



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

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>July 2022</b>
Subject:	<b>Performance Report, Quarter 4 – (1 January 2022 – 31 March 2022)</b>

**Summary:**

This report sets out the performance of the highways service, including the Major Highways Schemes Update, Lincolnshire Highways Performance Report and Highways and Transport 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 major schemes, quarterly performance data for the key contracts (Highways Works, Traffic Signals and Professional Services) and strategic highlights relevant to the Highways Service in Lincolnshire.

This report contains:

- Major Highways Schemes Update June 2022
- Lincolnshire Highways Performance Report, 1 January 2022 – 31 March 2022) Quarter 4
- Highways Complaints Report, Quarter 4
- Corporate Plan Performance Indicators – Condition of roads, Quarter 4 2021/22

## **2. Major Highways Schemes Update**

The Authority currently has three major highways schemes that are in progress:

- Grantham Southern Relief Road
- Spalding Western Relief Road
- North Hykeham Relief Road

There are a number of major highways and other infrastructure projects, which are of significant scale and have a major impact on the County and surrounding area. All of these schemes are included in the Major Highways Schemes Update, June 2022, found in Appendix A to this report.

## **3. Lincolnshire Highways update**

### **3.1. 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 poor performance becoming the subject of an Improvement Plan.

A copy of the Lincolnshire County Council Highway Performance Report for Year 2, Quarter 4 can be found in Appendix B. This covers the period of January to March 2022.

The partners managed to achieve their targets for Quarter 4. The results per contract area are:

- Highways Works Term Contract Performance Indicators (Balfour Beatty) – 58.5%
- Professional Services Contract Performance Indicators (WSP) – 76%
- Traffic Signals Term Contract Performance Indicators (Colas) – 88.0%
- Client Performance Indicators (LCC) – 76.0%
- Key Performance Indicators (LCC/Balfour Beatty/Colas/WSP) – 78.0% (provisional)

The scores for Highway Works, Professional Services and Traffic Signals have remained at a similar level to Quarter 3 however a significant improvement within the LCC Client performance has been recorded, increasing by 10% from last quarter.

For specific areas of the Service that are below the targeted performance, the following Improvement Plans are in place:

- Highway Works – PI3 – Tasks Completed within timescales – Reactive Works
- Highway Works – PI8 – Street Lighting Service Standard
- Highway Works – PI9 – Drainage Cleansing Maintenance

In line with the contractual procedures, PI3 and PI8 have triggered a Low Service Damage penalty within the contract and continue to receive increased focus and effort. It is

anticipated that additional resource and improvements to gang productivity will result in improvements to PI3 and issues in relation to PI8 will be resolved next quarter as additional resource is bought onto the contract to address Streetlight routine maintenance. For PI9 – Drainage Cleansing, Low Service Damages were deferred as the low performance related directly to a change in provider as the original Sub Contractor went into administration.

**3.2. Contract Specific Update**

The delivery of the three key highway delivery contracts (Professional Services – WSP / Highways Works – Balfour Beatty / Traffic Signals – Colas) are now at the start of year three of the contract. The linked contracts are due for renewal on 31st March 2026 with the possibility of extension up to 31st March 2032.

**3.3. 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 drainage, structures and streetlighting maintenance improvement schemes.

In Quarter 4 of 2021/22, Lincolnshire Highways repaired 13024 faults, including 10971 carriageway potholes (including edge potholes). The service fixed 214 gully grates, 361 footway potholes, 425 footway slabs, replaced 16 gully pots completely, as well as carrying out 268 kerbing jobs, 42 minor tree jobs and repaired or replaced 174 signs.

During the fourth Quarter Lincolnshire Highways completed 12.5 miles of carriageway patching and surfacing, 2.2 miles of footway resurfacing and reconstruction, and refreshed 30 miles of carriageway lining.

