

		AGENDA ITEM 8
		PSEG/04/16
Committee:	Place Services and Economic Growth Scrutiny Committee	
Date:	22 October 2015	
‘UNDERSTANDING THE ESSEX HIGHWAYS CONTRACT		
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As part of its activity day on 24 September, the Committee received a briefing on the Highways Contract between Essex County Council and Ringway Jacobs that had been promoted to develop Members’ understanding of the partnership.

The briefing was provided by Peter Maisie, Head of Commissioning Essex Highways, and Tracey Watts, Supplier Relationship Manager (Place); and Councillor Johnson, Cabinet Member for Highways Delivery, also took part.

## **Background**

The inclusion of a briefing on the Highways Contract was identified in the work programme for 2014/2015, a scoping document having been considered by the Committee in June 2014 (Minute 5).

The Contract is a key component in the way that the Highways Service is delivered in Essex, and Members’ wanted to have a better understanding of how it works in practice. Consequently the briefing was planned to inform the Committee upon the following key lines:

- Historical context including the original objectives of the Contract.
- Range of work covered
- Overview of Contract management and co-ordination of work between respective parties Eg the County Council, Ringway Jacobs, and sub-contractors.
- Staffing structures: Roles and responsibilities
- In practice how does the Contract fit within the Council’s own organisational framework ie commissioning/ operational/ transformational teams
- Governance arrangements, and how decisions are made and implemented
- Performance measurement, lessons learned so far and modifications made

- Financial context and carriageway condition.
- The social value delivered through the Contract eg use of local suppliers, employment of local people, apprenticeships.

As part of its activity day in July, the Committee had taken part in a planning session where it had reviewed the scoping document drawn up to identify for those people delivering the briefing what Members were looking for, as well as confirming further issues to be covered. This proved to be successful as the briefing addressed all the issues identified by Members, and provided them with the means to clarify those issues about the Contract that may not have been fully understood beforehand.

## **Analysis**

In 2011 Essex County Council (ECC) chose Ringway Jacobs as its preferred bidder for the £1billion, ten-year highway maintenance and service contract.

Originally the Contract was for carrying out highways infrastructure maintenance work, resurfacing and improvement works and provide client support services. In essence Ringway Jacobs became responsible for carrying out the majority of the highways and transportation services under a strategic partnership with ECC from 1 April 2012.

Nine of the ten major highway contracts in Essex had been scheduled to end on 31 March 2012 and the final contract came to an end on 31 March 2013. The new Ringway Jacobs Contract replaced all the existing contracts to operate highways with one long-term partnership arrangement. It also entailed significant restructuring of the Highways Service, and with some ECC and Ringway Jacobs staff working side by side.

The Contract will run for ten years with an option to extend it by further five years. The main aims of the Contract are:

- To deliver £5million of savings in year one.
- To remove duplication and embed leaner end to end processes
- To embed a built in efficiency mechanism supporting identification of further savings
- To deliver an improvement in National Highways and Transportation Survey results.

Although ongoing improvements can be demonstrated, it is acknowledged that it is difficult to change the public's perception on highways matters. Customer surveys indicate that there is improved customer experience. However, when questioned customers still want more pothole repairs. A challenge is how to change perception to reflect the facts around the large volume of repairs being delivered in practice, and for perception to be based upon local conditions rather than to reflect the national mood. Action is intended to develop a deeper understanding of what is influencing the survey results, and in doing so identify how to improve customer perception.

The benefits of the Essex Highways Contract are:

1. Reduced cost, by removing duplication and overlap of roles
2. Integrated systems and one data source
3. Reduced administration and number of task orders per annum
4. Majority of pricing via target costing with lump sum and actual costing
5. Joint business planning, budget management, decision-making and continuous improvement

### **Work included in the Contract**

The Contract covers the following range of work:

#### **Core Requirements**

##### **Maintenance**

- Highways infrastructure maintenance including safety inspections, minor maintenance, signs and lines, winter maintenance, emergency response, fencing

##### **Improvement Works**

- Schemes up to typically £500,000 eg cycleways, junction improvements, zebra crossings

##### **Client Support Services**

- Bridge inspections, condition surveys, data base information maintenance and management, and some minor scheme design, provision of consultation information, highway condition surveys, transportation planning and for projects under typically £500,000.

