

Public Document Pack

SHOPSHIRE COUNCIL

PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

Minutes of the meeting held on 8 July 2020
11.00 am - 1.30 pm Virtual Meeting

Responsible Officer: Julie Fildes

Email: julie.fildes@shropshire.gov.uk Tel: 01743 257723

Present

Councillor Claire Wild (Chair)

Councillors Joyce Barrow, Karen Calder, Roger Evans, Alan Mosley, Cecilia Motley, Peggy Mullock, Dave Tremellen and Leslie Winwood

77 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Hannah Fraser. Councillor David Vasmer attended as substitutue.

78 Disclosable Pecuniary Interests

None were declared.

79 Minutes of the meeting held on 10th June 2020

Consideration of the minutes of the meeting of the Committee held on 10th June 2020 were deferred to the next meeting.

80 Public Question Time

There were no questions from members of the public.

81 Member Question Time

The Chair advised that two Member questions had been received. A copy of the report containing the detailed questions and their formal response is attached to the signed minutes.

- i) Received from Councillor R Evans in relation to the Highways Improvement Plan. By way of a supplementary question Councillor Evans requested that better communication of ongoing highways matters be communicated with Members to minimise inconvenience for the public.
- ii) Received from Councillor D Vasmer, in three parts, in relation to highways repairs, improved communication with the highway's contractor and contract monitoring. By way of a supplementary question Councillor Vasmer asked if the reference to the mixed local economy in the report before the committee, agenda item 7, was an indication of future thinking. The Director of Place responded that new technology would allow members to view performance in their Ward areas. He continued that the term Mixed economy related to the

use of different contractors and the direct management of the Lengths Man Scheme.

- iii) Councillor Vasmer observed that it would be useful to have access to the reports considered by the Highways Task and Finish Group.

With the agreement of the Committee the order in which items was taken was amended.

82 Highways Improvement Plan Update

The Director of Place, introduced the Highways Improvement Plan Update report. Members noted that the report had previously been considered by the Place Overview Committee on 7th November 2019 and the Audit Committee had identified three improvement measures at its meeting on 25th February 2020.

- Contract with Kier;
- Council provided services – improvements to processes and governance; and
- Improved use of resources.

The Director of Place continued that it had been recognised that a full and inclusive programme of highways improvement was required. Members noted a number of staff appointments to facilitate this, including the appointments of a Highways consultant, an Assistant Director, and a new Head of Highways.

Members noted that the Appendix A to the report set out fifty key focus points. The Director of Place confirmed that these were fully supported by Kier. He observed that the majority of focus points were categorised as either completed or on target for completion, this was attributed to the hard work of the team, especially in light of the additional pressure caused by the severe flooding at the start of the year.

The Director of Place informed Members that the renewed focus of the Highways Team had reduced the cost of works and had improved value for money through better organisation. Although, there were still on-going improvements and the Team were focusing on the best use of Government resources, which included £11m from the Community Infrastructure Levy, intended for the road infrastructure.

Members raised issues with the recently introduced MyShropshire portal and the number of reported issues which were rejected by the system and lack of communication of problems in Ward areas. The Head of Highways responded that the new system was still in the process of development and these issues would be resolved as the system expanded.

Members welcomed the improvements set out in the report and their speed of delivery, but asked officers to consider the state of rural roads and suggested that the plan should have been implemented sooner. The Director of Place responded that the contract with Kier had begun in April 2018, but highways frustrations had existed before this date and hopes that these would be resolved by the new contractor had been held. He continued that the mechanisms for contractor management had not been in place initially and the severe weather conditions had

compacted these problems. He continued that the programme was now in place to control key areas of the contract. The model allocated resources with three quarters of spending on A and B classified roads, but a better understanding of the issues of C classified road had been gained and the impact on them of heavy agricultural vehicles. A process of asset management planning had been initiated for this road classification. The Head of Highways added that this was a particular issue in the South of the County and work was being undertaken to improve the use of local contractors in addition to Kier and WSP in this area with the development of a local five-year plan, with procurement , audit and legal services all involved.

In response to Members queries regarding contract monitoring and communication issues, the Head of Highways confirmed that a new system was in place to improve this. Photographs were taken before and after each job and updates on work undertaken were now expected to be filed on a daily basis, these were verified by the audit process as working, in principle, with an audit currently being undertaken to assess the consistency of this approach. He continued that this approach worked well for small scale projects. Other local authorities had been approached for an alternative perspective on effective management of larger scale projects and once developed approaches would be trialled by Kier.

