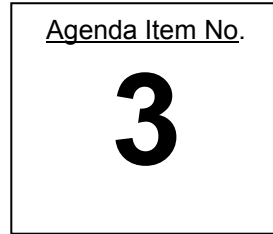


HERTFORDSHIRE COUNTY COUNCIL

**HIGHWAY CABINET PANEL
9 MAY 2018 AT 2.00PM**



HIGHWAY LOCALITY BUDGET DELIVERY 2017/18

Report of the Chief Executive

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Executive Member:- Ralph Sangster, Highways

1. Purpose of report

1.1 This report is provided in response to the following motion raised at March 2018 full Council by CC S K Jarvis, which was referred to this panel for consideration;

“This Council requests the Highways Cabinet Panel to review the delivery of 2017/18 Highway Locality Budget projects compared with their planned dates.”

2. Summary

2.1 For 2017/18 a total budget of £7,249,669 was allocated to 1,189 schemes. The budget was made up of the following:

- £6,957,273 Highway Locality Budget (HLB) (1,124 schemes).
- £42,012 third-party funding (to part fund 17 of the 1,124 HLB) schemes.
- £250,384 third-party funding (to fully fund 65 schemes).

- 2.2 Of the 1,189 schemes requested for 2017/18;
- 399 schemes at a value of £5,021k were allocated for delivery through the Local Roads Maintenance Team (LRMT) via the framework contracts. Of these 390 were completed and the compliance with the programmed date as communicated to members was in the performing zone ($\geq 85\%$) for 10 out of the 12 months.
 - The remaining 790 schemes at a value of £2,228k were determined and ordered 'in-year', predominately (by value) for delivery by Ringway through their existing work programmes, as well as the Whole Client Service (WCS) teams and 'Others' such as District or Parish Councils. 'Delivery to Programme' for this element of the HLB programme is only monitored for those schemes placed with Ringway for delivery through their depot construction programmes. This amounted to 264 of the 292 schemes placed with Ringway and the compliance with the programmed date as communicated to members was in the performing zone ($\geq 85\%$) for 7 out of the 8 months in which delivery occurred.
- 2.3 At the end of the 2017/18 Financial Year the delivery status was as follows:
- Ordered and completed = 1,031 number (87%) / £6,549k value (90%).
 - Ordered and started but not finished = 74 number (6%) / £371k (5%).
 - Ordered and due to start after 31st March 2018 = 39 number (3%) / £218k (3%).
 - Not ordered = 45 number (4%) / £112k (2%).

3 Recommendations

That the panel:

- 3.1 Notes the contents of this report and that £6,548,935 (90% by value) of all projects, funded using both HLB and third-party funding, were completed by the end of the 2017/18 financial year.
- 3.2 Notes the success derived from the existing HLB decision making milestones and endorses their continued use; namely that Capital funding is determined prior to the start of the financial year, and that in-year all but £3,000 Revenue funding is ordered with suppliers by the end of September (including deciding all Permanent Traffic Regulation Orders (PTROs) for full delivery by 30 June) and the entire budget by mid-December.
- 3.3 Endorses the principle that the existing HLB decision making milestones are the 'latest' dates and earlier decisions are preferable to provide the best opportunity to direct available resources to complete the HLB programme within year.
- 3.4 Notes that utilising the LRMT Framework delivery route offers the most effective route for delivering highway structural maintenance and consequently then also enables full attention to be given in-year towards determining the Revenue funded programme.
- 3.5 Endorses the introduction of a new protocol to manage the receipt and delivery of third-party funded projects, namely;
 - Any third-party contribution to either partially or fully fund a project needs to be received in time such that the ordering process can be completed by the end of December in the financial year of delivery.
- 3.6 Endorses the introduction of a new protocol to manage schemes requested after the December ordering deadline, namely;
 - All projects requested after the December ordering deadline shall be treated as exceptions, with ordering only taking place once approval has been received from both WCS Head of Profession for Member & Community Engagement and Ringway's Operations Manager.
- 3.7 Endorses the conclusions reached at paragraphs 9.4 and 9.5 relating to WCS PTRO, traffic study and design schemes and that the default for PTRO schemes requested after 30 June will be to plan and budget for development in year 1 and implementation (if required) in year 2.
- 3.8 Notes that the installation of Speed Indicator Devices (SIDs) will be procured differently in 2018/19 and endorses that a new 'compliance to programme' KPI be applied to this programme if it is comparable in terms of scale and scope to that of 2017/18.