##### **Administration**

- Administration of licences eg for skips, scaffolds, works within highway etc, and administration of insurance claims

##### **Management**

- Management and development of Essex Traffic Control Centre, and supply of management information for the service and services delivered

##### **Consultancy Services**

- Consultancy Services to assist the client during the initial stages of the strategic partnership

#### **Range of work covered**

##### **Drainage**

- Gully emptying, jetting and drainage investigation

#### Public Rights of Way (PROW)

- PROW maintenance, enforcement and administration of the Definitive Map

#### Planned Maintenance

- Surface dressing, resurfacing, micro surfacing

#### Network Management

- Network Management responsibilities including NRSWA inspections

#### Lighting

- Highway records and highways lighting including lit signs, bollards and high mast lighting

#### Maintenance

- Structures maintenance and environmental maintenance

#### Intelligent Transportation Systems

- Design, construction and maintenance of traffic control systems, variable systems, and traffic counting/ monitoring systems

#### Bus Shelters

- Bus stop infrastructure supply and maintenance

#### Re-active Maintenance

- Works associated with public realm/ street scene eg minor repairs, making safe after accidents etc

#### Testing

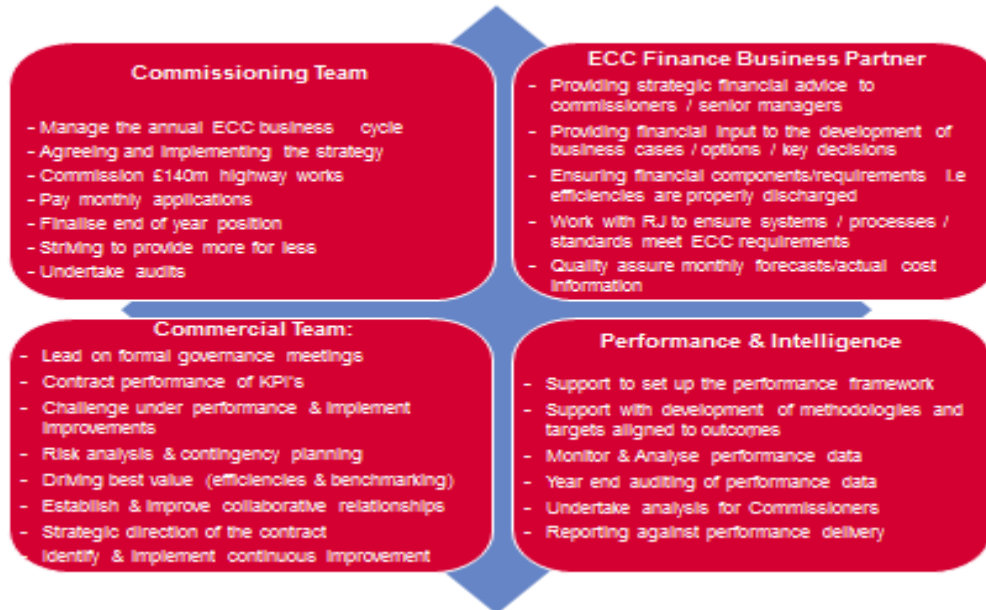
- Electrical and structural testing

#### IT Systems

- Supply and operation of IT systems

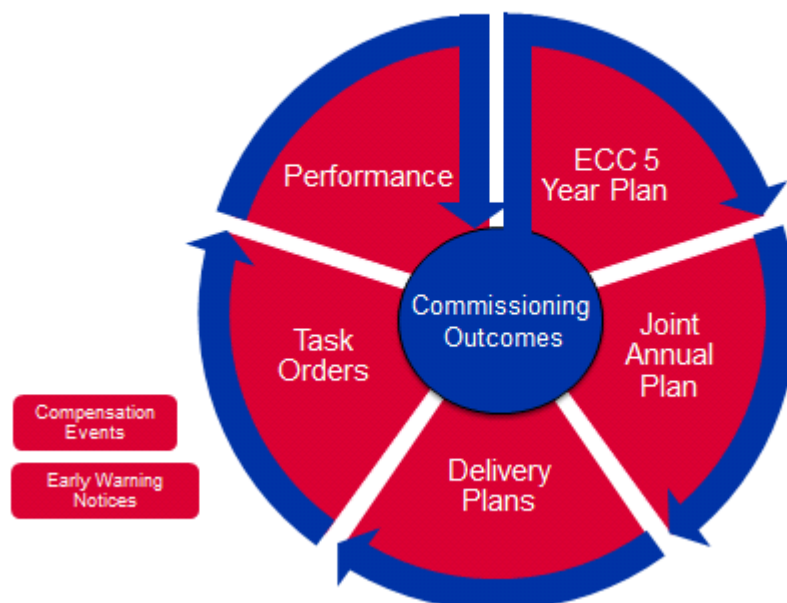
The following diagram illustrates the roles of the four ECC main functions that undertake work on the Contract:

