

## **Economy and Environment Overview and Scrutiny Panel**

### **Thursday, 23 January 2020, County Hall, Worcester - 10.00 am**

|                         |   | <b>Minutes</b>   |
|-------------------------|---|--|
| <b>Present:</b>         |   | Mr A A J Adams (Chairman), Mr G R Brookes, Mr M E Jenkins, Mr A D Kent and Mrs R Vale  |
| <b>Also attended:</b>   |   | Mr A T Amos, Cabinet Member with responsibility for Highways<br>Ms P Agar, Mrs E B Tucker, Mr P A Tuthill<br><br>Richard Fryer, Divisional Director, Ringway<br><br>Ian Bamforth (Highways & Public Rights of Way Operations Manager), Nick Twaite (Infrastructure Asset Manager), Paul Smith (Transport Operations Manager), Michael Hudson (Chief Financial Officer), Steph Simcox (Head of Finance), Samantha Morris (Scrutiny Co-ordinator) and Emma James (Overview and Scrutiny Officer) |
| <b>Available Papers</b> |   | The members had before them:<br><br>A. The Agenda papers (previously circulated);<br>B. The Minutes of the Meeting held on 21 November 2019 (previously circulated).<br><br>(Copies of document A will be attached to the signed Minutes).   |
| <b>363</b>              | <b>Apologies and Welcome</b>                          | The Chairman welcomed everyone to the meeting. Apologies had been received from Cllrs Brandon Clayton and Paul Denham, and from Cllr Ken Pollock, the Cabinet Member for Economy and Infrastructure.   |
| <b>364</b>              | <b>Declarations of Interest and of any Party Whip</b> | None.  |
| <b>365</b>              | <b>Public Participation</b>                           | None.  |
| <b>366</b>              | <b>Confirmation of the Minutes of the previous</b>    | The Minutes of the meeting on 21 November 2019 were agreed as a correct record and signed by the Chairman. The Chairman advised that some action points were   |

meeting

**367 New Developments and Efficiencies in Highway Maintenance which could benefit Worcestershire Residents**

outstanding from the previous meeting, and these were being followed up.

In attendance for this item were:

Ringway

Richard Fryer, Divisional Director

Directorate of Economy and Infrastructure

Ian Bamforth, Highways Operations and Public Rights of Way Manager and Nick Twaite, Infrastructure Asset Manager

Cllr Alan Amos, Cabinet Member with Responsibility (CMR) for Highways

The Chairman welcomed everyone to the meeting. He was very proud to have a representative present from Ringway at the Panel for the first time, which was important since the Council spent over £30m per year on highway maintenance and roads and pavements were a number one priority for residents. The aim of the discussion was to hear about innovation and best practice in highway maintenance from Ringway.

The Council's Infrastructure and Asset Manager referred to the presentation slides previously circulated, which included an overview of the Term Service Maintenance Contract with Ringway, innovations and improvements in highway maintenance, the impact and benefits and responses to some specific questions which had been raised prior to the meeting.

It was important to understand certain aspects about the contract with Ringway, for example that the specification was based on outcomes, a collaborative culture, and that it incentivised both the contractor and the Council. The contract was for 6.5 years, with a possible addition of 6 years. The contract included clarity of costs and risks, target pricing involving both parties, flexibility and opportunities to remove cost and to drive efficiency. The Contractor's Plan provided a strong management and planning tool for the Service. The total value procured each year was around £31m, of which around £6.5m was for Core Services (yearly tasks such as cyclic drainage, verge maintenance, road marking etc) and around £24.5m for Task Orders (planned carriageway and footway works, drainage schemes, public realm).

The Directorate's Officers were aware of the request for a separate briefing on the highway maintenance contract

itself, and this would be arranged in due course.

The Panel Chairman asked whether, over the last 6 years, the contract's efficiency factor had been met and was advised that it had, apart from the previous year, and it was confirmed that the previous year costs had been higher than the target price and absorbed by Ringway. Year on year it became more difficult to find further efficiencies.

