



Environment and
Services Scrutiny
Committee

2.00 pm

Item

3

Public

**MINUTES OF THE ENVIRONMENT AND SERVICES SCRUTINY COMMITTEE
MEETING HELD ON 20 OCTOBER 2014
2.00 PM – 3.50 PM**

Responsible Officer: Amanda Holyoak
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Present

Councillors Vince Hunt (Chairman), Keith Roberts (Vice Chairman), Peter Adams, Ted Clarke, Roger Hughes, Christian Lea, Pamela Moseley, Vivienne Parry and Arthur Walpole

20 Apologies for absence and substitutions

Apologies for absence were received from Mr N Hartin.

21 Disclosable Pecuniary Interests

Members were reminded that they must not participate in the discussion or voting on any matter in which they had a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

22 Minutes of the last meeting held on 8 September 2014

The minutes of the meeting held on 8 September 2014 were confirmed as a correct record.

23 Public Question Time

There were no questions from Members of the Public.

24 Member Question Time

There were no questions from Members.

**25 Performance on the Highways and Environmental Team Service [HETSC]
contract: Ringway**

The Service Manager for Environmental Maintenance presented the report 'Highways and Environment Term Maintenance Contract – Ringway update' (a copy is attached to the signed minutes). He confirmed that Ringway and the Council had worked together in preparing the report.

Although there had been issues which had meant the contract was not as mature as it should be, a corner had now been turned and there had been much improvement. Performance Indicators were set to be achieved by November 2014. Where there were any outstanding issues, relationships were positive.

The Portfolio Holder for Highways expressed appreciation to Bill Taylor, the UK Managing Director of Ringway and Nick Goddard, the Midlands Director, for attending the meeting and gave her personal thanks to them for their direct involvement in the contract. In discussion of the report, Committee Members made comments, raised issues and asked questions covering the following areas:

- Pothole repair time, reinstatement of the road and permitting;
- Lessons learnt by Council officers related to scoping and implementing the contract;
- The degree of importance of achievement of the November 2014 performance indicators in looking to the future and a possible extension of the contract;
- Why there was a timelag of 2 – 3 months before obtaining performance indicator information
- How complaints forwarded by Members were recorded;
- How the new scoping level of £5,000 would assist in expediting works being delivered;
- The high turnover in contract manager personnel and restructuring of the Ringway operation;
- Whether the mechanism of withholding funds from Ringway for not meeting targets might not be useful as they were instead paid into an 'innovation fund' which was of benefit to the Council and Ringway;
- How quickly vacant posts would be filled;
- Whether it would be possible to recruit good quality sub-contractors at a time of high demand;
- Whether the re-tender of the engineering contract might impact on Ringway's performance;
- How work with the Business Improvement Team could drive improvement;
- Whether last year's overspend due to issues in classification of work as capital or revenue was likely to happen again.

Individual examples of where things had gone wrong in Electoral Divisions were also cited, for example, communication issues meaning lines were put down incorrectly, delays in grass cutting, poor quality resurfacing, long waits for jobs to be scheduled, started and completed and response to flooding.

Members of the Committee also gave some plaudits which included work for the Britain In Bloom campaign, some efficient and good quality surface dressing and successful work on the Bridge over River Morda which had been completed quickly and ahead of time.

In summary, the Committee felt that performance had not been impressive during the first third of the contract, and that it had taken a long time address some problems, particularly

around IT systems. The report did provide some reassurance that performance would continue to improve.

In response to the comments made and questions asked, the Council's Area Commissioner, Service Manager for Environmental Maintenance, Ringway Chief Executive and Ringway Midlands Director stated the following:

- The 'Hedge to Hedge' approach was still being refined and a national award had been achieved for this.
- Historical legacy issues had now been addressed and improvements made to IT systems, including operational staff being issued with ipads. Investment had been made in a new cloud based system and the 'Confirm' system would be available on demand from November onwards.
- A lesson learnt by Council officers had been in relation to mobilisation of staff, as Ringway had not been able to have any access to staff ahead of the contract start.
- There was now both anecdotal and evidenced improvement in performance, and the trend for complaints was declining. Performance Indicators were due to be achieved by November although this would not be known due to early 2015.
- Ringway's restructure had been initiated to bring about more effective focused working. Staff numbers remained the same and support from senior managers would be improved.
- Recruitment was difficult across the UK, and although Ringway would prefer to recruit locally, it was viewed as essential to recruit people of the right calibre. The new staff structure was now almost complete.
- Shropshire Council's own Environmental Maintenance Team restructure would give the capacity to assist with the contract and move it forwards
- A review of the operational impact of permitting would be held with both Ringway and Shropshire Council to ensure systems, processes and staff moved towards the discipline required by the system
- The re-tendering of the Engineering Contract provided an opportunity to make adjustments to the contract to improve things going forward.
- Achievement of the November 2014 performance indicators would be particularly significant as this would be the time to start looking ahead at the possibility of extending the contract beyond six years on an offer and acceptance basis.
- Performance data was usually 2 – 3 months behind real time due to the need for checks and audit before presentation by way of a RAG system.
- It was confirmed that data collected through the Customer Service Centre was used to formulate reports. It was desirable for all complaints to be made in this way rather than directly to local offices, so that a case number could be allocated and a consistent picture formed.
- Delays in jobs starting were often due to delays in obtaining approval for traffic orders or planning consents.
- Resurfacing did sometimes fail but where this occurred it would be rectified at no extra cost to the Council
- It was felt by the Council and Ringway that the new level of £5,000 for scoping jobs would help avoid congestion in the system. This would be reviewed and could be adjusted if necessary.

- Officers did not feel that deductions made from Ringway being paid into the 'innovation fund' would act as a disincentive to meeting targets. Any such deductions would have an impact on their bottom line.
- The issues around classifying work as capital or revenue had taken a long time to address but this had been achieved and would not happen in the future. The Winter Reserve had been used to mitigate this, and a zero based budget would be in place for the next financial year. An additional 4.1m had been allocated by the Department of Transport to spend by the end of this financial year.
- There would be challenges in recruiting sub-contractors and resources were stretched across the whole of the UK and prices would increase.

Members agreed that performance over the next 12 months would be critical and welcomed the suggestion that a report be made to the Committee in a year's time. This would be half way through the contract. The Chairman thanked officers and Mr Taylor and Mr Goddard for attending the meeting.

The Committee endorsed the recommendations in the report and **RESOLVED**:

- To approve the report
- To note the actions taken in managing the contract
- To note the improvements in recent aspects of performance from Ringway
- To note the ongoing concerns and issues relating to this contract
- To receive a further report to reflect performance at the three year point of the contract cycle
- That the restructure of the Shropshire Council Environment and Transport Group be expedited to support the contract and contract outcomes further

In addition, the following areas were suggested by the Committee for potential future scrutiny attention:

- Operation of the Permitting scheme
- The work of the Business Improvement Team in identifying further improvements to systems and processes.
- Flooding

26 Date/Time of future meetings

Suggested options for an additional meeting of the Committee were either Monday 10 November at 1pm or Monday 17 November at 2.00 pm. It was agreed to confirm the date and time outside of the meeting.

The next calendared meeting of the Committee was Monday 8 December 2014 at 2.00 pm.

Signed (Chairman)

Date: