



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

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>11 September 2023</b>
Subject:	<b>Highways Performance Report, Quarter 1 (1 April to 30 June 2023)</b>
<b>Summary:</b> 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 (Highways 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 1
- Highways Complaints Report, Quarter 1

### **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 1 can be found in Appendix A. This covers the period of April to June 2023.

The partners managed to achieve their targets for Quarter 1 except for WSP who for the second quarter marginally fell below 70%. The results per contract area are:

- Highways Works Term Contract Performance Indicators (Balfour Beatty) – 73.1%
- Professional Services Contract Performance Indicators (WSP) – 68.9%
- Traffic Signals Term Contract Performance Indicators (Colas) – 84.0%
- Client Performance Indicators (LCC) – 81.0%
- Alliance Key Performance Indicators (LCC/Balfour Beatty/Colas/WSP) – 80.0%

Some new measures have been introduced to the Highway Works and Traffic Signals Term Contracts for Y4 to provide better visibility of aspects of the service and all other measures have been reviewed by the service.

Following significant improvements in quarter 3 and 4 of Year 3, this quarter has seen a drop in the overall performance in 4 of the 5 contracts. This is partially due to the new measures introduced from the 1<sup>st</sup> April (to ensure that the service continues to improve) and some specific operational issues. Whilst the overall scores have dipped this quarter, the overall trends remain in a good place and the measures continue to reflect operational issues so that they can be addressed.

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 – PI9 – Drainage Cleansing Maintenance
- Professional Services Contract – PI7 – Contract Notifications processed within required timescales.

In line with the contractual procedures, PI3 (Highways Works) and PI7 (Professional Services) have triggered a low service damage penalty within the contract and continue to receive increased focus and effort.

A success for this quarter is that PI8 – Street Lighting Service Standard has improved from scoring 0 to 4.1, meaning that this element of the service no longer triggers low service penalties.

### **1.3. Contract Refresh**

In accordance with the individual contracts, the refresh procedure has commenced for the Highway Works / Professional Services and Traffic Signal contracts. 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.

The outcome of the contract refresh procedure will be returned to the Highways and Transportation Scrutiny committee in October 2023.

#### 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 2 of year 4 of the contract. The contracts are due for renewal on the 31<sup>st</sup> of March 2026 with the possibility of extension up to 31st March 2032.

#### 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 1 of 2023/24, Lincolnshire Highways repaired 16,815 (previous quarter – 15,158) faults, including 14,178 (previous 12,986) carriageway potholes (including edge potholes). The service fixed 354 (previous 274) gully grates/manhole covers, 771 (824) footway defects, replaced 55 (23) gully pots completely, as well as conducting 291 (238) kerbing jobs, 75 (34) minor tree jobs and repaired or replaced 237 (231) signs.

During the first quarter of 2023/24, Lincolnshire Highways completed a variety of schemes as detailed in the table below. This included 25 miles of carriageway patching and surfacing, 37 miles of footway resurfacing and reconstruction, and 131 miles of refreshed carriageway lining.

Work Types	Schemes	Total Miles
Footway	8	2.50
Micro Footway	93	34.88
Patching	12	11.25
Recycling	9	6.75
Surfacing	18	6.75
Residential	2	0.19
Dressing	41	20.50
Lining Works	35	131.25
Street Lighting	1	
Structures	6	
Drainage Schemes	7	
Traffic Signals Improvements	3	
Carriageway Retexturing	4	
Councillor Volunteer Schemes	5	

### 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.

580 (previous quarter - 509) individual jobs of this type were completed across the County in Quarter 1 of 2023/24. This included 102 (previous 85) tree jobs, 135 (previous 114) carriageway sites, 51 (49) drainage jobs, 25 (142) kerbing repairs and 60 (56) footway repairs. Additional resources have been added to this work area during Quarter 2 to increase the number of these jobs completed.

### 1.5.2. Challenges / Improvements

Inflation within the construction sector continues to cause challenge for the Highway service as it does for the wider cost of living challenge experienced by the residents of Lincolnshire. Whilst the dramatic rises witnessed in 2021 and 2022 have subsided, increases of 2% in the last three months have been experienced in road surfacing related activities. 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.

