

Highways and Transport (Performance Report)**WSP Annual Report: 2019/2020 Financial Year**

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1. Summary

- 1.1. This report summarises the annual performance report for the WSP contract for 2019/2020 financial year. This builds upon the previous reports presented to this Committee and provides an overview of this contract and its outcomes that support the Council and its wider ambitions for the period in question.
- 1.2. The WSP contract supports Highways and Transport staff and wider colleagues in the council (e.g. Economic Growth and supporting other major projects) across several agendas, issues, and outcomes. In the preparation of this report a wide range of colleagues have been consulted.
- 1.3. Shropshire Council (SC) awarded the Highways & Transport Engineering Consultancy Term Service Contract to Mouchel Ltd in April 2015. Mouchel Ltd were taken over by WSP in November 2016 and from 1 July 2017 were fully integrated with the WSP wider business and started trading as WSP UK. The current contract ends on March 31, 2022, and the approach and procurement strategy for how the councils utilises professional services from April 1, 2022 will be shared and internally consulted on in due course and covered in future reports to this Committee.
- 1.4. The summary outcomes and achievements for 2019/2020 financial year are:
- Developed initial design for 4 carriageway / property flood alleviation schemes, supervised the construction of a further 5, and delivered 9 non-matrix design schemes.
 - During the financial year the contract total value was £ 8,668,138.44

- Supported Shropshire Council as lead local flood authority, dealing with 191 land drainage enquiries, 48 ordinary watercourse assessments (consent or application), 4 investigations into unconsented work within ordinary watercourses, 3 enquiries regarding flooding and 101 general enquiries.
- Delivered 4 major street lighting schemes and finalised a further 3.
- Worked with Shropshire Council to secure Salix funding for the countywide LED replacement scheme.
- Delivered traffic signal schemes equating to 329 work orders.
- Assisted Shropshire Council in procuring 2 electric vehicle charge points in 2 car parks within the county.
- Scoping, design and construction of over 300 highway maintenance schemes delivered through the Term Service Contractor, Kier. Total value £17.28million.
- Secured funding for the North West Relief Road delivering the preliminary design and taking the scheme through public consultation.
- Delivered Package 1 of the Shrewsbury Integrated Transport Package and produced detailed design for Package 2 which is now in construction.
- Supported Shropshire Council with their successful bid for £9.3 million of Homes England funding for improvements to Mile End roundabout, Oswestry.
- Successfully delivered the first stages of the A529 Department for Transport Road Safety fund scheme including improvement of the Mount Pleasant Crossroads junction, siding out works to reclaim 'lost' gullies and 800m of carriageway, and design of 3km of carriageway surfacing north of Market Drayton due to start May 2020.
- Worked with Shropshire Council and Shifnal Town Council to further develop and progress the Shifnal Town Centre Integrated Transport Scheme.
- Delivered the Shropshire Local Development Plan 2 involving the design of 8 new schemes ranging from junction realignment to an 8km long route improvement.
- Scoping, design and construction of around 150 minor bridge maintenance works across the county.
- Procured 2046km of SCRIM, 1805km of SCANNER, 549.17km carriageway Coarse Visual Inspections (CVIs) and 343.16km of footway CVIs as part of the Asset Management programme.
- Delivered Road Safety Education to over 13,800 school children throughout Shropshire through assemblies, class talks, presentations and individual journey planners.

- 1.5 The Average Annual Overall Performance score for 2019/20 is **94.40%**
Members are asked to refer to Appendix A for further detail and information.

2. Recommendations:

- 2.1. **That the Annual Performance Report for WSP for the 2019/2020 financial year is considered by this Committee.**
- 2.2. **That Scrutiny comment upon the detail contained within this report as appropriate.**
- 2.3. **Scrutiny continue to receive an annual performance report on the WSP contract.**
- 2.4. **Scrutiny review proposed arrangements regarding the future procurement strategy for professional services in due course.**

3. Risk Assessment and Opportunities Appraisal

- 3.1. The work undertaken by WSP in partnership with Shropshire Council is inherently subject to commercial and statutory risks, for example, professional advice, design/ construction, risk/liability, all carry inherent risk which needs to be managed, removed or mitigated. The ability of Shropshire Council through its partners to deal with issues from practical and technical issues in our communities to supporting on significant feasibility studies and businesses cases that attract significant funding and infrastructure improvement in Shropshire must be considered.
- 3.2. Management of the quality of work received, its cost and value are all considerations across such a wide range of activities and outcomes. It is appropriate to say the Commissioning Model (the current arrangement) has led to some uneasiness in respect of the strength of the Client side, and costs incurred and whether the model provides the outcomes the Council requires. Over the life of the contract the environment has changed and how we attract funding in more of a short-term bidding culture and report to external bodies and government agencies has also changed. Additionally, the blend of what work is provided to WSP and remains “in house” or is tendered direct to the market and the best use of those contractual options and this will inform our thinking going forward.