4. Background

- 4.1 For 2017/18 HLB funding was allocated to accommodate the County Council Elections and to support the transition from 77 to 78 Electoral Divisions, thus 77 x £62,727 Capital funding prior to the elections and 78 x £27,273 Revenue funding post elections made up the entire yearly HLB budget of £6,957,273. This was allocated to 1,124 HLB schemes.
- 4.2 An additional £42,012 of third-party funding was received to part fund 17 of the 1,124 HLB schemes. The funding was sourced as follows:
- £12,153 Member's Locality Budget.
 - £9,895 from Parish Councils.
 - £5,580 from s106 developer contributions.
 - £1,635 from the Police & Crime Commissioner.
 - £12,200 from Hertfordshire County Council's core IWP budget.
 - £549 from a resident's group.
- 4.3 A further £250,384 of third-party funding was received to fully fund 65 schemes using the HLB works ordering processes. The funding was sourced as follows:
- £21,083 Member's Locality Budget.
 - £15,221 from Parish Councils.
 - £45,655 from s106 developer contributions.
 - £167,995 from the Police & Crime Commissioner.
 - £430 from a church.
- 4.4 HLB has four main delivery routes as follows:
- 'HCC Local Roads Maintenance Team' is the delivery route for structural highway maintenance via the Framework Contracts. For 2017/18 Eurovia undertook carriageway plane & inlay resurfacing and drainage schemes, Kiely Bros carriageway surface dressing and carriageway/footway micro-surfacing and Ringway footway reconstruction (Kiely Bros in Dacorum Borough). A 'Compliance with Programme' performance indicator exists to govern this programme of work.
 - 'Ringway' is the delivery route for highway improvement and maintenance schemes by the council's Highways Term Contractor alongside its delivery of the Core funded services. 'Delivery Route 1' work is akin to Cat 2 type works and 'Complex' to Cat 4 where design work was required. A 'Compliance with Programme' performance indicator exists to govern the Delivery Route 1 programme of work.
 - 'HCC Whole Client Service' is work of a design and / or consultation nature undertaken by Assistant Highways

Managers (AHMs) or embedded design staff from Opus Arup. The majority of this work is traffic surveys, traffic studies, speed indicator device (SID) procurement and PTRO based schemes. A 'Compliance with Programme' performance indicator currently does not exist for this programme of work. This is because historically this programme has mainly consisted of PTRO projects which, due to their complexities and tendency to emerge throughout the year, do not lend themselves to being managed via a 'compliance to programme' performance indicator. Instead greater reliance is placed upon updating members on progress via the monthly HLB bulletins and dialogue with their nominated AHM.

- 'Others' is the delivery of highway improvement and maintenance schemes by partners approved to work on the highway, including District, Borough, Town and Parish Councils, HCC Integrated Transport Project Team and HCC Rights of Way Team. A 'Compliance with Programme' performance indicator is not applied to this programme of work as delivery for the vast majority of it lies outside the control of the WCS.

4.5 The resulting total budget of £7,249,669 was allocated as follows:

Delivery Route	Work Type	Number of Schemes	Value of Schemes
HCC Local Roads Maintenance Team	Carriageway, footway and drainage maintenance schemes	399	£5,021,264
Ringway	Highway maintenance and improvement schemes	337*	£1,003,219
HCC Whole Client Service	Traffic Surveys	64	£32,612
	Permanent Traffic Regulation Orders	56	£276,743
	Other design work	24	£111,806
	New SIDs and Sockets, relocations etc	160	£474,240
	Contributions to TTRO costs	77	£38,500
Others - District, Borough, Town and Parish Councils etc	Highway maintenance and improvement schemes	65	£264,091
Others - miscellaneous	Contributions to ITP schemes	2	£7,000
	Contributions to RoW schemes	4	£19,818
	Not allocated	1	£376
Totals		1,189	£7,249,669

* NB 45 schemes allocated to Ringway were not ordered.

5. Review

- 5.1 HLB allocations to schemes are made with the intention to complete the schemes within the Financial Year and members receive monthly bulletins issued by their AHM to advise on progress. Changes in programme dates will be communicated to members via the bulletins, with AHMs being able to answer any member concerns over timely delivery.
- 5.2 The Local Roads Maintenance Team and Ringway, the two largest delivery routes for HLB, have KPIs that measure compliance to programme. The KPIs for 2017/18 are shown in 5.5 and 5.7 respectively below. Otherwise, the ultimate test of delivery versus planned dates is completion within the Financial Year, with members being kept up to date on current status as the project progresses.