% 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%
Year 4	12.60%	12.87%	19.44%	12.43%	26.19%	20.31%	17.98%	18.65%	13.10%	11.20%	53.62%
Apr-23	12.84%	12.78%	20.89%	14.72%	31.70%	23.19%	19.68%	17.14%	16.22%	11.95%	49.39%
May-23	12.35%	12.49%	20.30%	14.64%	31.25%	22.65%	19.36%	16.77%	15.92%	11.88%	48.45%
Jun-23	11.83%	12.22%	19.97%	14.59%	28.88%	21.29%	18.60%	16.19%	15.64%	11.84%	44.06%

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. The LCC funding was also increased by the Additional Pothole Funding announced by the Department for Transport (DfT). The one-year funding of £6.8 million will help improve the Highway service however the funding level falls short of the inflation pressure on the Highways Maintenance Block allocation that has and is due to remain static between April 2022 and 31<sup>st</sup> March 2025 under a three-year settlement. LCC Highways continue to lobby the DfT via regional bodies in relation to this ongoing pressure.

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 2000. This figure varies with demand and had returned to 5000 during

Quarter 1 of 2023 following the winter period but a quick response within the service has brought the level back down with increased resourcing.

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 1 is 68.9 out of 100, a decrease on the Quarter 4 score of 69.6.

A contributor to the lower score is the four measures which focus on TSP's ability to deliver highway schemes to time and cost, providing an average score of 7.1 out of 10 for Y4 Quarter 1. This is down on the previous quarter at 8.3 out of 10. Investigations are ongoing for those schemes which finished late and/or under/over budget and learning points put in place.

WSP are making good progress with the selected Year 4 annual quality statements from their 2020 tender submission on target to deliver a score of 9. 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 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 the Boston Future Fest 2023, where a selection of Boston/Spalding/Holbeach secondary schools attended, and Louth Academy for a careers fair for their year 9, 10 and 11 students.

Internal TSP client satisfaction scores, obtained through a questionnaire provided for those schemes completing in the quarter, have remained constant in Quarter 1 with most clients being satisfied with an average response score of 6.5 out of 10.

Within the measures WSP are targeted to fill requested vacancies within 3 months. The score for Quarter 1 equates to 4 out of 10, which is the same as the Y3 Q4 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 ongoing recruitment difficulty and increasing salary expectations continue to show within the latest inflationary data with a 2.27% 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 1 performance for the Traffic Signals contract was 84 out of 100. This score has dropped slightly from the previous quarter 4 score of 90 but 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 1 were as follows;

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

The Traffic Signal Capital Refurbishment Programme for Quarter 1 saw the following scheme undertaken;

- St Mary's Street (St John's Street) Stamford – crossing refurbishment to latest Puffin standard.

Two new sites were also designed and installed during this period;

- Boultham Park Road, Lincoln – Upgrade of a Zebra to a Puffin crossing
- A158 North Greetwell – new Puffin crossing.

### **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.

However, the Traffic Signals provider have struggled to supply their own branded equipment to the contract for the past 8 months which has raised concern with some elements of the supply chain around delivery timescales and product quality in what is a specialist market. Utilising Colas's own equipment means that LCC is supplied with a consistent product over which Colas have full control and it also simplifies the maintenance regime by sticking to a single product. Third party suppliers have been unreliable in terms of cost and delivery, and LCC is working with Colas to ensure this is rectified moving forward. Concerns in relation to this are likely to feature as part of the contract refresh procedure.

## **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 35 schemes completed to date and guidance, designs and costs have been issued for another 7 that are due to commence in 2023/2024 to assist Parish Council and Community Groups

Schemes this year have included various types of works, including the clearing of a Memorial Garden, painting a village hall, painting play parks 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 1 report can be found in Appendix B.

During Quarter 1 the highways service received a total of 10,030 Fix My Street submissions, 5346 Customer Service Centre (CSC) calls and 1354 CSC emails for the quarter. The CSC data does not contain figures for June due to a fault in their reporting system.

The Customer Relations Team received a total of 233 contacts within quarter 1 of 2023, from individuals wishing to give feedback, report issues or complain about the Highways Service.

Of these 233 contacts 146 entered the formal complaints process, accounting for 63% of these contacts, with the remainder being resolved informally in early resolution. Of the 146

cases, 32 were partially upheld or fully upheld, this equates to 22% 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. It also remains positive that even with a slight upturn of complaints there has been no increase in complaints being upheld and partially upheld.

**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 1 has seen a slight drop in 4 of the 5 main contract reporting areas due to tougher measures and some specific areas of the service that are being addressed. 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 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 funding position for 2023/24 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. Funding beyond April 2024 remains a concern as a large proportion of funding has been received on a one-year basis. The service will continue to monitor future budgets in relation to the buying power of the Highway Service and will continue to lobby the Department for Transport via regional bodies in relation to this.

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 April 2023 – 30 June 2023) Quarter 1
Appendix B	Highways Complaints Quarter 1 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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