



Committee and Date

Item

Public



Portfolio Holder Annual Report for Highways & Infrastructure

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Cabinet Member (Portfolio Holder):	Dan Morris		

1. Synopsis

This report provides information on key achievements and developments during the previous year, as well as highlighting strategic priorities for the forthcoming year.

2. Recommendations

To receive the report and raise any issues as appropriate on the performance and activities of the Highways & Infrastructure portfolio.

3. Reviews, Task and Finish and Scrutiny.

3.1. A number of reports, task and finish group sessions and Scrutiny sessions were undertaken during the year. The summary of the activity and outcomes are presented below:

- **Kier Term Maintenance Contract** – this is subject to an annual report to scrutiny committee.
- **Winter Maintenance** – A presentation was given to members on the Highways Winter maintenance service. This detailed key areas of service progress and development which has enhanced Shropshire’s winter resilience. This included

an update on the new mini gritters, grit bin inventory and replenishment programme and the school gritting programme.

- **Parking** – the proposed increase in parking changes was considered by scrutiny committee following call-ins in from both Labour and Liberal Democrat groups and this informed the decision making process.

4. Service Development

- 4.1. The quality and integrity of Shropshire's road network is crucial for the prosperity of the County and the highway service is a highly visible service that plays a big part in shaping the Council's reputation.
- 4.2. The highway service has continued to deliver fast-paced improvements across the service which has continued to both achieve improved value for money and reduce overall service cost. The continued development of the pioneered work around the "Mixed Economy" model has been recognised nationally. This began with a comprehensive data analysis exercise and VFM challenge exercise has seen the service continue to learn and launch new services initiatives through the year.

Highway Maintenance

- 4.3. The network continues to present significant challenges, in particular during the winter period. This is not unique to Shropshire, almost all highway authorities struggling to keep on top of defects with numbers significantly rising year on year, which has been exacerbated by the very wet winter.
- 4.4. Surveys of Shropshire's roads show that 13.6% (or 431 miles) of the highway network in Shropshire is considered to be in need of significant repair which is obviously disappointing for Shropshire. The latest published national average (source ALARM survey March 2023) for roads in England across all highway authorities which showed that 18% (or 36,918 miles) of roads maintained by local authorities are considered to be in need of significant repair.
- 4.5. Despite the challenges, the service delivered extremely well on pothole repair with performance figures improving again against last year including reducing per unit cost, as the statistics below highlight:
 - Number of potholes repaired in 2023 = 41,629
 - 50% of potholes are fixed in 5 days.
 - On average it takes 20 days to fix a pothole.
 - 92% of the repair are "right first time repairs".
- 4.6. It is important to note that the development of 'Mixed Economy' and in-house service development means that 62% of all pothole repairs are carried out by teams employed directly by the Council, or under the Councils control.
- 4.7. The Kier contract has continued to evolve towards its strengths and Shropshire Council has continued to develop and prove its "Mixed Economy" new operating model. As a Council we now focus Kier in areas where they are strong and deliver value for money.

- 4.8. Historically Councils have gone from one end of the spectrum to the other in search of a cure for its service frustration. E.g. Council's with a direct labour organisation (in house model) who routinely experience costly, inefficient services that are difficult to manage will embrace the private sector in search of efficiency and commercial confidence. An Authority that experiences difficulties with an external contract will routinely look at "bringing in back in the house". This traditional dichotomy has been replaced in Shropshire, with the balance required for success.
- 4.9. A hybrid "Mixed Economy" model' is what has been created in Shropshire and is now delivering huge financial and non-financial benefits and offers local delivery and core services in the control of the authority. Yet it has retained a larger partner to deliver at the other end of the spectrum the blend needed to provide a value for money service.
- 4.10. Our staffing structure has changed to embrace the new ways of working, our existing staffing structure is supplemented by consultants and interim team members (Agency) to support & ensure the strategic and operational skills, knowledge and capacity to launch new in-house operations and stimulate the local supply chain. This has also helped to manage budgets more effectively, as it provides flexibility as hours can be restricted as and when required.

5. Streetscene and Grounds Maintenance

- 5.1. The streetscene service is going through a significant transformation programme. It is recognised that the existing arrangements have not delivered as anticipated and a refocus is required.
- 5.2. A business case was approved that will see a new service provision come into place. The service will be data led and have a greater link to the communities that we serve and will have an affirmed commitment for a published plan for every space.
- 5.3. A new Streetscene Executive Manager started on the 4th March this year and will be empowered to shape a new service model and link both the client and contracting elements, which will help deliver greater service efficiency and effectiveness along with greater transparency and improved communication.

6. Fix My Street

- 6.1. During 2021 the Highways service launched FixMyStreet as a way of making it easier for the public to report highways defects.
- 6.2. Phase one involved starting the platform up and integrating it with existing Council system and included a discovery phase, that sought to identify issues. It became evident that there was considerably more work required than was anticipated. Widespread user frustration was experienced at the early stages of launch. At that time there was also a significant backlog of defects on the network which initially exacerbated the issue. No additional operational resources or additional funding was available to meet the ask.

