

Open Report on behalf of Paul Coathup, Assistant Director for Highways and Transportation

Report to:	Highways and Transport Scrutiny Committee
Date:	14 July 2014
Subject:	Lincolnshire Highways Alliance Update Report - July 2014

Summary:

This report presents an update on progress with the Lincolnshire Highways Alliance, an Alliance between the County Council, Imtech, Mouchel and Kier. The Alliance delivers the majority of highway services through the Traffic Signals Term Contract, the Professional Services Contract and the Highway Works Term Contract.

The Lincolnshire Highway Alliance is now entering the fifth year of a potential contractual duration of ten years.

Independent comparison of our services confirm that the Alliance continues to deliver class leading, cost effective, high quality highway services with improvement areas identified and work underway to deliver that further efficiency and improvement.

Actions Required:

Members of the Highways and Transport Scrutiny Committee are invited to consider and comment on the report.

1. Background

Introduction

1.1 The Lincolnshire Highways Alliance is an Alliance between the County Council, Imtech, Mouchel and Kier. The Alliance delivers the majority of highway services through the Traffic Signals Term Contract, the Professional Services Contract and the Highway Works Term Contract which all started on 1 April 2010.

1.2 The Alliance contracts are entering year 5 of a potential 10 year term. The commissioning exercise was an early example of the Council's emerging

commissioning model which followed the analyse, plan, do, review commissioning cycle. The appropriate allocation of risk, the use of target cost pricing and open book accounting resulted in an initial reduction in cost of 18% over the previous delivery model for highway works. This equates to a saving of around £9million per annum or £90million over the potential 10 year term.

Performance

- 1.3 The quarterly performance report is reported through the Alliance management structure, with performance issues becoming the subject of an improvement action plan. A copy of the Lincolnshire Highways Alliance Performance Report for Year 4 Quarter 4 can be found as Appendix A. This covers the period of January to March 2014 and demonstrates improving scores for the Alliance in most areas.
- 1.4 Overall performance for the Highway Works Term Contract has increased to 82, for the Professional Services Contract to 80.3 and for the Traffic Signals Term Contract to 99. Client performance has reduced slightly to 84 but the overall Alliance score has increased to 74.
- 1.5 As a result of the increasing performance across the Alliance, a contract extension has been offered to all partners to extend the three contracts which form part of the Alliance until 31 March 2017.
- 1.6 There is continued internal review of the Alliance with a further internal audit, focussing this time on the Traffic Signals Term Contract and ongoing work with the Council's Performance Group to develop the Highways Performance Dashboard.
- 1.7 There are further external reviews of the Alliance, with specific work ongoing through the Midland Highways Alliance, a Highways Maintenance Efficiency Plan Peer Review planned for October 2014 and further work with Cranfield University to follow up the Strategic Value for Money Assessment. We also continue to work with Leeds University to refine and develop the frontier benchmarking of highways services. All of this work, when completed, will be the subject of further report to this committee.

Traffic Signals Term Contract

- 1.8 The installation of Phase 1 of an innovative new traffic signal system has been completed at the junction of Dixon Street and Boultham Park Lane in Lincoln. This uses "smart" technology to enable the development of a traditional traffic controller which will reduce the cost of the overall scheme, remove the need for extensive cable and ducting infrastructure and therefore minimise congestion and disruption for road users.
- 1.9 The Remote Lamp Control System (RLCS) is a new development for the long-established PTC-1 traffic controller. This moves elements of the traditional traffic controller from a separate cabinet into some of the signal

heads. This has reduced on-street cabling and related infrastructure work with a resulting reduction in traffic management, civil engineering and cable works. It is expected that this will result in a typical saving of 30% over a traditional signal installation

Highway Works Term Contract

- 1.10 Our efforts to improve on our disposal of tar bound materials continue with the lack of suitable Environment Agency permitted sites and the rise in cost from £40/tonne to £120/tonne. Total financial risk to the Alliance would be approximately £800k per annum. Actions taken so far include the control of our own waste sites and to stockpile materials at three strategic sites: Barrowby, Claxby and Great Steeping. It is expected that this stockpiled material will be used to produce new foambase road surfacing material and for use in our retread/recycling sites where additional material is required.
- 1.11 The annual budget for gully and other drainage cleansing is approximately £1.6m. This year, we are planning to carry out 1 cyclic clean for gullies and catchpits, with further targeted cleansing driven by the data that we now capture through a GPS facility on our equipment. A full year of data has now been received from this system, which allows for the enhanced recording of silt levels, blockages and other drainage information. This change to our operation is forecast to reduce expenditure by £360k and further information gathering will allow for improved targeting with greater confidence. All of this data is now captured within our Asset Management system Confirm, which will also allow for the automated issue of works orders to rectify faults and for payment to be made against electronic return.
- 1.12 A successful trial of Digi-Pens has been carried out with two Area Maintenance Teams (AMT). This allows automatic, electronic details of the work completed by gangs to be sent to client officers. Roll-out of the Digi-Pens to all AMT gangs will start in August 2014, with the remaining gangs to follow shortly after.
- 1.13 Street Lighting – the asset inventory increased by 600 lighting units in the year but we have achieved a 640,000 Kwh reduction in energy consumption. Kier have reviewed their delivery structure and reduced their operational staff from 24 to 15. This has reduced costs with no reduction in performance.
- 1.14 Work continues on the introduction of the Primavera programming system, which will co-ordinate the programming of all highway schemes, not just Alliance work, from conception through the design phase to construction. This will allow a clearer understanding of the impact on other programmed works, which results from sudden changes to priority. Links to www.roadworks.org will provide up to date information on the latest proposed scheme delivery dates.
- 1.15 The Department for Transport has recently announced the award of £5.43million additional grant to the Council from its £168million Pothole Fund. The award is greater than we would have received had the money

been distributed using the usual funding formula and reflects the strength of the Council's bid. Our ability to demonstrate the efficiency of our contract delivery mechanism, our adoption of a robust asset management based approach to maintenance and our early adoption of a wide range of other efficiency measures all contributed to the strength of the bid.

The grant will be used to accelerate our existing programmes of preventative maintenance and the first time fix of potholes. Typical work programmes will include patching, haunching, resurfacing, surface dressing and recycling.

Professional Services Contract

- 1.16 The Technical Services Partnership continues to be engaged in the design of our major schemes, other internal and external design of schemes, traffic modelling and other consultancy work.
- 1.17 A number of major schemes are now progressing towards the construction phase with Lincoln Eastern By-pass, East-West Link and Canwick Hill, all proposed to start this year.
- 1.18 Lincoln Eastern Bypass is currently out to tender and East/West Link has recently had relevant orders confirmed by the DfT. The design of Phase 1 of Spalding Western Relief Road is now completed and the detail design of Grantham Southern Relief Road is progressing well.

2. Conclusion

- 2.1 Highway Services, delivered by the Lincolnshire Highways Alliance, are of a high standard with an improving trend since the start of the Alliance. The performance culture developed within the Alliance is a consistent driver for improvement in very challenging times for local government services. Independent comparison confirms that the Alliance continues to deliver some of the most cost effective, high quality highway services in the sector. Improvement areas are identified with work underway to deliver further efficiency and improvement.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire Highways Alliance Performance Report Year 4 Quarter 4: January to March 2014

5. 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 Paul Rusted, who can be contacted on 01522 553071 or paul.rusted@lincolnshire.gov.uk.