



Committee and Date

**Performance Management
Scrutiny**

08/07/2020

Item

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Public

Highways Improvement Plan Update

Responsible Officer

Professor Mark Barrow; Executive Director of Place
Mark.Barrow@shropshire.gov.uk
01743 258676

1.0 Summary

- 1.1 The Highways Improvement Plan was launched at two Member workshops on 2 & 6 March 2020. The Plan identified 53 individual actions to deliver crucial improvements within the Highways Service for the residents of Shropshire. 4 additional actions have been added to the Plan.

The Highways Improvement Plan has delivered crucial improvements to the Highway network. Reactive maintenance is more effective, with over 12,000 defects repaired since the beginning of March, and costs have been reduced. The front face of the service has been transferred to the Council's Customer Service Centre with enquiries and complaints now reduced by 90% and a new Members portal launched to provide Members with an improved service. The service is being completely restructured to meet its vision "To deliver a high-quality highway service with our residents and communities at the heart of everything we do". An improved Governance framework and new KPI's are being implemented into the existing Contract with Kier and a local mixed economy developed delivering some services directly or with local contractors.

The Highways Improvement Plan will continue to be used to deliver further improvements to the service ensuring maximum benefits are provided to Shropshire's residents, Local Councils and Members.

2.0 Recommendations

- 2.1 That the committee notes the progress of the Highways Service in delivering the actions within the Highways Improvement Plan.

3.0 Opportunities and risks

- 3.1 The Highways Improvement Plan has delivered a series of crucial improvements to the Highway Network and reduced both costs and risks to the Council whilst improving the reputation of the service.

4.0 Financial assessment

- 4.1 Financial savings and cost implications are reported through the Highways Improvement Board.

5.0 Background

5.1 In November 2019, the Interim Assistant Director of Committee and Transport presented the Kier Highways Term Maintenance Progress Annual Report to the Place Overview Committee and explained the work being undertaken to improve the performance of the service and address the backlog of defects. The Committee satisfied itself of the actions to improve service delivery and performance as raised within the report and noted the areas of service delivery that have been achieved and those still required to improve.

Unfortunately, the position worsened in the following months and so, in January 2020, the Council commissioned the services of a highly experienced Highways Consultant to help the Council make crucial improvements to the Highways Service.

The Consultant undertook a detailed review of the Service and identified 10 key issues where improvements should be made.

The Consultant identified the causes of the failures and recommended 53 key actions be undertaken to improve the Service as part of a Highways Improvement Plan linked to the priorities within the Council's Corporate Plan.

Progress on implementing the actions within the Improvement Plan is closely governed and monitored by the Highways Improvement Board which meets every 2 weeks.

- **Reactive Maintenance**

Since the launch of the Improvement Plan, the Highways Service have implemented a number of crucial changes which have delivered dramatic and visible improvements to the way highway defects and potholes are actioned. These have dramatically reduced the size of the backlog whilst improving the quality, timeliness and cost of the service to our communities.

Previously over 90% of pothole repairs were undertaken as temporary repairs by Kier. Additionally, there was also an absence of follow up permanent repair orders which resulted in the temporary repairs failing again in a short period of time. Repeat temporary orders were raised again and the cycle continued. Additionally, the working practices in place also prevented potholes adjacent to an ordered defect repair from being undertaken at the same time. These practices were stopped, and instructions were given to Kier to only undertake permanent repairs and ensure that other defects adjacent to ordered repairs were actioned at the same time. Temporary repairs were only allowed in exceptional circumstances.

At its peak in March 2020, the Council recorded 5,269 outstanding defects on the Network for which orders to repair had been issued to Kier. The majority of these outstanding defects had already exceeded the period by which they had to be ordered to be repaired, with some being months overdue. The reasons behind this were fundamentally;

- The Council's Highways and Environment Term Maintenance Contract requires the Council to specify the number of gangs it wishes Kier to mobilise to

undertake reactive maintenance repairs. The Council identifies and orders the works including the timescale and method of repair. The Council chose to order 16 gangs and paid for them on a time and materials basis.

- The Contract does not specify the productive output expected of the gangs. The productive output of the gangs was not being managed effectively.

The result of this was seen directly on the Network. The number of defects being identified and ordered to be repaired exceeded the number being repaired. Therefore, a backlog of defects was created and continued to grow.

A review of productive outputs from Kier under this contract arrangement identified that the Council was paying up to 4 times the National average for the repair of highway defects. The consequence of this meant that if the Council wanted more repairs undertaken, it simply ordered more gangs from Kier at a cost to the Council. This was obviously unsustainable and demonstrated that the current model would never clear the backlog within the budgets available to the service and that the backlog would continue to get larger, causing a substantial increase in costs to the Council.