- 3.3. It should also be noted that significant sums of external funding have been attracted into this authority. The ability to identify, draft and deliver acceptable businesses cases to external funders, to release funding into Shropshire, and examples such as SITP, NWRR, Salix also provide a value of this contract against cost, also, to a degree, there is a value to the Council in a “flex “approach to increased resources to focus upon opportunistic external funding opportunities at short notice (e.g. DFT Challenge Fund for Market Towns) to support externally awarded funded bids or opportunities and to remove additional resources as required when those resources are no longer needed.
- 3.4. Committee will note the WSP Audit report earlier this year that was presented and the work that has been undertaken to achieve those required outcomes, which are referred to in this report, and core to future procurement requirements.

4. Financial Implications

- 4.1. Highways and Transport paid a total of total of £8,668,138.44 for work and services during the 2019 / 2020 financial year. These payments derive from:
- Highways & Transport existing revenue and capital budget
 - External funding (government grants, awards) both received and competitive bids awarded.
 - The wider Council, e.g. Economic Growth commission work or colleagues in Planning, and note of the support the contract provides to the wider council should not be lost on this committee.
- 4.2. A clear example of this is funding relating to:
- NWWR project
 - Oxon Link Road
 - SITIP project
 - Feasibility studies, such as Oswestry Mile End project.
 - Big Town Plan initial scoping works etc.
- 4.3. A summary financial breakdown for the year spend is demonstrated detailing amounts paid against key work or service areas. This demonstrates the breadth of activity and how funding has been allocated or utilised against the contract, in respect of revenue and capital allocation:

Paid Value Job Type	Budget Type		Grand Total
	Capital	Revenue	
Asset Management	£990,614.00	£144,642.43	£1,135,256.43
Bridges and Highway Structures	£173,253.38	£347,134.53	£520,387.91
Business and Enterprise Service	£1,383.00	£56,999.11	£58,382.11
Contract Administration		£199,499.29	£199,499.29
Divisional Highway Maintenance	£11,789.57	£54,774.62	£66,564.19
Divisional Inspection and Monitoring		£0.00	£0.00
Flood and Water Management	£104,763.91	£287,202.23	£391,966.14
Highway Schemes - Major Projects - Traffic Schemes	£884,255.35	£116,616.77	£1,000,872.12
Highways Development Control	£2,662.53	£467,474.87	£470,137.40
Street Lighting and Traffic Signals	£92,271.27	£309,622.30	£401,893.57
Sustainable Travel		£140,918.05	£140,918.05
Transport Planning - Public Transport - Traffic	£295,501.46	£3,986,759.77	£4,282,261.23
Grand Total	£2,556,494.47	£6,111,643.97	£8,668,138.44

- 4.4 It is useful for the Committee to understand the detail of how work is ordered, the type of work, its complexity/level of urgency are all determining factors in the most appropriate route for the work/service to be received and paid for.

Paid Value Job Type	Work Type				Grand Total
	Negotiated Fixed Fee	Target Cost	Tendered / Fixed Fee	Time Charge	
Asset Management	£760,614.00		£374,642.43		£1,135,256.43
Bridges and Highway Structures	£513,979.79		£6,408.12		£520,387.91
Business and Enterprise Service	£58,382.11				£58,382.11
Contract Administration	£138,548.84		£60,950.45		£199,499.29
Divisional Highway Maintenance	£66,564.19			£0.00	£66,564.19
Divisional Inspection and Monitoring	£0.00				£0.00
Flood and Water Management	£300,332.36		£91,633.78		£391,966.14
Highway Schemes - Major Projects - Traffic Schemes	£999,904.34		£967.78		£1,000,872.12
Highways Development Control	£75,459.25	£11,388.01	£146,513.95	£236,776.19	£470,137.40
Street Lighting and Traffic Signals	£88,654.65	£19,857.27	£186,888.86	£106,492.79	£401,893.57
Sustainable Travel	£140,918.05				£140,918.05
Transport Planning - Public Transport - Traffic	£4,213,477.54		£68,783.69		£4,282,261.23
Grand Total	£7,356,835.12	£31,245.28	£936,789.06	£343,268.98	£8,668,138.44

5. Background

- 5.1. In 2015, Shropshire Council awarded the Highways and Transport Engineering Consultancy Contract to WSP. The contract period is 7 years (2015-2022). No available extensions can be provided, the contract has reached its full Contractual Period. Therefore, a full re-procurement exercise begins this winter following internal discussion and Member engagement. This will be subject to formal reports as appropriate. This report refers to the need to return to this Committee to update on progress with re-procurement.

