



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

Report to:	Highways and Transport Scrutiny Committee
Date:	12 December 2022
Subject:	Highways Performance Report, Quarter 2 (1 July to 30 September 2022)

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 November 2022
- Lincolnshire Highways Alliance Performance Report, (1 July to 30 September 2022) Quarter 2
- Highways Complaints Report, Quarter 2

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, November 2022, found in Appendix A to this report.

2.1. Lincolnshire Highways update

2.2. Performance Report

Quarterly performance was reported through the Alliance management structure, with performance issues becoming the subject of an improvement action plan. A copy of the Lincolnshire County Council Highway Performance Report for Year 3, Quarter 2 can be found in Appendix B. This covers the period of July to September 2022.

The Alliance partners managed to achieve their targets for Quarter 2. The results per contract area are:

- Highways Works Term Contract Performance Indicators (Balfour Beatty) – 73.0%
- Professional Services Contract Performance Indicators (WSP) – 74.6%
- Traffic Signals Term Contract Performance Indicators (Colas) – 90.0% (provisional)
- Client Performance Indicators (LCC) – 83.0%
- Alliance Key Performance Indicators (LCC/Balfour Beatty/Colas/WSP) – 68.0% (provisional)

The success for Quarter 2 performance data was holding the dramatic improvements that were achieved between the Quarter 4 (Year 2) and the Quarter 1 (Year 3) scores that were reported in the last performance reports. The other success to note was that for the first time since the contracts were commenced in April 2020, the Highways Works PI3 scored for the first time following a significant package of works during the summer months of 2022.

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

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. PI3 has scored for the first time since the contract commenced but falls below the tendered bid position of 8. Low performance for PI8 has shifted from an issue with routine maintenance in Quarter 4 to a new issue of delayed fault response time for this current quarter. The service continues to focus on these aspects of service delivery.

2.3. Contract Specific Update

The delivery of the three key highway delivery contracts (Professional Services – WSP / Highways Works – Balfour Beatty / Traffic Signals – Colas) are now in quarter 3 of year three of the contract. The linked contracts are due for renewal on the 31st of March 2026 with the possibility of extension up to 31st March 2032.

2.4. 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 2 of 2022/23, Lincolnshire Highways repaired 17093 faults, including 8466 carriageway potholes (including edge potholes). The service fixed 509 gully grates/manhole covers, 1177 footway defects, replaced 55 gully pots completely, as well as conducting 356 kerbing jobs, 165 minor tree jobs and repaired or replaced 529 signs.

During the second Quarter of 2022/23 Lincolnshire Highways completed over 20 miles of surface dressing treatment, 12 miles of carriageway patching and surfacing, 41 miles of footway resurfacing and reconstruction, and refreshed 3.2 miles of carriageway lining.

Work Types	Miles	Schemes
Surface Dressing	20	40
Main Line Replacement	3.2	2
Footway Reconstruction	2.19	7
Footway Micro Asphalt	39.38	105
Carriageway Patching	5.63	6
Residential Resurfacing	0.3	3
Carriageway Resurfacing	6	16
PROW Improvements	0.75	4
Drainage Improvements		4
Structures Improvements		11
Volunteer Schemes		6

2.4.1. 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.

628 individual jobs of this type were completed across the County in Quarter 2 of 2022/23. This included 97 tree jobs, 153 Carriageway sites, 56 drainage jobs, 55 jet patching sites and 85 footway repairs.

2.4.2. Challenges / Improvements

Inflation within the construction sector continues to cause significant challenges for the Highway Service. Increasing material prices, skills shortages and supply chain disruption continue to hamper delivery however the rate of inflation increase is showing signs of a plateau. Inflation within the Highways Works contract means that the cost of the service is approximately 13% higher in April 2022 than it was in April 2021. Since April 2022, monthly inflation has continued to increase at a rate of 3% per month however between July and August 2022 the average increase rate has dropped to approximately 1% with some elements of the service starting to decrease.

% change	Prelims	Routine, Cyclic and Time Charge Works	Renewals and Construction Works	Professional Services	Machine Surfacing	Hand Surfacing/Patching	Surface Dressing	Road Markings	Street Lighting	Vehicle Maintenance	Columns
Year 1	1.14%	1.85%	0.91%	0.06%	-1.84%	-0.32%	-1.68%	-1.41%	0.38%	1.34%	0.91%
Year 2	1.08%	1.25%	0.91%	2.62%	0.00%	0.25%	-2.17%	0.78%	2.21%	1.99%	0.91%
Year 3	4.87%	5.36%	8.58%	3.36%	5.72%	5.71%	10.98%	5.22%	6.13%	4.48%	56.39%
Jun-22	12.67%	12.29%	20.98%	13.45%	19.89%	17.88%	31.88%	15.46%	13.07%	10.30%	93.78%
Jul-22	13.33%	13.07%	21.13%	13.51%	25.02%	20.86%	36.33%	16.32%	13.18%	10.77%	68.63%
Aug-22	14.14%	15.26%	21.93%	13.38%	26.37%	22.19%	30.14%	17.41%	12.82%	12.12%	65.93%

The combined Capital and Reactive budget for the Highway Maintenance service for 22/23 is approximately £82 million. The inflationary pressure since the start of the contract has reduced the buying power of the service by approximately £19.3 million. 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.

Whilst not contractually required to do so, LCC have implemented a mid-year rate review from the August 2022 that is targeting uplifts at Small and Medium sized enterprises working within Lincolnshire. The additional uplift is programmed to be implemented by the end of November 2022 so that the supply chain is supported during the challenging economic climate.