Therefore, it was essential that we intervened in the way defects were actioned and identified new ways of delivering reactive maintenance differently. We immediately implemented changes to deliver vital improvements and reduce costs.

- We instructed Kier to increase the number of gangs to 40 to deliver immediate improvements to the numbers of defects being repaired. We have repaired approximately 12,000 potholes since the beginning of March. *We collected data daily to monitor and challenge productivity levels.*
- Using the new forms of data collected on network condition, performance and productivity, we used this as evidence to “right source” and trial new ways of working to improve the quality, timeliness and productivity of services. *This data had not been previously collected in a form able to be used in this way.*
- Our inspectors are now undertaking emergency repairs themselves improving both the effectiveness and efficiency of repairs. The repair material is an accredited permanent standard repair product. *This resulted in emergency defects being repaired at source and takes repairs away from being added to the backlog of outstanding and overdue defects.*
- We have initiated our own find and fix lengthsman gangs who have undertaken urgent repairs ourselves in advance of inspections on less trafficked roads before they are identified or reported. This has delivered average defect repair costs at approximately half the cost of the National average, a saving of up to 90% from the previous cost the repairs. *These repairs are being carried out using an accredited permanent repair product and prevents defects from being added to the backlog of outstanding and overdue defects and also allows them to be inspected. Repairs are uploaded onto Confirm immediately by the gang, so all are recorded as previously. As our carriageways are returned to a better condition, these gangs will move onto other parish-based activities such as small Parish improvements and sign cleaning.*
- We directly took control of 5 gangs to undertake emergency and 1-day defects alongside any other works we direct. *We identified all the locations where we wanted to direct the gangs to work and improved the productivity of the gangs so emergency repairs were not. These have now been returned to Kier’s control.*

- We have introduced alternative repair methods including Texpatch, thermal treatment and jet patching gangs. *We have identified the locations, specify the treatments required and direct the most appropriate gangs which were previously undertaken by Kier's 2-man gangs.*
- Between March and May 2020, we updated our inspections policy to prioritise emergency and 1-day defects and ensure the network was kept safe. *Since 1 June we have reverted back to our previous policy.*
- Reactive gangs now work in 16 Parish based Place areas. *This means we know where gangs will be to better programme work and audit the quality of works undertaken. Programmes will be placed on the Council's website as soon as possible.*
- Working with our legal, procurement, audit and transport colleagues, we have brought in 2 of our own gully cleaning wagons with cameras and root cutting equipment. These have provided us with a high-quality service, with added flexibility, availability and at a cost saving of approximately 60%. *These have successfully resolved previously hard to rectify issues on the network that were too difficult and expensive to resolve under existing contract arrangements whilst enabling Kier to focus on what they are good at.*
- We have commissioned local contractors to deliver cost effective ditching and grip clearing. These works prevent water draining onto our carriageways and eroding the surfaces. *the. These works were stopped a number of years ago and have resulted in widespread carriageway deterioration on our network over the past few years.*
- We have set up a joint improvement team with Kier to review weekly performance data of reactive maintenance gangs and take actions to improve productivity. *This has identified areas of both good and poor performance enabling improvements to be implemented.*

- **Customer Service**

During February 2020, nearly 5,500 Highway enquiries were received from residents by the service at a rate of approximately 1,400 a week. At its peak, a backlog of 5200 outstanding enquiries remained and this was growing by approximately 300 every week.

The front face of customer enquiries has now been transferred to the CSC and colleagues have been provided with the necessary accesses into Confirm to be able to view orders and statuses. This enables the CSC to log and monitor requests, respond quicker, manage multiple enquiries to the same issue and provide residents and Members with an improved service.

The service is now focussed on responding and/or actioning existing enquiries and new ones received. During June 2020, *residents' enquiries have reduced by approximately 90% to between 100-150 a week and the backlog has reduced by over 70% to approximately 1,600.*

During February and March 2020, 615 Highway enquiries were received from Members by the CSC and service combined peaking in March. 295 of these were received by the service directly and were not logged on the reporting system and were therefore unable to be tracked.

More than half of Councillors attended the Highways workshops in Shire Hall at the beginning of March. Members were shown how to send all enquiries to the CSC on line who will log their enquiries, respond directly where they can, assign to a technical officer for further details or to raise an order, and respond and close down requests. The Members' Portal has been launched and Members have been trained on its use. The Portal enables Members to log enquiries quickly and also be able to track and trace actions. This is now being developed further to enable Members to view details of work undertaken in their Wards together with forthcoming works and details of customer enquiries. It will also include a map showing the location of all known defects and their status towards repair. A new feature is being placed on its front page to highlight completed and future programmes of works.

