

## HIGHWAY MAINTENANCE

### Summary

1. The Strategic Commissioner – Major Projects, the Infrastructure Asset Manager and the Cabinet Member with Responsibility for Highways have been invited to discuss the Highways Maintenance Contract.

### Background

2. The Council's previous Highways Maintenance Contract finished at the end of March 2014. Following an 18 month commissioning exercise, Cabinet agreed on 12 December 2013, that the new Highways Maintenance Contract be awarded to Ringway (from 1 April 2014). It was suggested that, in support of the review process, a scrutiny review be undertaken 12 to 18 months from contract award. This was added to the Panel's work programme, agreed at Council in May 2015.

3. On 27 March 2014 the Panel received an update on the differences between the old and the new contract and how the new contract was expected to deliver better value for money.

4. The 12 December 2014 Cabinet agenda ([item 9, accessible at this weblink](#)) provides:

- The existing term maintenance contract arrangements with Ringway and the performance improvements secured as part of the current contract
- The commissioning process, including key findings from the 'Evaluate' phase which helped establish recommendations for future service provision [see paragraph 11]. This included for example that customer feedback was increasingly important
- The Council spends circa £28m per annum through the Highways Services contract - new arrangements are expected to deliver significant savings
- The contract extension earning mechanism with its associated performance requirements, along with structured regular joint management discussions, provides a robust review structure for the life of the contract and ensures outcomes and standards are maintained. Performance against KPIs is captured and reported monthly, with the Joint Contract Management Team being accountable for corrective action where required. Achievement of excellent service is rewarded by extension of the contract term.
- Additional features of the new contract which will drive efficiency and performance [set out below]

## Purpose of the Meeting

## Supporting Information Contact Points

- a. A refined efficiency factor to ensure that the maximum benefit is afforded to the Council whilst still making the contract sustainable
- b. A mechanism which links performance to the ability to earn extensions to the contract term. A strategic suite of gateway and scored indicators across the Service ensures all service areas are considered:
  - i. All defects are repaired on time
  - ii. Right first time delivery
  - iii. Accuracy of programme and minimised disruption to the highway network
  - iv. Positive Local Impact to deliver Social Value Act 2012 obligations
  - v. Delivering added value by providing more for the same
  - vi. Year on year reduction in customer complaints regarding routine cyclic service
  - vii. 99.5% of the drainage asset is effective
  - viii. Minimise customer complaints regarding planned works and vehicle crossings
  - ix. Re-use of materials generated from works within the contract
  - x. Fleet Vehicle Reliability
  - xi. Minimising the cost of management and facilities against service delivery costs

5. Further detail on the new contract is attached at Appendix 1.

6. Members are asked to consider the update on the Highways Maintenance Contract and associated issues. In doing so, Members may wish to discuss:

- Whether the new contract is delivering better value for money
- How the additional features of the new contract (set out above) have driven efficiency and performance.

7. The Panel is asked to determine whether they wish to make any comments or recommendations to the Cabinet Member with Responsibility.

- Appendix 1 – Update on Highways Maintenance Contract

### County Council Contact Points:

Worcester (01905) 763763, Kidderminster (01562) 822511 or Minicom: Worcester (01905) 766399

### Specific Contact Points for this Report:

Stella Wood (Tel: 01905 82 2873)

## Background Papers

Email: [scrutiny@worcestershire.gov.uk](mailto:scrutiny@worcestershire.gov.uk)

In the opinion of the proper officer (in this case the Director of Resources) the following background papers relate to the subject matter of this report:

- Agenda and Minutes of the Economy, Environment and Communities Overview and Scrutiny Panel on 3 July and 5 September 2013
- Agenda and Minutes of the Overview and Scrutiny Performance Board on 17 July 2013
- Cabinet Agenda and Minutes of 12 December 2013

All of which are available on the Council's website at <http://www.worcestershire.gov.uk/cms/democratic-services/minutes-and-agendas.aspx>