



**Open Report on behalf of Andy Gutherson, Executive Director - Place**

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>11 December 2023</b>
Subject:	<b>Highways Performance Report, Quarter 2 (1 July to 30 September 2023)</b>

**Summary:**

This report sets out the performance of the highways service, including the Highway maintenance schemes update, Lincolnshire Highways Performance Report and Highways Complaints Report.

**Actions Required:**

The Committee is asked to consider and comment on the detail of performance contained in the report and recommend any changes or actions to the Executive Member for Highways, Transport, and IT.

## **1. Background**

This report provides an update on all aspects of the highways service delivery, including the quarterly performance data for the key contracts (Highway Works, Traffic Signals and Professional Services) and strategic highlights relevant to the Highways Service in Lincolnshire.

This report contains:

- Lincolnshire Highways Performance Report, Year 4, Quarter 2
- Highways Complaints Report, Quarter 2

### **1.1. Lincolnshire Highway Service Delivery update**

### **1.2. Performance Report**

Quarterly performance is reported at the Lincolnshire Highways Performance Working Group. Here performance issues are discussed and if required, escalated through the governance structure, with performance issues becoming the subject of an Improvement Plan.

A copy of the Lincolnshire County Council Highway Performance Report for Year 4, Quarter 2 can be found in Appendix A. This covers the period of July to September 2023.

The partners managed to achieve their targets for Quarter 2 with all scores increasing from last quarter. The results per contract area are:

- Highways Works Term Contract Performance Indicators (Balfour Beatty) – 76.6%
- Professional Services Contract Performance Indicators (WSP) – 74.5%
- Traffic Signals Term Contract Performance Indicators (Colas) – 94.0%
- Client Performance Indicators (LCC) – 83.0%
- Alliance Key Performance Indicators (LCC/Balfour Beatty/Colas/WSP) – 86.0%

There have been positive improvements in areas that fell below the minimum performance level last quarter, such as Highways Works drainage cleansing (PI3) and Professional Services contract notifications processed within timescale (PI7).

For specific areas of the Service that are below the targeted performance, the following Improvement Plans have been requested:

- Highway Works – PI6 – Quality of workmanship
- Highway Works – PI10 – Summer Maintenance

In line with the contractual procedures, PI3 (Highways Works) is still below the minimum performance level so has triggered a low service damage penalty. However, there has been an improvement in performance this quarter, with an increased score from 2 to 6. It continues to be an area of focus.

### 1.3. Contract Refresh

The refresh procedure commenced for the Highway Works / Professional Services and Traffic Signal contracts in April 2022 and is now nearing completion. The process requires the Client and the Contractor / Consultant to review service delivery and identify contract improvements should an offer of extension be made and accepted by the parties. Any extension to the contract will be made from the 1<sup>st</sup> April 2026 with a minimum extension of 2 years and a maximum extension of six years being available.

At the Executive on the 7<sup>th</sup> November, the following recommendations were approved:

The Highways Works contract provider (Balfour Beatty Living Places) is offered a **six-year extension** from 31st March 2026 to the maximum permitted extension (as advertised in the original procurement documentation), taking service delivery to the **31<sup>st</sup> March 2032**.

The Professional Services Contract provider (WSP) is offered a **two-year extension** from 31st March 2026, taking service delivery to the **31<sup>st</sup> March 2028** with further review to take place, in line with contract processes, to assess subsequent extensions.

The Traffic Signals Provider (Colas) is not extended, and a new re-procurement process has commenced.

Formal extension offers have now been made to Balfour Beatty Living Places and WSP and the service has commenced the re-procurement of the Traffic Signals contract by allocating internal resource to the project and capturing lessons learnt with the in-house team.

#### 1.4. Contract Specific Update

The delivery of the three strategic highway delivery contracts (Professional Services – WSP / Highways Works – Balfour Beatty / Traffic Signals – Colas) are now in quarter 3 of year 4 of the contract.

