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10

PORTFOLIO HOLDER REPORT FOR HIGHWAYS AND TRANSPORT

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1. Introduction

The purpose of this report is to summarise current activity over the past year with respect to the provision of Highways, Transport and Environment Services (HTEC), highlighting proposed developments, current improvements and cost efficiencies that the service is undertaking and intends to deliver.

2. Overview of the Service Functions

The service covers the maintenance and cleansing of some 5,500 km of adopted highway, 1,000 bridges and structures and ground maintenance of 1.2 million m² of amenity grass cutting and 4,157 km of verge maintenance, including 30,000 highway trees. The service also responds to severe weather events, such as snow, ice and floods. The service is a mixture of contracted (outsourced), commissioned and in-house delivery via Ringway, Mouchel and Vaisala (weather stations) these contracts are in the region of £30 million per annum, through to minor contracts for dog kennels as one requirement of our many statutory duties is to have arrangements to retrieve stray dogs as part of the commissioned service.

These services are comprised of:

- Highways maintenance
- Street Scene
- Grounds maintenance
- Street lighting
- Bridges and structures
- Workshops
- Transport planning
- Highways development control
- Severe weather and emergency responses
- Winter maintenance
- Street works and permits
- Engineering, professional services, project management etc.

3. Background

The existing Highways and Environmental Term Service Contract (HETSC) commenced in April 2012 and was let for a term of six years with a possible extension(s) of a further four years depending upon satisfactory performance by the in house maintenance contractor (Ringway). This would be on an offer and acceptance basis and linked to performance criteria. A decision on this issue is required to be made in the future.

4. Highway and Environmental Maintenance - Key Issues

- Development of an integrated approach to the preparation, planning and delivery of the maintenance programme. Thus the current £9 million programme for Highways has been developed collaboratively with Ringway.
- Current lean review of the Winter Maintenance operation across Shropshire Council and Ringway. This is a joint review including all levels of staff, with the aim of identifying efficiencies within the operation; the review will not dilute or remove operating standards or accepted policy but will 'test' working practices. A 'general rule of thumb' is that a well-planned and effective review will identify savings in the region of 10%, this is a key component of the service's anticipated revenue savings for this financial year.
- The integrated contract and use of a joint (Shropshire Council and Ringway) innovation fund has developed service initiatives such as:
 - Joint training of staff in traffic management and Streetworks accreditation
 - Professional contract training seminars
 - Improved IT programmes and equipment
 - Development of new working practices to support the transition to a commissioning authority.

The contract is now in Year 3 of its 6 year period with the option of additional years to a maximum of 4 (for a 10 year contract). There have been operational issues to resolve with the contract, typical examples are:

- Recent decline in Street Scene performance; this has now recovered, however, local amenity grass cutting needs improvement.
- Delivery of some remedial works / projects have been delayed or deferred within the programme and this has frustrated some local communities
- Operational work such as ease of delivery have been issues for local operational staff
- Lining works have been problematic
- Street lighting and bridge works have been problematic

All of these issues have and are constantly being addressed at local and higher levels of Shropshire Council and Ringway, and a further report to the Council's Scrutiny Committee will be submitted as routine in the near future.

However, there have been notable improvements and benefits from Ringway since the last report:

- Winter Maintenance and Emergency Response works are positive and of a high standard
- To date large scale schemes have been delivered well, for example,

£4,600,000 severe weather project with Ringway and other partners delivering numerous schemes across the county on time, on cost and on quality.

- Performance Indicators for the service have improved. The majority now consistently being classed as Green on a Red, Amber, Green (RAG system), and contract financial deductions have now ceased, this is a major improvement on previous years.
- Large scale projects such as Resurfacing, Surface dressing , A and B road improvements and other scheme delivery, forming the financial “bulk” of the programme in the region of £5 million , have been delivered satisfactorily.
- Environmental Maintenance depot programme progression, which delivered refurbishment, new build (extension) or re-orientation of existing depots to accommodate integrated staff (Shropshire Council, Ringway, Mouchel and support mobile working) is substantially complete :
 - Craven Arms depot - £1.1 million improvement programme
 - Stourbridge Rd depot - £300,000 programme
 - Hodnet depot - £100,000 programme
 - Whittington depot - £40,000 improvements
 - Longden Rd depot - programme in planning stage
- Internal audit report dated March 2015 provided a final report across the service of ‘reasonable’ (from a range of Good, Reasonable, Limited and Unsatisfactory). An agreed action plan was identified and agreed with finance and audit colleagues prior to implementation.

5. Mouchel Contract

The new professional services contract was initiated and delivered and began on April 1st 2015 with Mouchel being awarded an initial three year contract, with possible extensions available, for professional services and support (design, engineering support, project management etc.) The value of this contract is approximately £5 million per year. Thus Environmental Maintenance now operates:

- i. Highways Term Maintenance Contract = £25 million per annum
- ii. Professional Services Contract = £ 5 million per annum.