- 6.3. In 2023, a new team was created to review the position. They undertook detailed business analysis exercise to identify the opportunities for improvement, based on observations provided by business users, councillors, and our customers. A key priority being to improve the feedback loop, which incorporates the quality of reports coming in and communication coming out from fix my street.
- 6.4. The next phase of development was launched in late 2023, following production of a detailed business case. This has involved carrying out detailed root cause analysis, to determine and ensure the project focus is correct and supports solutions for improvements. These will be reviewed against business case objectives. Due to the complexity of the feedback loop, alternative options are being considered that can deliver solutions and improve the quality of feedback to customers and Fix My Street Users.

7. NHT Survey Results

- 7.1. Shropshire Council has actively participated in the National Highways and Transport (NHT) Survey for an impressive 14 years. In the latest 2023 survey, 3,300 questionnaires were distributed, garnering a commendable 29.9% response rate, surpassing the national average of 22.4%.
- 7.2. While the overall feedback scores for Shropshire in 2023 held steady at 45%, which remains slightly below the national average, it's noteworthy that the gap has narrowed from 5% to 2%. In contrast, the national average dipped from 50% to 47%. This positive trend is particularly remarkable given the prevailing challenges faced by authorities nationwide, grappling with a 20% inflation rate in the sector and resultant budget constraints.
- 7.3. Shropshire's innovative "Mixed Economy" delivery model for Highways has not only shielded the region from service reductions, but has also led to maintained satisfaction rates. Impressively, it resulted in several indicator rankings improving by 30 places or more in national rankings. Among the extensive survey coverage of 149 indicators, 108 indicators saw improved satisfaction levels, showcasing Shropshire's resilience.
- 7.4. Key areas of improvement were observed, notably in bus fare satisfaction, whereas challenges were identified in the quality of repair to damaged pavements. The top 10 satisfaction scores were dominated by public transport-related indicators, cold weather gritting, speed limits, and advanced warnings of roadworks.
- 7.5. On the flip side, the lowest 10 satisfaction scores were mainly related to highway maintenance indicators, focusing on conditions and speed of repair, along with a few public transport indicators concerning information and an enforcement issue for illegal on-street parking.
- 7.6. Despite these challenges, the council is proactively evaluating the results to inform strategic plans for effective management of highway maintenance and transport services. Excitingly, new initiatives such as demand-responsive transport, improved highway repair techniques, and innovative maintenance programs are already in motion, demonstrating a commitment to addressing resident feedback and fostering continuous improvement for future survey results.

8. Innovation

- 8.1. Shropshire Council have been invited to talk about our “Mixed Economy” highways delivery model at events including a Local Councils Road Innovation Group (LCRIG) Strictly Highways Conference and the Highways UK event at the NEC. Our approach has attracted a growing level of nation-wide interest from highways authorities at an opportune time, with many coming to the end of existing contracts. We believe our innovative “Mixed Economy” model can and will be replicated by other councils, delivering huge benefits across the country.
- 8.2. The ‘Mixed Economy’ model’ was shortlisted for the Local Government Awards in the ‘Innovation’ Category.
- 8.3. We will also be acting as the lead Authority within the Marches Strategic Partnership on “Highways” and will be looked to share best practice and support of partner Authorities.
- 8.4. We were the first Council in the UK to help develop & trial the Local Councils Roads Innovation Group (LCRIG) “Dynamic Purchasing System” framework.
- 8.5. We have launched a review of our sister services in planning which will looking at process mapping and re-engineering, Section 38, 106, 278, Traffic and CIL. We anticipate this be a highly collaborative exercise, which will produce outcomes that feed into much more successfully conceived schemes of work and greatly improved execution.
- 8.6. We also continue to work to reduce the impact of climate change on highway maintenance and the service has taken forward a range of initiatives. We are nearing the completion of the streetlighting LED replacement programme which will reduce our energy consumption significantly. Another example is work which involved engaging with partner organisations to refine the list of provisional charge points for the purposes of the LEVI (Local Electric Vehicle Infrastructure) grant funding being promoted by Government to encourage residents to transition to electric vehicles. Shropshire Council has one of the largest EV charging infrastructure programmes in the Midlands and has benefitted from around £2.3m in Government grants to date to install charging infrastructure.

9. Car Parking Service

- 9.1. The parking service merged into the highways service last year and has been through an extensive evaluation process. This involved the recruitment of a third-party consultant with an extensive knowledge of parking.
- 9.2. Charges are to be increased to ensure continued control and management of demand and usage, including the addition of evening and Sunday charging in some locations. There will be a 21 day consultation on the charge increases which will carried out post-election.
- 9.3. Parking Improvement Plan to ensure the car park estate is suitably maintained in a safe, functional and attractive manner.

- 9.4. Review of Parking Services to address the extremely limited resources in operations and development
- 9.5. Review of the Parking Strategy to update and expand the previous document prepared in 2017/18.