The Head of Highways confirmed that the changes to the structure and working practices had restored good will and moral with the staff. He continued that staff had been involved and consulted on as part of the process and had received support from both Workforce Development and Finance. Members requested that the organisational structure be distributed and that access to technicians was improved for Members.

In response to a Member's question the Operations Manager, Highways and Transport outlined the highways surface dressing programme and the importance of early intervention leading to reduced costs through delivering cost effective road repairs instead of road renewal. He agreed that that it was important to have conversations with housing developers about the impact of developments on the condition of surrounding roads and this was included in the Highways Plan.

Responding to a Member's query, the Head of Highways advised that the Highways Improvement Board was an Officer Group consisting of the Head of Highways, the Director of Place, the Highways Consultant and the Assistant Director of Place and it met regularly to review progress of highways issues. The Director of Finance Governance and Assurance added that there was a close working relationship between the group and the Finance department. The Director of Place explained that the Highways Improvement Board was responsible for programme level capital and revenue accounts and contract negotiations.

Members requested further information on the LED Lighting Plan and its cost implications. The Head of Highways explained that work had been undertaken to ensure that the lighting inspection regime was more efficient and cost effective. Advances in understanding since the agreement to move to a LED lighting scheme had delayed the implementation of the programme and the requirements of the contract had been revised to ensure it was commercial with the purchase of the lanterns going through the tender process.

Members noted that forward plans for WSP and Kier would be available in September 2020.

RESOLVED:

- i) That the progress of the Highways Service in delivering actions within the Highways Improvement Plan be noted.
- ii) That the work of the Highways Improvement Board is considered by the appropriate Scrutiny Committee in the Winter of 2020/21

83 Financial Monitoring Report, Quarter 4 2019/20

The Director of Finance, Governance and Assurance introduced the Financial Monitoring, Quarter 4 2019/20 report and outlined the main issues of the report as set out in the summary and recommendations to Cabinet. Members noted that this report had been previously considered by Cabinet at its meeting on 6th July 2020.

In response to a Member's question the Director of Finance, Governance and Assurance explained the financial changes, both increased costs and savings as a result of Covid-19 were still under consideration.

Members requested more information regarding the Council Asset disposal list. The Director of Finance, Governance and Assurance confirmed that this was a comprehensive list of all assets that could be considered for disposal, but more work was required to establish whether it would be appropriate to do so.

The Director of Finance, Governance and Assurance explained that reserves were held for a specific purpose and would reduce during the financial year as they were required. In addition to these the Council was required to hold a set level of reserves for situations which may not occur, such as severe weather.

RESOLVED:

That the report be noted.

84 Future Work Programme

The Scrutiny Officer advised Members that the usual Committee programme would be re-instated from September with all Scrutiny Committees meeting according to the Council diary.

RESOLVED:

- i) That Climate Change and SEND be considered by the Committee at its meeting in July; and
- ii) That the Financial Strategy and financial matters caused by Covid-19 be considered at the September meeting of the Committee.

85 Date/Time of next meeting of the Committee

Members noted that the next meeting of the Committee is scheduled for 11am on Wednesday 29th July 2020.

Signed (Chairman)

Date:

This page is intentionally left blank

Performance Management Scrutiny Committee

8th July 2020

Member Questions

1. Question from Councillor Roger Evans

I am disappointed with the "Highways Improvement Plan Update". The report being considered today fails to give many details on what the actual improvements actually are.

In the opening paragraphs it is stated that "The Service is being completely restructured to meet its vision.

This vision I assume is "To deliver a high-quality highway service with our residents and communities at the heart of everything we do"

In the last few days roads have been closed with no notice being given to residents. Bus services cancelled because of this closure. Persons manning the barriers not knowing what the alternative diversion route was so no advice could be given to those who suddenly arrived and found their route blocked. The times of the road closure were also altered with no prior notice being given as work progressed. Many residents and Communities do not agree that a high quality service is being delivered.

1. How and why was this work not be communicated to the local member and the many residents who would be affected by it. Why was it so urgent that no prior notice was given. Is this what is meant by putting "residents and communities at the heart of everything we do".

2. Many members queried the structure that was introduced just 18 months ago. Requests for details and contact numbers were refused. Will details of this new structure be circulated to members.