#### 1.5. Highway Works Term Contract – Balfour Beatty

The Highways Work Term Contract delivers the vast majority of highway service, with maintenance of carriageways a priority but with footways and cycleways also being proportionally addressed according to the Highways Asset Management Strategy. Minor reactive works are used predominantly to address safety issues and faults within the carriageway and footway network. The contract also delivers most of the cyclical works, drainage, structures and streetlighting maintenance improvement schemes.

In Quarter 2 of 2023/24, Lincolnshire Highways repaired 11,437 (previous quarter – 16,815) faults, including 8,708 (previous 14,178) carriageway potholes (including edge potholes). The service fixed 396 (previous 354) gully grates/manhole covers, 713 (771) footway defects, replaced 64 (55) gully pots completely, as well as conducting 235 (291) kerbing jobs, 303 (75) minor tree jobs and repaired or replaced 289 (237) signs.

During the second quarter of 2023/24, Lincolnshire Highways completed a variety of schemes as detailed in the table below. This included 36 miles of carriageway patching and surfacing, 32 miles of footway resurfacing and reconstruction, and 23 miles of refreshed carriageway lining.

Work Types	Schemes	Total Miles
Footway Reconstruction	8	2.60
Micro Footway	78	29.25
Carriageway Patching	7	6.56
Carriageway Recycling	23	17.25
Carriageway Surfacing	29	10.88
Residential Resurfacing	14	1.31
Carriageway Surface Dressing	104	52.00
Lining Works	6	22.5
Street Lighting	2	
Structures	8	
Drainage Schemes	14	
Traffic Signals Improvements	4	
Carriageway Retexturing	3	

### **1.5.1. Minor Works Gangs**

The minor works gangs continue to deliver work slightly larger in scope than the reactive safety works covered by Series 6300, of the Term Maintenance Contract. The service continues to focus on the most beneficial aspects of this work, such as civils, minor patching, and drainage.

682 (previous quarter - 580) individual jobs of this type were completed across the County in Quarter 2 of 2023/24. This included 150 (previous 102) tree jobs, 129 (previous 135) carriageway sites, 66 (51) drainage jobs, 14 (25) kerbing repairs and 92 (60) footway repairs.

### **1.5.2. Challenges / Improvements**

The combined Capital and Reactive budget for the Highway Maintenance service for 23/24 is approximately £102 million. The additional LCC highway funding announced in the 2023 budget has ensured that the existing service levels can be maintained for the current financial year. Based on this level of funding it is anticipated that the Highways Infrastructure Asset Management Strategy objectives to hold key assets in a steady state whilst implementing an accelerated improvement of the unclassified roads will be achieved.

For 24/25, following the announcement that the Highway Service would receive an additional £10 million from LCC funds to allocate to drought damaged roads, we are expecting again to meet the objectives of the strategy.

On the 4<sup>th</sup> October 2023, central government announced £8.3 billion of additional highways maintenance funding over an 11 year period to 2034. Detail of the funding announcement were released on the 17<sup>th</sup> November which indicates that Lincolnshire will receive an additional £4.924 million in this financial year and next prior to the funding increasing for the remaining 9 years.

To ensure that the Highway Service delivers a value for money service the scheme identification, design, and resource allocation has now been set for 24/25 on a budget of £111 million.

The Highway service continues a strong focus on the reactive service delivery as this key area affects the travelling public the most. The scale of demand, resource requirements and commercial pressure within the contract are challenging, but all parties involved (including the supply chain) are making the required improvements. Since March 2022 the number of live jobs within the system has continually reduced from a high of 9000 to the current level of approximately 2300.

Maintaining this figure in a manageable position with this flexibility in delivery will enable the service to deal with the demands placed on the service in line with the Highways Infrastructure Asset Management Plan.

## **1.6. Professional Services Contract – WSP**

WSP work alongside Lincolnshire Highways colleagues in the Technical Services Partnership (TSP), where three Performance Indicators measure WSP performance directly and seven measure TSP (LCC & WSP). All schemes which completed in Year 4 Quarter 1 feed into this reporting period.