During June 2020, *Members' enquiries have reduced by approximately 80%*, with nearly half of those logged and tracked through the Members portal.

Enquiries from MP's and those directed and escalated to the Chief Executive are now forwarded to the CSC to manage. These have now been reduced to a very small amount as enquiries are responded to more effectively.

A working group has been initiated between the CSC, IT and Highways to improve the whole customer journey between enquiry made and closure. This will ensure that the right actions are taken at the right time to resolve concerns raised and that the correct form of response is provided to customers throughout the whole process. Currently a large proportion of the highway service customer service interaction sits on the Council's old Darwin system which doesn't allow the same service to residents as the new 365 system. IT are prioritising the transfer of the remaining services as quickly as possible in order that residents receive a consistent service in response to enquiries.

The Council's website is being updated and once complete will enable the Highways Service to make improved information available, such as upcoming planned and programmed works, for residents to view themselves and thereby reduce the need to raise enquiries to the Council.

A new Customer Engagement and Liaison Strategy has been developed through consultation with staff, Team Leaders and the Shropshire Association of Local Councils, SALC. A "Highways Customer Panel" of representatives chosen by SALC from local Town and Parish Councils is being established to review the customer satisfaction results and to help prioritise actions to improve our highway services to address any areas of dissatisfaction.

- **Resources**

New Highways Staff and Team Leader Forums have been established. The Staff Forum consists of 9 staff representatives while the Team Leaders Forum consist of 17 Managers both from across the whole service. Chaired by our Highways Consultant, both Forums have met weekly taking ownership in the delivery of the Highways Improvement Plan. Together with the Highways Leadership team the Forums have developed a Vision for their Service;

“To deliver a high-quality highway service with our residents and communities at the heart of everything we do”

Following a national recruitment exercise, a new Assistant Director of Infrastructure has been appointed. Steve Smith joins the Council on 20 July 2020. A new Head of Service is currently being recruited with the role focused on Highways alone. An announcement on the appointment will be made shortly. A complete restructure of the Highways Service has been developed with input from both Forums and the Leadership Team enabling the vision to be delivered. The Service 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. Appointments to these new roles are currently being undertaken following which appointments to new staff roles will be made.

- **Strategic Transport Planning**

The Strategic Transport Planning team has been transferred into the new Transport and Environment Service under the Head of Service, Steve Brown, to plan for the future and attract external funding to support the Council’s Corporate Plan.

- **Asset Management**

A Value for Money assessment was been undertaken by Proving Solutions in February 2020 to evaluate the performance of the service against other Councils. Its recommendations to improve our Value for Money and place us within the highest performing Councils in the Country were incorporated within the actions of the Improvement Plan.

The Council’s Asset Management Policy and Strategy have been reviewed. Recommendations have been provided to enhance the documents into a new Asset Management+ which will place Shropshire residents at the heart of the future service and ensure flexibility in allocating budgets more effectively to different asset groups. Immediate improvements have already been implemented this financial year with increased allocations provided to rural roads, drainage and preventative maintenance, such as ditching and surface dressing, to help arrest the deterioration of roads in the County.

The Highways Capital programme has been placed on the Council’s website to provide forward visibility to Residents, Local Councils and Members. Longer term 3 or 5 yr programmes are being developed and will be uploaded as soon as they completed.

A Highways Severe Weather plan is being developed including input from Highways Team Leaders to enable the Council and its partners to plan and respond to severe weather events effectively and efficiently in the future.

The Council’s Winter Service policy and operational plans have been reviewed and recommendations provided to update them and bring them in line with National guidance.

- **Governance**

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 and which will be responsible for;

- Reviewing the overall performance of the contract,
- Reviewing the commercial and financial performance of contract,
- Leading the strategic direction of the contract
- Reviewing significant risks and opportunities, including escalations from the Operations Board.

An Operations Board which will also chaired by the Council and will be responsible for;

- Health, Safety and Environment,
- Monitoring and Reviewing Performance,
- Reviewing programmes and plans of works,
- Reviewing progress against programmes and plans of work,
- Identifying performance improvements,
- Reviewing risks and issues,
- Resolving any disputes or differences of opinion,
- Raising matters to the Strategic Board,
- Agreeing Terms of Reference for Service Groups,
- Tasking and empowerment of actions to the Service Groups,
- Reviewing actions and matters from the Service Groups.