The contract allows for numerous areas of professional support across the Council’s breadth of work; examples are:

- Bridges and structures
- Highways maintenance
- Design and project management of schemes
- Drainage
- Traffic management
- Contract and programme management
- Traffic engineering
- Local development
- Professional advice and support

Additionally the equivalent of 9 full-time staff have now transferred (TUPE) from Shropshire Council to Mouchel, to support the contract and the Council’s transition to commissioning.

6. Shropshire Highways Alliance

The key issue for the contract is to develop a Highways Alliance for Shropshire, this will consist of:

- Shropshire Council
- Mouchel
- Ringway

This alliance will ensure that the integration of services, people, processes and outcomes are targeted on providing the best possible service as efficiently as possible. To date various staff briefings and presentations have been held and a review of processes undertaken and new ways of working proposed. The alliance will have a key role in attracting and sustaining Department for Transport funding, as a new self-assessment process linked to asset management and demonstration of good practice in asset management is linked to future funding settlements, which are programmed to decline over the next few years as part of Central Governments Block Grant to Highways.

This process could have implications for the Council's capital budget, and tri-partite working with Mouchel and Ringway is in place to ensure that the Draft guidance and self-assessment is as robust as possible. This issue will utilise staff and partners time to develop the assessment with other colleagues within the Council. The Department for Transport (DfT) has indicated that capital budgets will decline to this authority over the next 4 years and the new self-assessment process will impact over and above this reduction. Thus this is a key issue for the service.

The initial feedback is that the new Mouchel contract is working well and that the new way of working and culture have begun to assist all parties in delivering joint and collective outcomes.

7. Restructure of Highways and Environmental Maintenance

A restructure is currently being undertaken in the highways and transport teams. The objectives are to:

- Define and advance the commissioning and service provider split in the teams, to support delivery of the new Mouchel engineering contract and to support the Ringway contract and further embed a commissioning ethos within the service.
- Promote local service delivery in line with the locality vision.
- Ensure effective succession planning and continual development.
- Promote remote, mobile and flexible working, including the sharing of all support resources.
- Re-organise the service to embed new disciplines of commissioning and commercial management etc. and requirements to further support the contract.

8. Street Works

The permit scheme has been operational in Shropshire for over a year and Key Performance Indicators confirm the scheme is providing a significant benefit to the County including approximately 1000 saved days of Network Occupancy per month through reduction on requested durations and enforcing collaborative working.

The scheme is being used in Warwickshire, Coventry and Cheshire East Councils and Worcestershire will be joining at the end of this year. Due to the schemes success our

Permit Manager has joined national strategic groups including the Department for Transport Strategic Development group.

There is a change to the national legislation which will be required in October 2015, whereby a local order can be created in order to align the existing scheme with the new regulations. As such all existing schemes including our scheme need aligning to the new regulations, once the guidance is released and worked through. Shropshire as all Authorities in the scheme will seek approval to align to the new regulations.

Street Works continue to develop and introduce new procedures, processes and income streams; these will be developed over the year. Brief list of those projects are below –

- Enforcement Policy
- Standardisation of Charging Structure
- Defective Utility Apparatus Inspection Charges
- Review of the Street Data and Classification
- Retrospective S.50 charge and process
- Conveyancing Check charges
- Pre Resurfacing/Surface Dressing Investigations for defects
- Road Closure process and Communication
- New Development Road Space and Traffic Management Applications
- Local Approval for Events on the Highway
- Development of Contingency Plans throughout the County
- Consequential Damage Policy

Since the appointment of 8 new Street Works Inspectors there has been a dramatic increase in the number of safety defects and non-compliance offences identified which will have a direct impact on the enforcement revenue generated by the team.

9. Strategic Transport

The following provides a brief overview of the key issues in relation to the Strategic Transport Service, which includes Transport Planning, Passenger Transport, Concessionary Travel & Rail, Major Infrastructure Projects (LEP), Integrated Transport Block Programme Delivery, Car Parking, Developing Highways (HDC) and the Highways Information service areas.

Key Activities:

Major Infrastructure Projects (LEP & Council)

- Shrewsbury Integrated Transport Package (SITP) - £12m
- Oxon Link Road (OLR) - £15m
- University Campus Shrewsbury - £60m+
- Oswestry Innovation Park - £10m
- Shifnal Town Centre Strategy – £3.5m
- Junction 4 - M54 Improvements - £5m

Future Schemes development:

- Craven Arms (Railway Bridge & link Road) £4.5m
- Dobbies Roundabout - £4.5m or £35m Schemes
- North West Relief Road - £110m

Integrated Transport Block Programme

We receive an annual ITB grant of £1.6 million, which is used to implement small to medium scale highways & transport safety and improvement schemes throughout the County. The current 2015/16 programme was approved by Cabinet in April this year. A new prioritisation process has been developed, and Schemes work on a two year rolling programme basis with design in Year 1 and Construction in Year 2. Further development is required to move this forward into a 3 to 5 year programme and include major asset and infrastructure projects, to comply with new legislation/best practice and central government funding requirements.