Response:

Under the Highways Act 1980 we have a statutory duty to maintain the highway network. In exercising these responsibilities, we will almost inevitably come into conflict with the travelling public and other stakeholders as we deliver meaningful betterment on the highway network often at very short notice.

At the same time, we have taken a robust approach with our contractor (Kier) in terms of holding them to account for their contractual responsibilities. Under the contract Kier own the responsibility for consulting with stakeholders on work they deliver on our behalf. This function has, until very recently, remained with Shropshire Council. The firmer line drawn by ourselves, holding the contractor to account has contributed to some of the issues around notification as our contractor adjusted to

their responsibilities. We recognise these shortcomings and apologise for any inconvenience caused.

Details of the new Highways Structure will be circulated to Members once finalised.

2. Question from Councillor David Vasmer

- 1) Given that so many of the problems with the performance of Highways centres around their management of the contract with Kier and previously Ringway it is very disappointing that so much of this report makes no mention of Kier. One of the problems all councillors and members of the public have faced is Highways' failure to monitor repairs which should be done on their computer programme called Confirm. In the past we all had examples of repairs that had been done badly, but there appeared to be no consequence for Kier. With regard to action point 50, can we be assured that all work undertaken by Kier is now effectively monitored and, if not done properly, Kier are not paid?
- 2) Under Action Point 51 the report states that Highways have been reviewing ways in which they can obtain the best from Kier. As a result the decision required is to review any resource changes – what was reviewed and were any changes made? Under update we are told that there have been more meetings with Kier and an improvement team set up with a new Governance Framework. But surely the obvious thing to do is review the operation of the very detailed contract with Kier and not pay for defective work?
- 3) Do we have the specialist staff to monitor the contracts with Kier and WSP?

Response:

1. The Highways Improvement Plan identifies 57 separate actions to deliver crucial improvements within the Highways Service for the residents of Shropshire.

- We have changed the way defects are identified, ordered and repaired we have improved the timeliness and quality of repairs and reduced costs.
- We have repaired approximately 12,000 potholes since the beginning of March increasing permanent repairs of potholes from 5% to 95% and repairing adjacent defects.
- We have introduced new alternative innovative pothole repair methods and implemented our own Find and Fix lengthsman gang directly reducing the costs by up to 90%.
- We have delivered low cost drainage interventions which have resolved long standing issues and will extend the life of our roads and prevent flooding issues.

- We have instigated a mixed local economy and reinstated ditching and grip clearance using local contractors reducing future damage upon road surfaces.
- The front face of the service has been transferred to the Council's Customer Service Centre and residents enquires have reduced from over 1,400 a week by approximately 90%.
- The Members portal has been launched and enquiries have reduced by approximately 80%.
- A new Highways Customer Engagement and Liaison Strategy has been launched and a Highways Customer Panel is being established with SALC.
- We are developing a new suite of KPI's into our Contract with Kier to incentivise high performance and hold them to account.
- In respect to item 50 on the improvement plan, all recommendations from the Council's 2019 Audit review of the contract management of the term maintenance contract have been actioned and closed. Improved processes are now in place to address the recommendations from the report. It is proposed to take this report to the Audit committee at its forthcoming September meeting.

2. A new Governance Framework has been introduced to the Highways Service to improve management of the Highways and Environment Term Maintenance Contract with Kier. The Framework consists of a new Strategic Board, which is Chaired by the Council's new Assistant Director for Infrastructure, Steve Smith, an Operations Board, which is chaired by the Council's new Head of Highways, Alun Morgan and a number of individual Service and Task & Finish groups which will drive forward improvements within the Contract. The improvement team is the first Task & Finish Group to be initiated and has focused on driving improvements in reactive maintenance repairs. Further Service and Task & Finish Groups are currently being set up and others will be established as needed.

3. A restructure of the Highways Service is being implemented to enable the Highway vision to be delivered and performance further improved. This has been developed with input from both the Staff and Team Leaders Forums and will be centred around three groups; Commissioning, Operations and Business Management. New critical posts have been identified and job descriptions for all the management posts have been created, evaluated and graded by HR colleagues. Following the Council's policies and procedures, appointments to these new roles will shortly being undertaken. New team structures are being developed and new roles created. These will also need to be evaluated and graded following which appointments to the new staff roles can be made.