It was confirmed that the contract was audited externally and internally every year.

The Chairman queried the effect of inflation increases and whether they were automatic. It was explained that prices were subject to increases in inflation although this was not automatic and varied since service areas were differently orientated in terms of materials and labour.

The presentation included the contract KPIs (key performance indicators). A Panel member queried the detail of the KPIs and how they were measured, and it was explained that there was a mass of information behind each of the headings shown. The Highways Operations and Public Rights of Way Manager pointed out that based on his experience, highway maintenance was equally about people and processes as well as KPIs. He explained how KPI data was monitored at weekly management meetings and the use of questionnaires to check how well the Council and the contractor were working together and what could be improved.

The Panel agreed that it would be helpful to have greater understanding about the contract KPIs and the Directorate agreed to include this in the forthcoming briefing.

The Directorate Officers emphasised the importance of a collaborative culture, which was stated in the contract itself.

#### The Eurovia and Ringway Operating Model

Richard Fryer, Ringway Divisional Director (Ringway representative) with responsibility for Worcestershire, explained that he had worked in the industry for 45 years, having started as an apprentice in local government. He reinforced the importance of collaborative working, and saw himself as working for Worcestershire highways, which was a culture shared at the depots.

The Ringway representative provided an overview of the company and its partners. The contract with Worcestershire County Council was Ringway's second largest. The fact that Ringway now also provided highway maintenance for Gloucestershire County Council was a fantastic opportunity and the Highways Operations and Directorate's Officers explained that they had met with their equivalents in Gloucestershire and also Wiltshire. A Panel member asked whether Ringway carried out benchmarking against what it provided in other areas and was advised that this was absolutely the case.

The Chairman believed that many rut repairs in his rural area required repeat visits to repair them, leaving many dangerous and asked about data on this and clarification on materials used. The Ringway representative explained that the balance of materials used was quite scientific and there was also a KPI to recycle 40% of materials, which was an approved working practice. It was explained that in some cases repeat visits may be part of the overall prioritisation of work, since budgets were finite, therefore repairs were triaged. A pothole or rut may be assessed for safety and initially repaired, with a repeat visit being part of longer-term maintenance.

The Chairman felt that statistics on repeat repairs would be hugely insightful and requested this information for the Panel.

The Chairman referred to construction services provided to the Council by Jacobs (building consultants) and sought feedback from Ringway on experiences of partnership working. The Ringway representative advised that engagement took place weekly and the practitioner perspective was involved early on in the planning of work, as part of enhanced partnership working over the past 6-12 months. The Directorate Officers explained that the Council now also sought early involvement on schemes with Jacobs, which worked well.

The Chairman referred to a concern raised previously by the Panel regarding S278s and the number of re-submissions from developers, therefore it was interesting to hear that Ringway and the Directorate involved Jacobs at an early stage.

The Ringway representative provided an overview of how the contract in Worcestershire was managed on a local basis, for example sharing ideas and setting challenges for improvements at workshops. It was confirmed that 3-4

workshops took place a year on different topics, and meetings had also taken place with Gloucestershire. The Chairman was very interested to hear this and asked if a summary of the main points could be forwarded to the Scrutiny Officers.

The presentation slides set out areas of improvement and innovation and the Ringway representative highlighted the potential to divert roadwork information to sat nav systems as an example of innovation.

A Panel member reported that a big message raised by the public to local councillors concerned unnecessary road closures, and cited recent examples around the A456 where residents could not get home because gateway workers would not allow them through – this had also affected the local economy and she asked what could be done to improve operations?