The overall Professional Services score for Year 4 (2023/24) Quarter 2 is 74.5 out of 100, an improvement on the Quarter 1 score of 68.9.

A contributor to the improved score is the four measures which focus on TSP's ability to deliver highway schemes to time and cost, providing an average score of 8 out of 10 for Y4 Quarter 2. This is up on the previous quarter at 7.1 out of 10.

WSP are making good progress with the selected Year 4 annual quality statements from their 2020 tender submission on target to deliver 9 out of 10 of the promises. The quality statements included provision of:

- WSP input to Councillor Nominated Volunteering schemes throughout the year.
- Development of good practice activities with other local authorities.
- A rolling programme of local apprentices.
- Careers and STEM engagement with local schools and colleges.

Examples of these include, WSP have hosted a range of good practice events and have brought authorities together to solve common challenges through regular working groups such as LANZAROTE (Local Authority Net Zero And Reducing Other Transport Emissions). Local WSP colleagues have also contributed to Careers/STEM events at Horncastle Banovallum, where an evening event was held to enable parents to attend, and direct project-based engagement with Construction and Built Environment students at Lincoln college.

Internal TSP client satisfaction scores, obtained through a questionnaire provided for those schemes completing in the quarter with most clients being satisfied with an average response score of 6.2 out of 10.

Within Performance Indicator 10 WSP are targeted to fill requested vacancies within 3 months. The score for Quarter 2 equates to 4 out of 10, which is the same as the Y4 Q1 score. Whilst much effort goes into identifying quality candidates to the Lincolnshire contract, it is still proving difficult to attract candidates who have the right qualifications, experience and are affordable; with industry wide salary expectations continuing to increase. The introduction of a new hybrid rate, for the Professional Services Contract, has been designed to enable requests for colleagues normally based in remote WSP offices to spend time working in Lancaster House.

### **1.6.1. Challenges / Improvements**

Recruitment for specialist roles within the engineering sector are proving difficult to attract and retain in the current climate. LCC have needed to pursue alternative routes to obtain

staff on occasion to backfill hard to fill positions. LCC and WSP are implementing a number of initiatives to tackle the recruitment challenges and are looking to bring staff based in WSP national offices into the LCC highway offices to bolster service delivery. The provision of remote support through the Professional Services Contract is less of a challenge, but this doesn't always align with the intended delivery model of the Technical Services Partnership.

The ongoing recruitment difficulty and increasing salary expectations continue to show within the latest inflationary data with a 2.71% increase since April 2023. These increases will not commercially impact the Highway Service until April 2024, but it does indicate a potential future budget pressure unless it is matched by additional funding or further service efficiencies.

### **1.7. Traffic Signals Term Contract – Colas**

Quarter 2 performance for the Traffic Signals contract was 94 out of 100. This score has improved from the previous quarter 1 score of 84 which shows that the new Performance Indicators are tackling areas where LCC are looking for improvement. These revised measures will be monitored closely to ensure their effectiveness over the coming months and are expected to demonstrate progress.

In terms of traffic signal ongoing maintenance, the overall statistics for Quarter 2 were as follows;

- 64 emergency faults (2-hour response) which were attended in timescale (100%)
- 462 standard faults (response within 12 contract hours) which were attended in time (100%)
- 63 requests for signals to be switched off for other road works.

The Traffic Signal Capital Refurbishment Programme for Quarter 2 saw the following scheme undertaken;

- A16 Spading Road (London Road) Boston – Dual Toucan crossing refurbishment.
- Wyberton Low Road / Marsh Lane, Boston – Junction refurbishment.
- Market Hill Crossroads, Holbeach – Junction Refurbishment.
- Tritton Road (Valentine Road) Lincoln – Dual Toucan crossing refurbishment.

#### **1.7.1. Challenges / Improvements**

Over the past 12 months Colas have introduced a number of new team members to replace vacancies. The new team have shown themselves to be very willing and adaptable, learning quickly on the job and making a real impact. This has been witnessed particularly around the planned maintenance schedule of Annual Inspections; the Traffic Signals team ahead of where they were in previous years.