## Roles of Each Function



The following diagram illustrate the Commissioning process and how this relates into the delivery and issuing of task orders to the overall performance measures that aid the commissioning outcomes:

## Commissioning of the Service Process



## **Governance**

There is a robust governance structure in place for the contract with the quarterly Strategic Partnering Board (SPB) taking the lead on ensuring the Contract remains in line with the overall direction of the commissioning outcomes, and makes the strategic decisions.

The monthly Essex Highways Board (EHB) sits below SPB and is a decision making board in terms of agreeing performance, aspects of service delivery are meeting the commissioning outcomes, strategic direction and decision making of escalations that are deemed appropriate for EHB sign-off.

EHB is under pinned by the monthly Contract Review meeting that meets with all heads of service to review the performance information on the EHB report and ensure that adequate commentary is provided. Including discussions around any underperformance, exceptions and risks to ensure that appropriate mitigations are in place, reviewing progress against outputs, spend, performance measures, efficiencies, service delivery plans, performance improvement plans, and ensuring that any discrepancies are resolved and if necessary escalated to EHB.

## **Performance**

A Performance framework is in place, and arrangements are underway for the Committee to receive a briefing on that framework as part of a committee activity day.

## **General**

Databases are in place to inform highways management with regular surveys being conducted for instance on the condition of the road network, SCRIM (Skid Resistance), that is used to inform planning using tools such as 'Scheme Manager'. It was emphasised that a lot of the data is by its nature very technical, and is used in conjunction with other management programmes to inform decisions.

Although highway problems may often seem to the layman to be easily resolved, in fact 'a problem' may be much more complicated with broader considerations: A gully that may overflow soon after regular maintenance will depend on the flow of water and may be due a faulty connection that has been made elsewhere in the drainage system rather than poor cleansing of the gully itself. A report on the flooding that took place on Canvey Island in August 2014 highlights the issues that can arise; All individual streetlights are centrally recorded so that faults can be tracked and informed decisions made on repairs; Pothole repairs and solutions are managed on the basis of factual information gleaned from surveys, and inter alia the prioritisation of resources.

The Committee enquired about schemes undertaken by the Local Highways Panels (LHPs), which delivered 800 schemes last year. The LHPs generate a large of work for the Design Team, and to ensure the effectiveness of that Team it is important to be able to plan and manage its work so that it is fully occupied throughout the year.

Consequently the LHPs are being encouraged to plan their work programmes over the longer period of two years to improve the systems in place for the delivery of services.

The Committee was reassured that a significant amount of information on the highways network is published on the County Council's website.

It was confirmed that the online systems are being continually developed and improved for instance in terms of their detail and accuracy so that better information is provided. However, the management of the information being published can be difficult in terms of achieving the right balance for various audiences, and avoiding problems associated with becoming resource heavy.

During the briefing other matters were considered including:

- Network management and the new Permit Scheme for Utility Company and other road works. The Permit Scheme was introduced on 16 March 2015, and will provide a more robust method of controlling work on the network, reducing congestion, and improving utility performance; and
- ECC Five Year Plan for Capital Funding that will provide greater opportunities for planning and managing work with partners.

At the end of the briefing the Chairman thanked the Cabinet Member, Peter Maisie and Tracey Watts for a really useful overview of the Essex Highways Contract, which would contribute to Members having a fuller understanding of how the Highways Service is managed and delivered in practice.

**Action required by the Committee:**

**The Committee is asked to note this report, which has been prepared as a summary of its briefing held on 24 September 2015.**

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