The Ringway representative apologised for these incidences, which he was aware of and had met with the relevant councillors and some of the residents affected. A specific Safety Control Officer role had also been created. In general, traffic lights were rarely used for Ringway works and were more commonly used by utilities companies. It was important to note that the single biggest risk to the highway maintenance workforce was being hit and that not a day went by without an incident of this or of verbal abuse. Therefore, Ringway would always look to road closure as the first option and in cases of road resurfacing it was virtually impossible not to, but the process was quick.

A Panel member pointed out that because of the number of contractors and organisations involved in road works, it was often difficult to establish who to contact with any issues.

The Directorate's Officers pointed out that they and the Cabinet Member for Highways would challenge a decision to close a road since they were passionate about unnecessary traffic management, rarely left roads closed over weekends and did far more on this than most councils. They acknowledged the need for reasonableness and gave reassurances that incidences referred to earlier had been learned from. Members were urged to alert the Directorate's Officers to any further issues with council road works.

Regarding footways, it was explained that preventative maintenance was now used and the potential to extend

this to rural footways was being considered, although criteria and levels of footfall would need to be looked at. The Directorate's Officers explained that use of micro asphalt had been increased over the past 3-4 years in a similar way to the approach for roads; the preventative approach was therefore not suitable for surfaces already in a state of disrepair.

Panel members were unaware and very interested to hear about the preventative maintenance of footways. The Chairman was aware of the different maintenance techniques and materials available and asked the Ringway representative for his perspective on any potential opportunities or trials for Worcestershire.

The Ringway representative advised that that there were indeed numerous techniques, most of which had been tried and tested by Ringway. He highlighted Pacopatch (*a polymer based bituminous reinstatement system*) as an example of innovation which had been embraced; it cost slightly more but rarely required a revisit. The Directorate's Officers confirmed pacopatch had been introduced around 2014 but was not needed or affordable to use everywhere.

Another technique used extensively in other areas was a system of pothole repairs called jet patching, however it was not used in Worcestershire because the condition of roads meant it was not needed.

The Panel was advised that Worcestershire was the biggest user of warm asphalt. The Chairman applauded this as a good news story, since he was aware that warm asphalt required a lot less energy to melt, therefore significantly reducing the Council's carbon footprint - he referred to a report issued by The All Party Parliamentary Group on Highways which highlighted this.

The Ringway representative advised that there were different types of surface available; there was no one size fits all. The Chairman suggested that the Council's current approach was to use one solution for everything, whereas he believed there was scope to bring in examples of what had been introduced at other councils.

The Directorate's Officers and the Ringway representative referred to the improvements outlined in the presentation and highlighted the efficiency of lean reviews into routine and cyclic operations under the new contract which had increased the number of defects being achieved per gang per day, resulting in significant

cost reductions – the Officers were not aware of this being achieved in any other local authority area. Whilst acknowledging this success the Chairman reiterated the importance of understanding how many defects required repeat visits and was advised that 70-80% of defects lasted well, although this was affected by adverse weather.

The Ringway representative highlighted the original lean review, where reactive gangs had been reduced from 25 (2014) to 5 to 8 gangs, a massive efficiency.

The Panel was also given examples of using best practice extensively, for example the introduction of ESRI to record the status of gullies and drainage assets. A Panel member asked about gully monitoring and the Directorate Officers said that other systems may be considered but at this stage were too expensive. When asked whether critical gullies in flood risk areas could be monitored, the Ringway representatives explained that information was shared with the Council, to enable them to act and the Directorate Officers explained that there was more work to do done through the water management plans across the districts.

Cllr Kent referred to a notice of motion he had recently submitted to a meeting of full Council about hedgerows and trees overhanging pathways, and whether local parish or town councils could be enabled to serve and enforce the required notices on land owners on the County Council's behalf. He suggested that this work be widened to include ditches. The Directorate Officers pointed out that while this was an issue, the solution put forward would likely to be taken up by some parishes but not all as in many cases the landowners concerned would be people they knew. Another Panel member who was also a landowner agreed that solutions between the Council and landowners should be in partnership.