5 individual Service Groups consisting of representatives from both the Council and Kier have been implemented to drive forward improvements within the Contract. These are focussed on;

- Customer Service,
- Health, Safety and Environment,
- Improvement & Innovations,
- Performance,
- Commercial.

Further Service Groups will be established as needed.

- **Capital Works**

Using the 16 reactive maintenance Place Based Parish areas, programmes of work are being developed with communities at their heart. Minor works, which have historically been difficult to deliver within the existing contract constraints, have been improved and a new process has been agreed with Kier which will enable improvements to be delivered. Additionally, with Legal, Procurement and Finance colleagues, new ways of commissioning minor works has also been established using local contractors to deliver a more effective and efficient service when needed.

The LED streetlighting upgrade programme's business case is currently being reviewed to identify further opportunities to incorporate additional savings and/or further benefits to the project. This has included liaising with other Authorities and experts who have recently delivered similar programmes in the Country.

- **Streetworks**

A compliance audit of the service has been undertaken which provided positive findings. A number of recommendations for further improvements are being incorporated into the new structure including enhancements to both works communications and inspections.

- **Contract Management**

Improved contract management capacities, capabilities and processes are being developed into the new structure with new posts being created to focus on this critical area.

A new suite of 9 Key Performance Indicators has been developed to supplement the existing Contract indicators which are being proposed to be written into the Environment and Highways Term maintenance Contract as a variation. The indicators incentivise Kier to deliver an improved performance on the parts of the service which are most critical to the Council and provide evidence to hold them to account. The KPI's are focussed on;

1. Reactive Maintenance;
2. Routine and Planned Maintenance;
3. Highway Projects and Schemes;
4. Financial Management;
5. Forward Plans and Programmes;
6. Performance Information;
7. Applications for Payment;
8. Customer Satisfaction;
9. Winter Service.

An enhanced programme of audit inspections of highways works undertaken has been implemented. This is being developed further within the new structure and responsibilities of staff to ensure maximum effectiveness and efficiencies.

Improved financial management, insurance, third party claims recovery and commercial income opportunities are being created within the new Business Management Group of the service. A number of potential recommendations have been developed for potential commercial opportunities and will be taken forward within the new structure.

All recommendations from the Council's 2019 Audit review of the contract management of the term maintenance contract have been actioned and closed. It is proposed to take this report to the Audit committee at its forthcoming September meeting.

- **Service Providers**

A review into the retained monies from the previous contract with Ringway has been undertaken. No anomalies were identified, and the report has been shared with the Council's Audit team.

The Service has commenced developing a new mixed local economy for highway services. A trial is being undertaken with a local contractor to undertake ditching works in the South of the County. Early indications are that this is providing greater effectiveness and efficiency than previously received through the Term Maintenance Contract. If proven successful, this could be extended wider and to other services as appropriate.

An external audit on the Highway Service's management of the Professional Services Contract has been undertaken. The results will be presented to a future Audit committee meeting and recommendations incorporated into the Improvement Plan.

6.0 Conclusion

6.1 The Highways Improvement Plan has delivered dramatic improvements to the Highway network.

- By changing the way defects are identified, ordered and repaired we have improved the timeliness and quality of repairs and reduced costs.
- We have increased permanent repairs of potholes from 5% to 95%.
- We have repaired approximately 12,000 potholes since the beginning of March.
- We repair potholes adjacent to others previously identified for repair.
- Between March and 31 May, we reduced the backlog of highway defects from 5259, (and increasing), to under 1,000.
- By implementing our own Find and Fix lengthsman gang directly we have dramatically reduced the costs of repairing defects by up to 90%.
- We have introduced new alternative innovative pothole repair methods.
- 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.
- New Highways Staff and Team Leader Forums have been established and a customer focused Vision for the service has been agreed.
- The Highways Service has been restructured, a new Assistant Director of Infrastructure appointed and recruitment to a new Head of Highways and other management posts is currently being undertaken.
- The Highways Forward Capital Programme is visible on the Council's website.

- A new Governance Framework has been introduced to improve management of the Contract with Kier.
- We have commenced the planning and delivery of works within 16 Place based Parish areas making works more visible and effective for residents, Local Councils and Members.
- We are developing a new suite of KPI's into our Contract with Kier to incentivise high performance and hold them to account.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

None

Cabinet Member (Portfolio Holder)

Cllr Steve Davenport

Local Member

All

Appendices

Appendix A - Highways Improvement Plan V16