5.2. The WSP contract is wide ranging and supports the entire Council over several work areas, typically as listed below for information:

- Highways Development Control
- Highways maintenance contract
- Flood and water management
- Street lighting, signals and illuminated signs.
- Business and enterprise
- Traffic studies and planning
- Major projects:
 - North West Relief Road
 - A529
 - Shrewsbury Integrated Transport Scheme
- Asset management
- Feasibility Studies, and Investigation Reports.

5.3 Members of the Committee should note that there is a positive relationship with WSP, across all levels, this is key to current arrangements and outcomes. The restructure of Highways and restructure for Transport and Environment will further strengthen the Client-side arrangements and look at how future arrangements can be best supported in the new procurement process.

6.0 REPORT

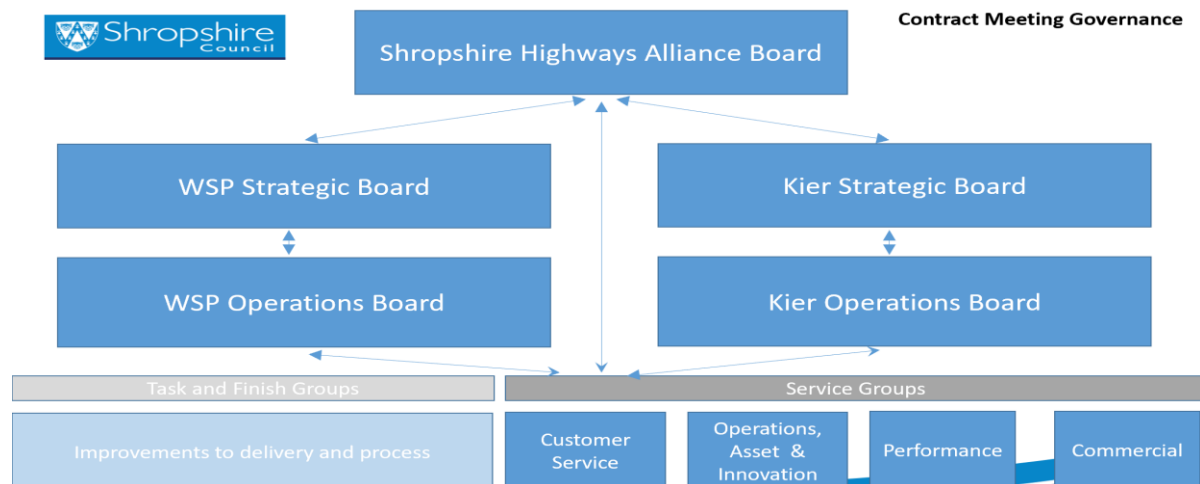
6.1 This report covers the period 1 April 2019 to 31 March 2020, it summarises WSP's performance during this 12month period. The section on supporting evidence records progress made on strategic projects in all key service areas.

6.2 The depth and breadth of services is self-explanatory, therefore for Senior Managers to consider strategic issues, operational issues and review performance is key. As previously mentioned in 3.1, to address the issues in the Audit report, focussed Project Boards are in place to deal with matters at appropriate levels. The Project Boards feed into the Highways Alliance Board where performance and strategic issues are dealt with by Senior Managers from SC, Kier and WSP and includes the Portfolio Holder for Highways and Transport to ensure there is oversight and governance. Issues discussed at this meeting would typically be:

- Performance
- Finances
- Improving efficiency

- New Initiatives
- Improving working practices and culture

6.3 The schematic of this new governance structure is demonstrated below. This allows staff at all levels of the organisation to have a clear line of sight from operational issues through to the Senior Management level to ensure issues, concerns or improvements are sighted, considered and actioned.



6.4 The Task and Finish Groups and Service groups are key, they are the engine room of staff from all organisations working on collective improvements, processes, identifying technology to improve the outcomes required. There is a significant to drive and mandate improvement from the “bottom up”.