A member from outside the Panel pointed out that at a recent parish council meeting, the majority of issues concerned drains and gullies, yet Officers could not share information and the Chairman agreed that that it would be hugely beneficial for councillors to have access to gully information from the ESRI system for their areas; this was an issue which needed to be bottomed out.

In response the Ringway representative acknowledged that the information was there and that he was challenged on this point by the Directorate Officers, and the Directorate Officers explained that it was a matter of

technology, which was under review across the Directorate. The Chairman felt the obvious solution would be to give the parish councils access to the system, and he urged the Directorate and Ringway to reflect on this in partnership.

The Chairman was excited to hear about maintenance staff having tablets to report information and requested a depot visit for the Panel which the Ringway representative agreed was the best way to understand this system.

A Panel member raised the problem of communications with councillors about planned works, which were not in a clear format for councillors to respond to residents' questions.

The Panel was given further examples of innovation, for example real time hazard identification. Whilst praising such innovations, a Panel member commented that there was also a need to manage the workforce so that pedestrian safety was not compromised by individual incidences of vehicles being parked on pavements, which the Ringway representative acknowledged.

Panel members expressed an interest in seeing further contract and pricing detail at the subsequent briefing and benchmarking information to see what could be done better in Worcestershire. A breakdown of highway maintenance spend per district was also requested. The Ringway representative took on board that things could always be improved although in his experience the partnership in Worcestershire was the best he had known.

A Panel member asked whether cycle ways were considered as a matter of course when work was planned and stressed the importance of communication such features could be incorporated.

Responding to Panel members' requests for better communications with councillors, the Highways Operations and Public Rights of Way Manager acknowledged this message which he would consider with Directorate colleagues.

In response to a question about whether best practice from other local authorities as considered as part of the commissioning cycle, the Directorate Officers advised that this was a big process but would be carried out at the necessary point in time.

In summing up, the Chairman reiterated his request for Ringway and the Directorate to share good news stories with members, since the issues discussed were a large part of their work with residents. He set out the action and information requested:

- statistics on pothole/rut repairs to show incidences of repeat repairs and which materials had been used
- updates from Ringway partnership/workshop meetings on new best practice and good news stories
- information from Ringway about materials available for highway maintenance and the pros/cons
- Panel briefing on the Ringway contract including further KPI detail
- visit to a depot was requested, to see staff using smart technology
- annual update at a Panel meeting on new efficiencies and developments in highway maintenance
- regarding the incidences where residents could not access their own properties due to road closures, further education of the highway maintenance contractor's workforce and gateway workers was requested on where to position traffic lights and engage with the public
- review of communications with councillors about planned highway works, since the current use of the contractor's Plan was not user-friendly to councillors
- breakdown of highway maintenance spend to include districts and divisions.

Regarding Panel member Cllr Kent's concerns raised at Council (16 January 2020) about maintenance of hedgerows and trees that overhang or obstruct pathways, consideration would be given to incorporating ditches into the Cabinet Member with Responsibility's report, which was due to report to Cabinet on whether local parish or town councils could be enabled to serve and enforce the required notices on land owners on the County Council's behalf.

In attendance for this item were:

Michael Hudson, Chief Financial Officer  
Steph Simcox, Head of Finance  
Paul Smith, Transport Operations Manager

**and Draft  
2020/21 Budget  
and Medium  
Term Financial  
Plan Update  
2020-22 for  
Economy and  
Environment**

The Chief Financial Officer set out the main headlines of the 2020/21 draft budget from the Agenda, including movement in budget expenditure, achieving a balanced budget in 2019/20, council tax 2020/21 and reserves. Regarding the budget planning timeline for 2020/21, figures had been slightly revised due to changes to the adult social care formula grant and recharges as a result of directorate restructuring and the new Directorate of People.