<b>Work Types</b>	<b>Miles</b>	<b>Schemes</b>
Drainage Improvements		8
Footway Reconstruction	2.2	7
Main Line Replacement	30	8
Carriageway Patching	3.8	4
Residential Resurfacing	3.8	41
Carriageway Resurfacing	4.9	13
Street Lighting Replacement		3
Structures Improvements		7
Traffic Signals Improvements		3

### **3.3.1. 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 into 2022/23.

555 individual jobs of this type were completed across the County in Quarter 4 of 2021/22 and we look to replicate this volume going forwards. This included 136 tree jobs, 129 Carriageway sites, 61 drainage jobs, 36 jet patching sites, 48 footway repairs.

### **3.3.2. Challenges / Improvements**

The maintenance construction sector continues to be extremely challenging as material prices / inflation / skills shortages / Covid 19 and supply chain disruption continue to hamper delivery. Inflation within the Highways Works contract means that the cost of the service is 13% higher in April 2022 than it was in April 2021. Since April, monthly inflation has continued to increase at a rate of 4% per month and is continuing to rise at a faster rate than the Consumer and Retail Price Index. The impact of rapidly increasing oil and energy prices used in the production of fuel, tarmac, and bitumen, is adding additional cost pressures beyond the inflationary mechanisms built into the contract. The consequence of this, is that less service can be delivered in comparison to previous years and strain is being placed on the contract, the partners and supply chain in Lincolnshire. However, even with these challenges, LCC Highways and its strategic delivery partners are working hard to mitigate the impact of this.

During Q4, the sub-contractor providing the drainage service for Lincolnshire County Council went into administration. The provider ceased to trade on 17<sup>th</sup> February 2022. Balfour Beatty acted quickly and retained three of the tankers and 6 operatives working from the Sleaford Depot so that a skeleton service could continue whilst new providers were brought onto the contract. A new sub-contractor has now been awarded the service to deliver from the Sleaford depot and it is expected that the new provider will resolve the low Q4 PI9 score for the next reporting period.

One of the main focus areas of the Highway Works contract continues to be the delivery of the reactive service. 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. Improvements have been made to live data reporting so that the teams fully understand gang productivity and the impact of decision making in the delivery of this challenging service area. Additional resource continues to be introduced to the contract to address performance issues in relation to PI3 whilst improvements in the background are made to improve productivity.

To tackle the inflation pressures on the contract, Lincolnshire Highways have increased the volume of recycling within the contract. At specific lower risk locations, traditional asphalt material has been substituted with Cold Recycled Bound Material. The process not only has

the added benefit of reduced carbon generation, but it also ensures consistent material availability that is shielded from inflation pressures directly linked to increasing oil and energy prices as the material is not heated.

### **3.4. Professional Services Contract - WSP**

WSP work alongside Lincolnshire Highways colleagues in the Technical Services Partnership (TSP), where three PIs measure WSP performance directly and seven measure TSP as a whole (LCC & WSP). All schemes which completed in Year 2 Quarter 4 feed into this reporting period.

The overall Professional Services Partnership score for 2021 Quarter 4 is 76.00 out of 100, slightly down on Quarter 3 score of 79.8.

WSP achieved 9/10 of the selected Year 2 quality statements, which are measured annually, along with that of their continuous improvement / innovation initiatives. One example of this is the ongoing introduction of BIM (Building Information Modelling) and supporting the ProjectWise common data environment required to assist Lincolnshire County Council delivering against DfT requirements for new highway infrastructure schemes. WSP colleagues are also actively engaged in social value activities, including leading a pan alliance volunteering scheme to refurbish three playgrounds in Caistor, whilst engaging in GLLEP careers and enterprise activities at Lincoln College, alongside mentoring three students at Lincoln University.

The four measures which focus on TSP's ability to deliver highway schemes to time and cost achieved an average score of 7.7/10 for Y2 Quarter 4, which is slightly down on the previous quarter at 8.4/10.

There is an opportunity to further improve performance in the timeliness of contract notifications within TSP Highway Schemes. Whilst the number of those completed to time in Y2 Quarter 4 has improved at 64/75 (86.67%), the agreed scoring mechanism is at the minimum performance score of 4/10. This PI has been a challenge for each contract and has resulted in this measure requiring an Improvement Plan. Staff training took place in December 2021 with a view to improving performance.