Strategic Policy & Framework Development

Many Highways & Transport strategies, policies and frameworks need be reviewed, refreshed and/or developed further to meet current legislation and best practice, particularly in respect to how 'Highways & Transport' contribute to Economic and Local Community Growth and considering future infrastructure requirements, needed to support a growing economy and community.

These documents will also need to reflect our new operating model (commissioning) and our new procedures required to improve efficiency and VFM, as well as aligning with the Council's overall strategy.

Some of the specific documents to be considered are:

- Asset Management Strategy, Framework & Lifecare Plan
- Local Transport Plan (LTP4)
- Car Parking Strategy (inc. Park & Ride)
- Local Bus & Rail Services
- Local Development Framework (LDF & SAMDev) inc:
 - Place Plans,
 - CIL 123 List
 - Implementation Plan
 - Supplemental Planning Guidance (Travel Planning, Highway Design Guide & SuDS)
 - Shrewsbury Vision
 - Strategic Economic Plan (Regional document - The Marches LEP)
 - Economic Growth Strategy (Local – SC)

Passenger Transport, Concessionary Travel and Rail

- Subsidised Local Bus Services will exceed the available revenue budgets, even though the current network fulfils the minimum standards currently prescribed in the Councils Bus Strategy 2011/16. We will need to review and recast this strategy in order to create a less prescriptive approach, so it can be more flexible whilst still fulfilling statutory requirements.

Changes in service levels following implementation of a revised strategy will need to account for; consultation requirements, wider development site requirements around bus routes, routes function and the nature of the demographic it serves with reference to wider Council corporate strategies.

- Shrewsbury Park and Ride service is currently out to tender on a like for like basis in terms of service levels and specification. However, in line with budget pressures, there are options to explore a recast of the services and the sites involved. At this

time and due to new competition in the market, there are savings expected through the tender process and decisions on any future changes to reduce revenue subsidy should only be made when this cost information is available. The effect of the University developments within the town on the Parking Strategy, the role of the Park and Ride in the Strategy, and the future availability of off street parking spaces should also be considered more widely when the Park and Ride Strategy is reviewed.

- Bus Service Redesign - In line with the corporate Redesign approach, key corridor routes are being evaluated and combined with appropriate town service routes. Initial work on the 436 (Shrewsbury to Bridgnorth) services has shown considerable savings available in overall revenue support required with negligible effect on service levels. This approach will also be applied to the 511 (Whitchurch to Shrewsbury) service and others in due course. Management of consultation on affected services and local Member engagement will be key to seeing Redesign approach through, and to delivering the anticipated cost savings.
- Concessionary Fare Scheme - The reimbursement scheme is a statutory function and is reactive to local operator activity. In order to manage some of the largest factors in the variation in reimbursement value, there is currently a 2 year fixed deal with Arriva (£1m pa). There is however potential for increased operator activity and therefore a risk that claims could outstrip the available budget. Renegotiation with Arriva on a further 2 year deal will commence this year for a 2016 start.
- Rail – The current 2 priorities are; meaningful input to the Welsh Assembly's devolved franchise currently operated by Arriva Trains Wales due for award in 2017, and Shropshire Council taking on a formal partner role in the devolved West Midlands Rail franchise (currently the London Midland services) with other West Midlands authorities, also with effect from 2017. Input to franchise specification will need to highlight Shropshire priorities as described in the emerging Shropshire Rail Strategy (part of the LTP4 suite), and also acknowledge the wider ambitions of the Marches LEP.

Highways Development Control (HDC)

This service principally provides statutory Highway & Transport Technical and Safety Advice on all prospective new developments, subject to planning applications. Ensuring that any new development and the movements associated with its use, do not unduly impact of the adjacent road network. In many cases this is somewhat of an emotive issue for immediate neighbours, the local communities and sometimes the wider public at large, particularly if the development generates significant new traffic movements. Therefore it takes careful consideration, time and resources to ensure that appropriate development can be achieved. This includes negotiating, securing and facilitating: the delivery of Infrastructure, Transport or Network Improvements, Legal Agreements, new road and asset adoptions, Planning Policy support and Development, as well as Local Consultation and Engagement.

Some of the current Major Development projects where the service has a key role:

- SUE South (Oteley Road) – 950 homes + retail & employment land
- SUE West (Oxon) – 750 homes + employment, retail & extra care
- SUE Oswestry – 850 homes + employment retail & extra care
- Bowbrook – 750 homes
- Longden Road – 250 homes
- Weir Hill – 450 homes
- Shelton – 200 homes
- Morrison supermarket, Oswestry - retail
- Lidl supermarket, Oswestry - retail
- Shifnal – 1200 homes + employment + Town Centre enhancement
- Wind Farm Developments (Mid Wales) – major transport impacts
- National Grid (Pylons) – major transport impacts

Demand on this service is increasing, and a future review of resources is required.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
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Cabinet Member (Portfolio Holder) Cllr Simon Jones
Local Member N/A
Appendices None