Lincolnshire's decision, not extend the contract beyond 2026 has been handled positively by Colas who are intending to successfully deliver the remaining 27 months contract. Both LCC and Colas recognise that a lot of work still needs to be delivered and the focus for that is the main priority.

Challenges highlighted in the contract extension are being mitigated by advance ordering of equipment wherever possible so that scheme delivery isn't impacted.

Linked to the Department for Transport's Plan for Drivers, an opportunity has arisen to submit bids in relation to £70 million of funds to make traffic signals more efficient. LCC are intending to submit the maximum number of bids and are hopeful to receive additional funding targeted at the Green Light Fund (helping to tune up traffic signals) and the Intelligent Traffic Management Fund to deploy advanced technology for traffic signals.

## **2. Councillor nominated Community Volunteering Days**

As part of the original bid commitments from the Highway Works, Professional Services and Traffic Signal delivery partners, there have been 38 schemes completed to date and advice regarding designs and costs have been provided for another 7. There are a further 5 schemes planned which are due to commence in 2023/2024 to assist Parish Council and Community Groups. There are already 4 schemes planned for Spring 2024, and Councillors have just received the new application requests for 2024/2025.

Schemes this year have included various types of works, including the erection of a fence around a play park, clearing of a Memorial Garden, painting a village hall, painting play parks, restoring old red phone boxes, and providing an accessible path at a school for wheelchair users to access their nature area. The schemes carried out have all been extremely well received and many compliments have been received from the applicants, as well as from members of the communities.

The 3 main Contractors (Balfour Beatty, Colas and WSP) have been involved in the schemes and we also have had additional volunteering from some of our Sub-Contractors and major scheme delivery providers.

## **3. Complaints**

A copy of the Highways Complaints Quarter 2 report can be found in Appendix B.

During Quarter 2 the highways service received a total of 8,532 Fix My Street enquiries and 7,470 Customer Service Centre (CSC) calls.

The Customer Relations Team received a total of 243 contacts within quarter 2 of 2023, from individuals wishing to give feedback, report issues or complain about the Highways Service.

Of these 243 contacts, 157 entered the formal complaints process, accounting for 65% of these contacts, with the remainder being resolved informally in early resolution. Of the 157 cases, 60 were partially upheld or fully upheld, this equates to 38% of the cases that entered the formal process.

The Highway service has seen a small increase in the number of contacts this quarter compared to the previous quarter but there has also been a decline in comparison to the

same quarter of the previous year. The Highway Service has also seen in an increase in the number of cases that were partially or fully upheld that related to delays to service and quality of service. The main contributor for these concerns is due to the volume of scheduled maintenance completed, performance of service in relation to drainage and verge maintenance.

**4. Conclusion**

Lincolnshire's Highway team and its strategic partners continue to deliver an efficient and effective service during challenging market conditions. Performance reported for Quarter 2 has seen an improvement in all of the main contract reporting areas following a dip in Quarter 1 due to tougher measures being introduced. The scores remain in an overall good position and are in line with the improved performance that was seen across Year 3. Across the wider service delivery, the service continues to pursue further initiatives to tackle areas of low performance and is consistently striving to implement value for money savings.

The latest inflation data suggests that the rapidly rising inflation experienced over the past 24 months within the Construction sector is has plateaued. The service will continue to monitor the impact this has on service delivery and ultimately the buying power of the Highway Service going forward.

The funding position for 2023/24 and 2024/25 has been positive and will likely result in the successful delivery of the Highways Infrastructure Asset Management Strategy goal in relation to asset condition at the next reporting cycle. Whilst funding beyond 2024/25 remains uncertain, the DfT announcement of additional funds seems to have moved in a positive direction.

The Committee is asked to consider and comment on the detail of performance contained in the report and recommend any changes or actions to the Executive Member for Highways, Transport, and IT.

**5. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire Highways Performance Report (1 July 2023 – 30 September 2023) Quarter 2
Appendix B	Highways Complaints Quarter 2 Report

**6. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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