Performance of ongoing highways schemes has been maintained as staff transfer into smarter working arrangements, with the locally based LCC & WSP teams continuing to be integral to the delivery of highways improvements. This includes successful delivery of a range of PRN Schemes across the county. The partnership continues to progress efficiency and customer service initiatives through the annual Technical Services Partnership Action Plan.

#### **3.4.1. 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. The PI that monitors this element of the

service has been adjusted for Yr3 of the contract to ensure that both the Lincoln based staff and remote staff are filled when requested by LCC.

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

The Traffic Signals PIs remain at a consistently high level with an overall score of 88, the same result as that for Quarter 3. There had again been 2 emergency faults missed under PI 3, a task order missed under PI 5. The average for Year 2 stands at 89.

Overall statistics for Q4 are as follows:

- 56 emergency faults (2-hour response) of which 54 were attended in time (96.5%)
- 430 standard faults of which 430 were attended in time (100%)
- 70 requests for signals to be switched off for road works

Colas have appointed a new ITS Manager who is very experienced in the traffic signals field having previously worked for Siemens. He has already made a difference to the confidence and efficiency of the team. The LCC maintenance team had 2 new starters in Q4 which have made a very positive impact on the team's performance. There is still one vacancy to be filled which should be completed this summer.

The Traffic Signal Capital Programme for Quarter 4 saw the completion/commencement of the following works:

- Winsover Road / Swan Street, Spalding – long overdue refurbishment of the junction and replacement of the adjacent pedestrian crossing facility at Station Street
- St Catherines (Dudley Street) Grantham – refurbishment of a Toucan crossing to the latest standards

#### **3.5.1. Challenges / Improvements**

The wider Colas business continue to offer support to the Highway Service as a sub-contractor providing recycling schemes on the unclassified road network. Colas have also been engaged to provide support work on one of the Major schemes.

## **4. Complaints**

A copy of the Highways Complaints Quarter 4 report can be found in Appendix C. During Quarter 4, the Highway Service received a total of 20953 enquiries / contacts with 224 contacts escalated as complaints with 163 entered the formal complaints process, equating to approximately 1% of all contacts.

Customer Complaints relating to highways and transport have seen an increase from the last quarter of 39%. The level of complaint escalations from the Highway Service has decreased from 1.7% last quarter to 0.6% of complaints escalated this quarter.

The complaints are of a varied nature, however the highest reason related to potholes which accounts for 27% of complaints.

## 5. Corporate Plan Performance Indicators – Condition of roads

A copy of the annual Corporate Plan Performance Indicators can be found in Appendix D. The results for the Principal, non- Principal and Unclassified roads all exceed the minimum agreed target levels in terms of the percentage of the network where maintenance should be considered. Comparisons to other authorities demonstrate that the Principal road network in Lincolnshire is in a better state than the average rural authority whereas the Non – Principal and Unclassified road networks are in a worse state than the average rural authority. The LCC Highways team continue to target improvement in these areas and continue to maximise the service efficiency so that the condition of the assets is maintained and where possible improved.

## 6. Conclusion

Lincolnshire's Highway team and its strategic partners continues to deliver an efficient and effective service during extremely challenging market conditions. Lincolnshire Highways continues to be viewed as one of the sector leaders following external verification via peer review and is looking to maintain this position into the future. The service continues to pursue a number of service improvement initiatives to tackle areas of low performance and is consistently striving for improvements across the wider service.

Inflation pressures and key risks outlined within this report are impacting delivery of the service, not least the challenge around inflation rises and resource availability, which is making these improvements more difficult to achieve.

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

## 7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Major Highways Scheme Update Report June 2022
Appendix B	Lincolnshire Highways Alliance Performance Report (1 January 2022 – 31 March 2022) Quarter 4
Appendix C	Highways Complaints Q4 Report
Appendix D	Corporate Plan Performance Indicators - Condition of Roads, Quarter 4 2021/22

## 8. 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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