7.0 Performance

7.1 The performance data and its mechanisms are detailed in Appendix A. The verification of KPI's has been undertaken by Shropshire Council's contract team. Below are the key performance outcomes for consideration by committee, the detail in Appendix A should be referred to.

7.2 WSP's project general performance has been monitored against set contract KPIs and the total number of task orders raised in the financial year. WSP achieved a score of **100%** against KPI 1 for jobs completed 'On Time' after mitigation i.e. all jobs completed on time.

KPI 1 – Contract KPI (Time):

Jobs Completed in Year 5	132
Jobs showing as late	38
Jobs where mitigation accepted	38
Jobs remaining as late after mitigation	0
% showing as late after mitigation	0%
% on-time	100%

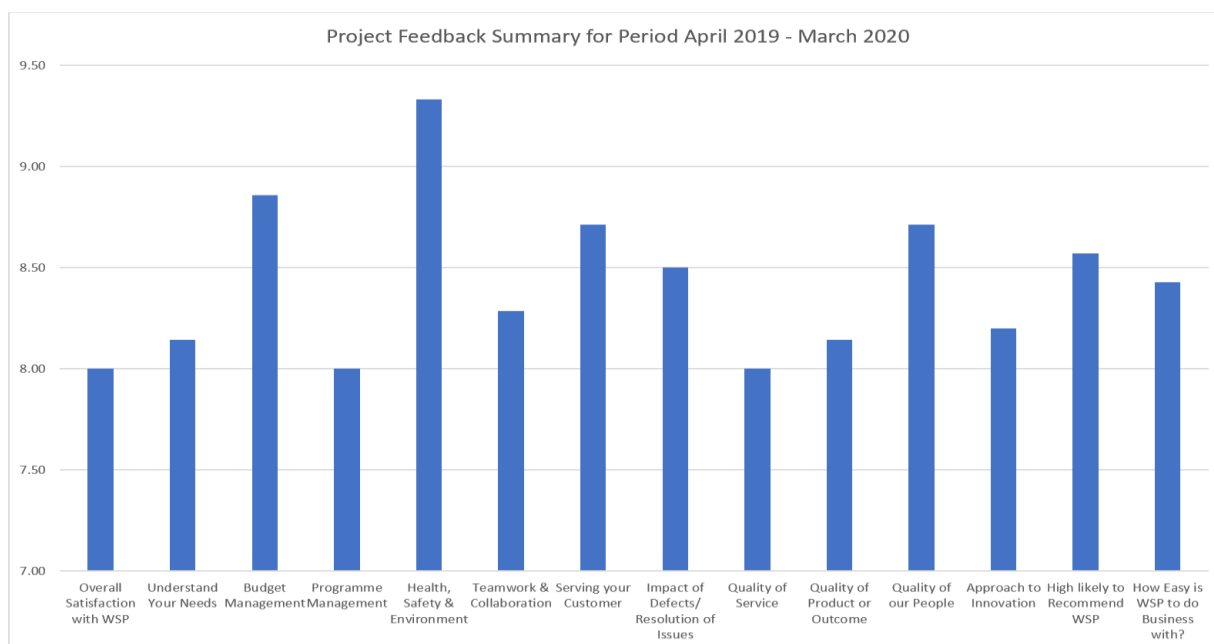
Mitigation Reasons	Count	% of Total Late Jobs	% of Total Completed Jobs
Extended Due to COVID-19- Target completion date not amended on CONFIRM	8	21.05%	6.06%
Delay due to WSP - Client agreed to change target completion date on CONFIRM	3	7.89%	2.27%
Contractor Overrun - Target completion date not amended; client agreed to change date	3	7.89%	2.27%
Job varied - Target date not amended on CONFIRM	24	63.16%	18.18%
Grand Total	38		

- 7.3 A score of **100%** for KPI 2 for our 'Cost' (fee) controls with all projects coming in on the agreed budget / fee quotations. For KPI 3, 'Quality' a score of **99.64%** of all payment requests approved first time without payments being withheld or queried, representing four requests put on hold out of 1117 submitted.