10. Shrewsbury North West Relief Road

- 10.1 Planning and Conditions – Following 2 years under application, its pleasing to be able to report that, following the second Northern Planning Committee meeting on 15th February 2024, the scheme received Full Planning Consent, subject to the completion of 3x S.106 agreements, and the acceptance of 63 Planning Conditions. It is expected that the S.106 agreements will be completed over summer 2024 with affected landowners, triggering the release of the formal planning permission notice. With planning conditions now agreed between the scheme and the Local Planning Authority, a period of up to 12 months is anticipated to discharge any pre-commencement conditions. This would include Technical Approvals from statutory bodies or other Authorities such as Environment Agency and Severn Trent Water. Pre-commencement planning conditions could therefore be fully discharged by April 2025.
- 10.2 Following Full Council approval in February 2024 around granting further financial and activity delegations to the project, the optimum programme of advanced works and utility diversions has now been established and will continue up to the point of Main Contractor mobilisation to maximise overall programme benefits and assist with the discharge of Pre-Commencement Planning Conditions.
- 10.3 The process of Main Contractor procurement commenced in January 2024 with a series of pre procurement information meetings with 10 potential companies with an interest in delivering the scheme for the Council. This strong market interest then continued through the formal Pre-Qualification Questionnaire element of the process with shortlisting (based on criteria including quality, relevant experience, and Social Value evaluations) leading to invitations to 4 companies to move forward into the main tender round from April 2024. A Competitive Procedure with Negotiation (CPN) approach to Main Contractor appointment is now being utilised to provide the best value for money for the project and to secure the best possible risk profile for the Council. The procurement process is currently on programme to deliver a preferred tenderer, and a contractual build cost, by September 2024.
- 10.4 The FBC requires considerable work to update the case for the NWRR. This work is now well advanced but cannot be completed and submitted to DfT until the final price from the Principal Contractor is available. This then allows for the Value for Money and Benefit Cost Ratio to be established and considered for Council approvals prior to FBC submission. The current programme forecasts FBC submission to DfT in September 2024. DfT have indicated that a period of up to three months is then required for their review and approval.

The western section of the road (Churncote to Welshpool Road), formally known as the Oxon Link Road, submitted its FBC to the Marches LEP in December

2023 and this received full endorsement from the LEP Board at the time. On DfT FBC approval, this will allow the council to move on with Main Contractor appointment and the mobilisation of the full construction programme, programmed for spring 2025.

10.5 Forward programme

The below sets out the current key milestones for the NWRR project. These are in line with funder agreements but will be reviewed periodically to reflect any impacts arising from progress around the discharge of planning conditions.

- Planning Determination – Achieved Feb 24 (subject to S.106 completion)
- FBC to Council / DfT – Autumn 2024
- DfT FBC Approval – Dec 2024
- Principle Contractor mobilisation – March 2025
- Main Works commence – April 2025
- NWRR open to traffic - Nov 2027
- Full project completion – March 2028

10.6 Funding

In October 2023, the then Secretary of State for Transport Mark Harper said the government would 'fully fund' the scheme. No formal offer has yet been received by the Council, but the request for clarity will be repeated to the new national administration. The offer, however, explicitly states that it will address the recent uncontrollable inflationary pressures for LAs in delivering such projects. Senior Council Officers are in regular contact with the Department for Transport (DfT) and have been given no reason to believe that Government support for the NWRR will be anything other than that announced formerly by the then Secretary of State.

It should also be noted that there are now agreed routes to meeting the Councils local match requirements (over and above the existing Outline Business Case funding allocations by the former Marches LEP and DfT under the Large Local Majors Programme), through a combination of S.106 and CiL generated developer contributions, the use of forecast land receipts across the SUE West and the recently confirmed Network North (item 11) offer received by the Council following the Network North announcement.

As such, there remains full confidence that the Council has a fall-back position to fully meet the emerging costs of the scheme should the “fully funded” offer not go forward in the light of the recent national election. The full costs of the scheme, and the confirmed methodology around local match generation will be considered in detail by Council in Autumn 2024 as part of the Full Business Case, in advance of its submission to DfT in line with the current project programme.

11. DfT Network North

- 11.1. A recent announcement from the DfT on Network North has seen Shropshire awarded an additional £2.6m for the 23/24 and 24/25 financial years. Beyond that there is commitment to significant additional funding, estimated to be £134m, over

a seven-year term, that would deliver significant strategic investment in the network. We are working with DfT officials to better understand the timing and scope for that support.

- 11.2. However, despite current additional funding from the council, modelling shows that this is still only sufficient to provide a small improvement in condition at the current time, which is being further challenged by spiralling inflation in highways maintenance, which saw costs rise by over 20% for some activities.

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

Cabinet Member (Portfolio Holder)

Councillor Dan Morris, Portfolio Holder for Highways and Transport

Local Members

All local members affected.

Appendices

Nil