The Head of Finance referred to the headlines for economy and environment (E&E) growth which were taken from the 20 December 2019 report to Cabinet – these included pay and contract inflation, waste tonnage estimated increase, a £0.3m one-off funding to further progress of the North Cotswold Line rail development, additional £200k to support the Worcestershire Public Transport Strategy and £100k to support a woodland planting scheme.

Work was ongoing in the Economy and Infrastructure Directorate to make savings. Regarding E&E revenue savings, the £830k directorate organisational re-design was around staff.

Scientific Services had closed although there remained a budget to purchase services and information would still be provided to this Panel.

The £30k efficiency saving against County Enterprises was the last stage of the Service becoming fully self-funding.

Regarding the E&E current Capital Programme, before any further adjustments the budget for the year was £125m. As set out in the report to Cabinet, the Council was looking to invest further in capital, for example in footways and streetlighting.

Main discussion points

In relation to the woodland planting scheme, the Panel Chairman pointed out that Heart of England was also engaged in planting trees, which could present an opportunity for shared working and efficiency.

It was confirmed that it was not yet known how the £830k savings would affect Directorate operations, however further information would flow through to the Panel as part of performance and finance monitoring.

Regarding streetlighting costs and savings, Cllr Kent (Chairman of the Corporate and Communities Overview and Scrutiny Panel (C&C Panel)) highlighted that some scrutiny was being carried out through the C&C Panel to look at energy costs.

The Chairman believed the budget information for E&E showed that the budget was well managed and on target, however he did not feel that the Council's budget was subject to effective Scrutiny, for which more detailed figures and comparisons were needed. Rationalisation of cost codes also made it difficult for the Panel to compare like for like.

A discussion ensued about the Budget Scrutiny process. The Chief Financial Officer said that he was keen to understand the information needs of the Scrutiny Panels. He referred to service budget information included in the 20 December Cabinet report (appendix B) and advised that further comparative information could be provided for the previous three years but it was important to understand the purpose.

The Chairman pointed out that the Panel needed an understanding of the figures in order to be able to better scrutinise the budget, which in his view would work better through informal meetings with a small task group of Panel members.

Panel members expressed frustration that they were scrutinising out of date figures, since those in the recently published budget report for the 30 January Cabinet differed to those from the 20 December Cabinet report, which had been the basis for the Panel's preparation. The Finance Officers explained that this was mainly due to the new directorate structure, which was effective from January and changes to grants from Central Government. Members did not feel equipped with the latest information.

In summing up, the Chairman put forward the following comments on the draft 2020/21 budget for Economy and Environment, which were endorsed by the Panel:

- The Panel was satisfied that the budget for Economy and Environment (E&E) Directorate was good and well managed and the extra capital expenditure on highways, footways, street lighting, flood mitigation and especially the £5m to reduce congestion were all welcome.

**369 Work Programme**

- Scrutiny of the draft budget had been hindered by the fact that members' preparation had been based on the 20 December budget report, and some figures had changed in the recently published budget report for 30 January Cabinet. Whilst acknowledging that changes were largely due to directorate restructuring and changes to grants from Central Government, members did not feel equipped with the latest information.
- Rationalisation of cost codes, and changes in recharges also made it very difficult to compare year on year trends. Also, the proposed saving in 2020/21 of £830,000 for the Directorate Organisational Re-design and a further £500,000 for the Directorate Organisation Lean could not be scrutinised as the various savings had been arbitrarily allocated across the departments as nothing was known at this time how this will affect E&E.
- For future Budget Scrutiny, the Panel would like more transparency, and more information on budget trends for services, and comparison with other local authorities, which would be scrutinised by an informal E&E mini Scrutiny Task Group comprising at least three members of the Panel.

The Chief Financial Officer pointed out that the Panel need not wait until the following year's Budget Scrutiny to look at this information, which was available to them to see at any point during the year, and it was agreed to follow up discussion about what was required for future Scrutiny outside of the meeting.

There were no additions to the work programme.

The meeting ended at 12.50 pm

Chairman .....