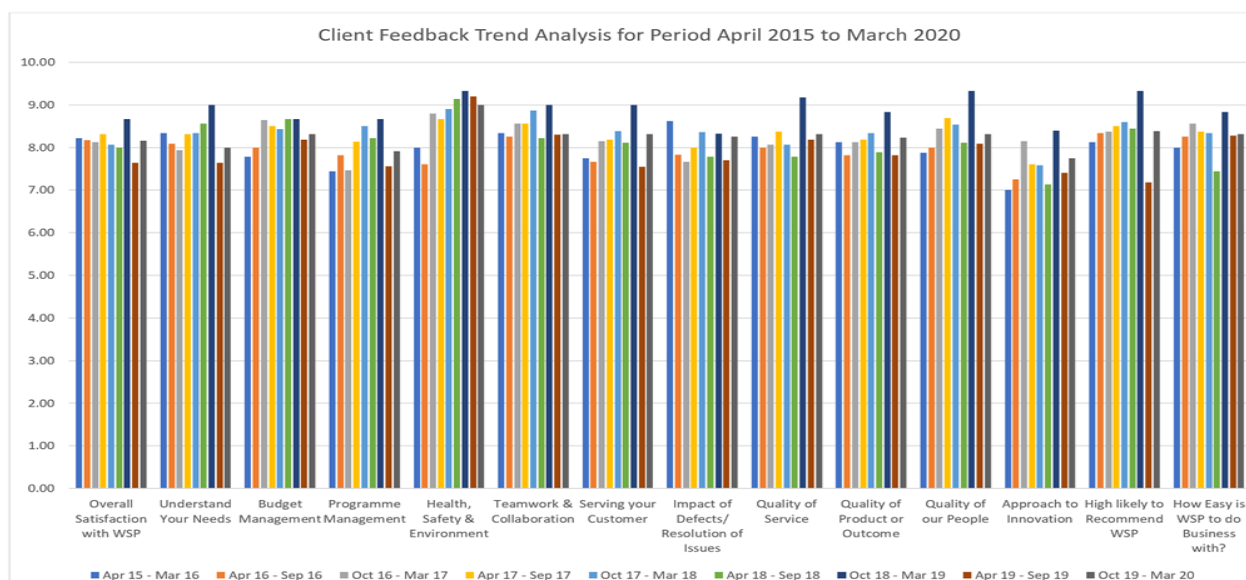
KPI 3 – Contract KPI Quality (Invoices):

April 2019- March 2020	No of payment requests	Payment requests put on hold	% Approved First Time
April to June	227	0	100.00%
July to Sept	260	4	98.46%
Oct to Dec	318	0	100.00%
Jan to Mar	312	0	100.00%
TOTAL	1117	4	99.64%

- 7.4 The analysis of performance against a selection of individual projects shows that WSP continues to provide an overall service that exceeds the minimum target score of 7 (**70%**) set at the beginning of 2017. The 2019/20 annual average project score (KPI 4) is **82.40%**, with Shrewsbury Integrated Transport Package / A529 Safer Roads Funds receiving **93.80%**, and the Oswestry HIF Mile End scheme receiving 100%. It should be noted that Shropshire Council lead officers provide the KPI feedback. Overall project feedback is shown below and demonstrates a high level of satisfaction.



7.5 The performance monitoring of the client feedback by commissioners was introduced at the end of the first year (financial year ending 2015/16). This exercise has been repeated on a six-monthly basis since 2016/17. The latest results show that WSP continue to perform at a high level, building on good working relationships and a mutual understanding of the service requirements.



7.6 The 2019/20 annual average perception score (KPI 5) of **80.75%** is above the target score of 7 (70%). The actual results are summarised in the table below against the agreed target scores are demonstrated below:

Ref	KPI's	Target Score or %	Actual Score or %	Overall Weighting
KPI1	Contract KPI - Time	95%	100%	25%
KPI2	Contract KPI - Cost	95%	100%	25%
KPI3	Contract KPI - Quality (Invoices)	95%	99.64%	20%
KPI4	Project KPI	Min Av. 7 (70%)	82.40%	15%
KPI5	Service Area KPI	Min Av. 7 (70%)	80.75%	15%

The Average Annual Overall Performance score for 2019/20 is **94.40%** .

8.0 Summary

- 8.1 The performance of WSP for the 2019 / 2020 financial year with this report and its Appendix demonstrate that depth and breadth of the work that has been achieved. Relationships are positive with WSP, and improvements to Governance will yield results.
- 8.2 The WSP contract is concluding by March 2021, future arrangements will be presented to this Committee for consideration in due course, however the current relationships are strong, and ongoing improvements via the revised governance arrangements are in place.

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

Previous reports –
26 September 2016
1st February 2019
7th November 2019
6th March 2020

Cabinet Member (Portfolio Holder)

Councillor Steve Davenport, Portfolio Holder for Highways and Transport

Local Members – All local members affected

Appendices –

Appendix A Annual Performance Report