The Highway service continues to focus on the reactive service delivery. 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 highs of 8200 to the current level of approximately 1800. Maintaining this figure in a manageable position will enable the service to deal with the demands placed on the service in line with the Highways Infrastructure Asset Management Plan.

2.5. 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 as a whole (LCC & WSP). All schemes which completed in Year 3 Quarter 2 feed into this reporting period.

The overall Professional Services Partnership score for Year 3 (2022/23) Quarter 2 is 74.6 out of 100, a slight decrease on the adjusted Quarter 3 score of 75.5.

WSP are on target to deliver 9/10 of the selected Year 3 quality statements, which are measured annually. An example of a quality statement provision is the ongoing provision of 'Volunteering Days' which are being used through the Lincolnshire Councillor nominated Councillor Volunteering Schemes. WSP are also encouraged to develop continuous improvement / innovation initiatives, which target year on year cost savings for the contract. To date cost savings have included innovative approaches to problem solving on highways schemes, the provision of free training for local LCC highway colleagues and the use of a 'FlexMSE' vegetated wall system on a flood alleviation scheme, which also provided a carbon saving. LCC can also benefit from innovations which have been used elsewhere within WSP, which are shared through the Lincolnshire Highways Partnership innovation group.

WSP colleagues are also actively engaged in wider social value activities, including leading on a now completed volunteering scheme at Theddlethorpe Village Hall playing fields, where a combined WSP, Balfour Beatty, Colas and LCC Highways team worked alongside the parish council clear an overgrown ball court that is now back in use within the community. Work is also commencing with Construction and Built Environment students at Lincoln College on careers support and developing a 'real life' project for them to include within their studies.

The four measures which focus on TSP's ability to deliver highway schemes to time and cost achieved an average score of 7.9/10 for Y3 Quarter 2, which is slightly down on the previous quarter at 8.0/10.

There is an opportunity to continue improving performance in the timeliness of contract notifications within TSP Highway Schemes. The score of those completed to time in Y3 Quarter 1 is 5/10 which is the same as Quarter 1.

Internal TSP Client satisfaction scores, obtained through Client Satisfaction Questionnaires for those schemes completing in the quarter, have improved in Quarter 2 with most clients being satisfied with the service. Whilst the average response score looks reasonable at 7.5/10 there is 1 project which received a below 'minimum performance' score. This is being investigated in accordance with the Quality Management System.

Within the measures WSP are targeted to fill requested vacancies within 3 months. The score for Quarter 2 equates to 6/10, down 2 marks from Quarter 1. Whilst much effort goes into identifying quality candidates to the Lincolnshire contract it is currently proving difficult

to attract potential colleagues who have the right qualifications and experience, who are affordable.

2.5.1. 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.

2.6. Traffic Signals Term Contract – Colas

Quarter 2 scoring for Colas remained consistently good with an overall PI score of 90, up from 88 last quarter, driven by an improvement in responses to emergency faults. The changes made to the PIs for 2022/23 have driven the right behaviour and made great improvements to the task order process. Performance Indicators 2 & 10 are now under review with alternatives being considered for other areas that are perceived to be in need of improvement.

In terms of operations, the overall statistics for Quarter 2 were as follows.

- 95 emergency faults (2-hour response) of which 94 were attended in time (99%)
- 429 standard faults (response within 12 contract hours) of which all were attended in time (100%)
- 62 requests for signals to be switched off for road works

The Traffic Signal Capital Programme for Quarter 2 was quiet due to the postponement of resurfacing works in Lincoln. The works were due to tie into Traffic Signal schemes at Newland/Lucy Tower Street and Carholme Road / Brayford Way, in order to minimise disruption on the network. These schemes are now due to go ahead in the summer of 2023.

The annual inspection and maintenance of Lincoln tidal flow was conducted in August 2022. The opportunity was also taken to conduct remedial works to the Canwick Road / South Park junction at the same time, as well as allowing utility companies access to take advantage of the closure on this busy part of the network.

2.6.1. 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 Grantham Southern Relief Road that is due to take place in December 2022.

3. Complaints

A copy of the Highways Complaints Quarter 2 report can be found in Appendix C. During Quarter 2, the Highway service received a total of 5,982 Fix My Street contacts, 11,007 Customer Service Centre (CSC) calls and 2,022 CSC emails in relation to the Highway service.

Out of these 19,011 contacts, LCC received a total of 232 Complaints to the Customer Relations Team in the second quarter of 2022/2023, equating to less than 1% of all contacts received. Out of these 232 contacts, 182 entered the formal complaints process, this equates to 78% of all complaints received.

The remainder were resolved informally through early resolution. The number of complaints entering the formal process has increased by 1.6% this quarter in comparison to the previous quarter and 77% in comparison to the same quarter last year.

6. Conclusion

Lincolnshire's Highway team and its strategic partners continues to deliver an efficient and effective service during extremely challenging market conditions. Performance reported for Quarter 2 demonstrates that the service has held the large improvements that were made in Quarter 1. Whilst some areas have improved, the service continues to pursue further initiatives to tackle areas of low performance and is consistently striving to implement value for money savings across the wider service.

The latest inflation data suggests that the rapidly rising inflation experienced over the past 12 months within the Construction sector is starting to plateau. 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 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 November 2022
Appendix B	Lincolnshire Highways Alliance Performance Report (1 July to 30 September 2022) Quarter 2
Appendix C	Highways Complaints Quarter 2 Report

8. Background Papers

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

This report was written by Jonathan Evans, Head of Highways Client and Contractual Management Services, who can be contacted on 01522 55222 or Jonathan.evans@lincolnshire.gov.uk.

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