

CAMBRIDGESHIRE HIGHWAYS CONTRACT ANNUAL REPORT 2018/19

To: Highways & Infrastructure Committee

Meeting Date: 10 September 2019

From: Steve Cox, Executive Director, Place and Economy

Electoral division(s): All

Forward Plan ref: Not Applicable **Key decision:** No

Purpose: To update committee on the performance and achievements of the Highway Term Services Contract for the period 1st April 2018 to 31st March 2019.

Recommendation: The Committee is asked to:

- Note the 2018/19 annual report

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 Cambridgeshire Highways is a partnership between Cambridgeshire County Council and Skanska. The current Highway Services Contract commenced in July 2017 and runs for an initial period of ten years with the option to extend subject to performance. The contract covers professional and operational services for a variety of highway improvements and maintenance work across Cambridgeshire.
- 1.2 This contract delivers highway and transport projects for the County Council, Greater Cambridge Partnership and supports the work of the Cambridgeshire and Peterborough Combined Authority.
- 1.3 The work that the contract carries out is underpinned by the County Council's approved approach to asset management. This approach is set out in the Highway Operational Standards (HOS), a document that is reviewed and approved annually by the Highway & Infrastructure Committee.
- 1.4 Throughout 2018/19 overall performance of the contract has continued to steadily improve, with 78% of KPIs green. The contract has achieved a turnover of circa £50 million compared with approximately £35 million in previous years. Approximately £38 million was spent on capital schemes and £12 million on revenue schemes. However, there continue to be challenges, not least around programme delivery (Local Highway Improvement initiative), capturing efficiencies (cashable & non-cashable) and demonstration of value for money across the contract.

2. MAIN ISSUES

- 2.1 The original procurement of the highway contract stipulated savings in year 2 against the contract of £500k revenue and £1.7 million capital. The revenue savings have been achieved, predominantly as a result of the success of the dragon patchers. Due to the nature of capital funded schemes, where the composition differs from year to year and schemes can straddle more than one financial year, it is more difficult to provide a like for like comparison. However, officers are working with Skanska to understand the extent to which savings have been achieved.
- 2.2 The contract continues to look at ways of providing better quality and more efficient services. Key improvements that have been implemented over the last year include the implementation of an Annual Plan outlining the work required for the financial year to enable more efficient programming and resourcing; enhanced street works functions, improved governance and the creation of the social value fund.
- 2.3 Key successes for 2018/19 include:
 - Deployment of 3 Dragon Patching machines to deal with potholes and surface defects, now covering 50% of repairs.
 - Social Value fund of £14k to be allocated to worthy causes.
 - Introduction of an Activity Schedule for works valued under £30k for efficient and timely pricing of small scale works.
 - £6.3 million of Department for Transport funding delivered in 5 months.
 - Achievement of efficiencies in specific areas of the business.

- 2.4 Schemes delivered include continuation of the Drought Damaged Roads programme (DfT Challenge Fund), A1303 Safer Roads Funding, cycleways, structures, resurfacing schemes, reactive maintenance, surface treatments, transport planning, design services, local highway improvements and safety schemes. The contract supports wider services for the Council with work undertaken for Park and Ride sites, Education, County Farms, Waste and various third party works.
- 2.5 Health and Safety of our employees, supply chain and the general public remain a key focus for us. Investment in fostering a proactive safety culture through training, promotion of an Injury Free Environment (IFE). This year, working with the Police, Cambridgeshire Highways has sought to address vehicle incursions at road works. This work has led to the adoption of new signage on sites and the use of cameras for operatives.
- 2.6 Key Performance Indicators (KPI's) demonstrated that of the 18 KPI's, 4 failed to meet their target, however there are improvement plans in places for all of these as follows:
- Programme, delivery of schemes
 - Scheme target costs within the permitted tolerances.
 - Street Works permitting violations.
 - Final accounts agreed within 3 months of completion date.
- 2.7 A stakeholder survey was undertaken in April/May 2019, to capture County Councillors and Parish Councils views on the service for 2018/19. Generally the comments were positive with 45.5% supportive of the work we do, whilst 26.9% identified areas that have room for improvement, specifically around timely delivery of works. These responses have been captured and will be actioned accordingly through the monthly Joint Management Team (JMT) and quarterly Strategic Collaboration Board (SCB).

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The following bullet points set out details of implications identified by officers:

- The contract delivers the key elements of the highway service, which ensures that our communities and the travelling public can function effectively and efficiently when using the highway network.

3.2 Thriving places for people to live

The following bullet points set out details of implications identified by officers:

- The services the contract provides ensures access and equity for all service users wherever practicable to do so, encouraging economic prosperity and environmental sensitivity for a thriving place to live.

3.3 The best start for Cambridgeshire's children

The following bullet points set out details of implications identified by officers:

- The contract through the delivery of road safety and accessibility improvements, contributes to supporting and protecting vulnerable people. Provides support to

educational establishments, apprenticeships and actively participates as STEM ambassadors.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Spend for 2018/19 financial year was circa £50 million, and typically the average annual spend of £35 million has been seen previously.
- This included over £12 million in maintaining (including winter service) our network, approximately £38 million in improving the network, including major projects and structures.
- The Highways Operational Standards sets out the asset management approach to funding and servicing the highway network, this included funding and bid allocations.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

- The contract complied with the Council's Contract Procedures Rules, EU or UK legislative risks; LGSS Procurement led the procurement process to ensure compliance.
- There is a contract risk register in place which is regularly reviewed by the partnership, as part of the standard governance arrangements.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

Within the contract we actively encouraging staff to participate in health and mental wellbeing offerings from both organisations.

4.5 Engagement and Communications Implications

Cambridgeshire Highways actively promotes regular and timely engagement with local members and communities across the county. As such a Communication Plan has been adopted for the partnership and is owned by the Joint Management Team.

4.6 Localism and Local Member Involvement

The contract is a key method of developing and delivering Local Highway Improvements. Supported by local members, this initiative empowers local communities to progress highway improvements through contributing toward local highway priorities. The work of the contract also encourages volunteers to get involved in the highway service such as winter volunteers or highway volunteers. Officers and members continue to work together on all aspects of the highway service on a daily basis.

4.7 Public Health Implications

Delivering public highway infrastructure that promotes active travel patterns that contributes to the public health agenda. Our road safety service also actively campaigns to ensuring the number of people killed or seriously injured on our highway network is reducing year on year.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus De Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Amy Brown
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Sarah Silk
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Richard Lumley
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell

Source Documents	Location
Cambridgeshire Highways Contract Annual Report 2018/19	Attached to this report