractor Ringway Jacobs placing particular emphasis on improving response times to maintenance and gateway white lining calls. It should report back to council before Christmas 2012.”

The report sets out the current situation with regard to highways maintenance as delivered by Ringway Jacobs (Cheshire East Highways) and the recommended actions that are proposed to understand and address the issues identified in the Notice of Motion.

1. Decision Requested

- 2.1 To endorse the notice of motion
- 2.2 To agree the recommended actions set out in Section 10 of the report.

1. Reasons for Recommendations

1. The Highways Services contract was developed so that the authority could take advantage of the knowledge and experience of the private sector partner, Ringway Jacobs.
2. The contract represents a step change for the authority in the way that works are delivered on the ground, removing unnecessary duplication and bringing about greater efficiencies by programming works in a manner that allows for minimal disruption and maximum output.

4. Wards Affected

- 4.1 All wards are affected by the Notice of Motion.

5.0 Local Ward Members

- 5.1 All ward members are affected by the Notice of Motion.

6.0 Policy Implications Carbon Reduction Health

- 6.1 By programming works in a methodical manner and reducing the mobilisation activity associated with the works there is an indirect positive impact on the carbon emissions that can be attributed to the work of the authority.
- 6.2 There are no health implications as a consequence of the motion.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 The contract with Ringway Jacobs is based upon their success in relation to a number of performance indicators, a failure to perform will result in reduced profitability for the company.
- 7.2 The target costs are developed by the Cheshire East Highways team and their scope and value agreed by the Head of Highways and Transport's Thin Client team.
- 7.3 The contract style ensures that the Council pays actual cost for works undertaken but is not expected to contribute any further resource should the target cost be breached.
- 7.4 The recommendations contained within this report are all achievable within the current target cost envelope and therefore represents no additional financial risk to the authority.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The terms of the Highways Services Contract between Cheshire East Borough Council and Ringway Jacobs Limited (the Contract) set out the contractual obligations of the parties. The Contract states that Ringway Jacobs has the responsibility to monitor its performance (on a monthly or other relevant basis) against the performance indicators. Ringway Jacobs is to keep a written record of all performance monitoring carried out under the Contract and submit performance monitoring reports against the performance indicators on not less than a three monthly basis in each year of the Contract.
- 8.2 The Council has the right to open up, inspect and/or audit any of the services carried out by Ringway Jacobs at any time during the Contract period. In the event that any services are found not to be in compliance with the Contract or any relevant national standard then the Council can serve notice on Ringway Jacobs requiring that any defect or non

compliance is rectified within specified timescales at the contractors expense.

- 8.3 Under the terms of the Contract Ringway Jacobs is responsible for any work that it subcontracts as if it had not been subcontracted.

9.0 Risk Management

- 9.1 It is acknowledged that the level of demand for works on the public highway is such that current revenue budgets are unable to deliver all that is requested.
- 9.2 Cheshire East Highways has developed and implemented a clear process for dealing with a number of activities where this is the case. The process assesses, in an objective manner, the need to undertake works on different parts of the network and typically takes into account such things as network classification, risk to the travelling public, volume of calls etc.
- 9.3 By adopting an objective method of assessing work Cheshire East Highways is able to demonstrate that the authority has discharged its duty under Section 41 of the Highways Act.

10.0 Background and Options

- 10.1 Maintaining the public highway network costs the Council a significant amount of money each year, both in terms of revenue and capital spending allocations.
- 10.2 The Council acknowledges that it is unable to fund all works that are requested.
- 10.3 Ringway Jacobs were engaged to deliver efficiencies to the authority and committed, in the first full year of operation, to achieve 7.5% of efficiencies when compared against the cost of delivery using the previous delivery mechanism.
- 10.4 Work to assess the full benefits has commenced, however it can be reported that the delivery of highway defect repairs has seen the cost of repair for each defect fall from a pre-contract cost of around £90 per defect (exclusive of staff time) to around £45 per defect (inclusive of staff time). It is worthy of note that these costs exclude the impact of the highly successful Velocity repair programme that was instigated in the summer which reduced costs further.
- 10.5 Such reductions in actual cost are achieved only by successfully programming resource to undertake the work in a regimented, methodical fashion.
- 10.6 Cheshire East Highways has worked hard to develop a robust business planning process that recognises both the need for a degree of flexibility and also the over-riding need to deliver the works in a sustainable and affordable fashion.

- 10.7 The delivery model adopted by Cheshire East Highways means that a number of activities are delivered by third party supply chain partners, white lining, the subject of this Notice of Motion, is one such activity.
- 10.8 Where the team is reliant on third parties then they need to manage carefully the flow of work to ensure that it can be delivered as a discrete programme. Repeat visits are kept to an absolute minimum so that mobilisation costs are reduced.
- 10.9 The volume of work that is delivered on the ground is monitored and managed such that the target outputs outlined as a part of the target cost process are delivered. In some instances this will mean that a supply chain partner delivers their element of work in one visit, e.g. a discrete surfacing programme, or across a number of separate visits, e.g. white lining.
- 10.10 During the scrutiny review process conducted summer 2012, it was acknowledged that access to programme information was often not readily available to the elected members of the authority.
- 10.11 It was agreed that each member would be able to access a “member only” section of the Cheshire East Highways Service Information Centre, www.cheshireeast.gov.uk/highways, where details relating to programmes and schedules of work would be published. The website is now up and running and members are able to access the programme via their “LAP Portal”.
- 10.12 It is the intention of Cheshire East Highways to publish its Capital Works Programme on the site. Typically this will include for the Structural Maintenance Programme, discrete capital projects (e.g. Crewe Rail Exchange) and the Local Area Partnership Highway Sub-Group Programme.
- 10.13 It is also the intention of the team to publish schedules relating to gully emptying, grass cutting and street lighting bulk wash and change type activity. As the team develops so the list of scheduled activity available for publication will increase.
- 10.14 In addition the teams will also be working to deliver Frequently Asked Questions pages that will help members and their electorate to understand what can and cannot be achieved as a part of our normal operations.
- 10.15 There is no intention, at this time, to alter the level of responsiveness relating to non-essential and non-statutory activities such as lining and signing. It is felt that to move from a planned, programmed schedule to a more reactive mode of operation will increase cost and, subsequently, reduce output on the ground.
- 10.16 The wider issue of performance monitoring across all aspects of the contract is covered by the use of a performance framework that monitors a number of key indicators, some of which determine whether or not the Contract can be extended whilst others trigger performance related payments. Performance is reported by Cheshire East Highways on a monthly basis and is monitored and challenged by the Council’s retained Strategic Client Team.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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