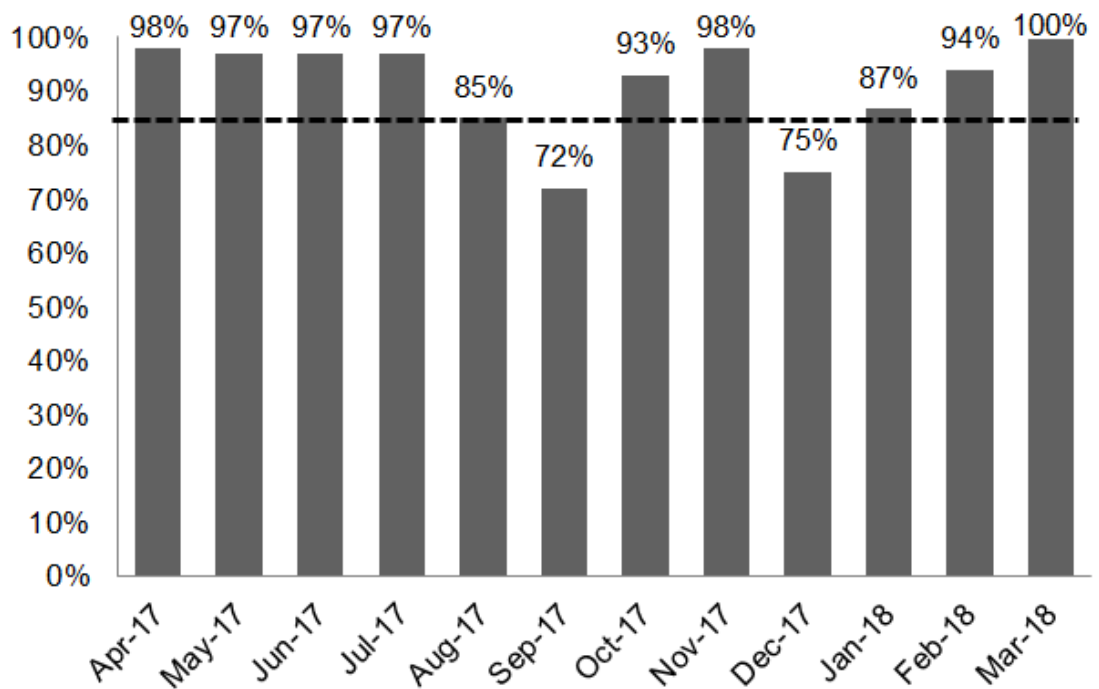
5.3 At 31 March 2018 the status of the HLB and third-party funded programme of schemes for 2017-18 was as shown in the following table:

Delivery Route	Work Type	Number of Schemes (Value of Schemes)			
		Completed in-year	Started but not finished	Due to start after 31st March	Not ordered
HCC Local Roads Maintenance Team	Carriageway, footway and drainage maintenance schemes	390 of 399 [98%] (£4,933,866)	0	9 (£87,398)	0
Ringway	Highway maintenance and improvement schemes	270 of 292 [92%] (£780,723)	9 (£37,330)	13 (£73,437)	45* (£111,729)
HCC Whole Client Service	Traffic Surveys	61 of 64 [95%] (£28,894)	0	3 (£3,718)	0
	Permanent Traffic Regulation Orders	6 of 56 [11%] (£26,199)	49 (£246,144)	1 (£4,400)	0
	Other design work	7 of 24 [29%] (£25,117)	15 (£78,214)	2 (£8,475)	0
	New SIDs and Sockets, relocations etc	150 of 160 [94%] (£445,685)	0	10 (£28,555)	0
	Contributions to TTRO costs	77 of 77 [100%] (£38,500)	0	0	0
Others - District, Borough, Town and Parish Councils etc	Highway maintenance and improvement schemes	63 of 65 [97%] (£242,757)	1 (£9,801)	1 (£11,533)	0
Others - miscellaneous	Contributions to ITP schemes	2 of 2 [100%] (£7,000)	0	0	0
	Contributions to RoW schemes	4 of 4 [100%] (£19,818)	0	0	0
	Not allocated	1 of 1 [N/A] (£376)	0	0	0
Totals		1,031 (£6,548,935)	74 (£371,489)	39 (£217,516)	45 (£111,729)

* The 292 schemes ordered in total exclude the 45 not ordered from Ringway.

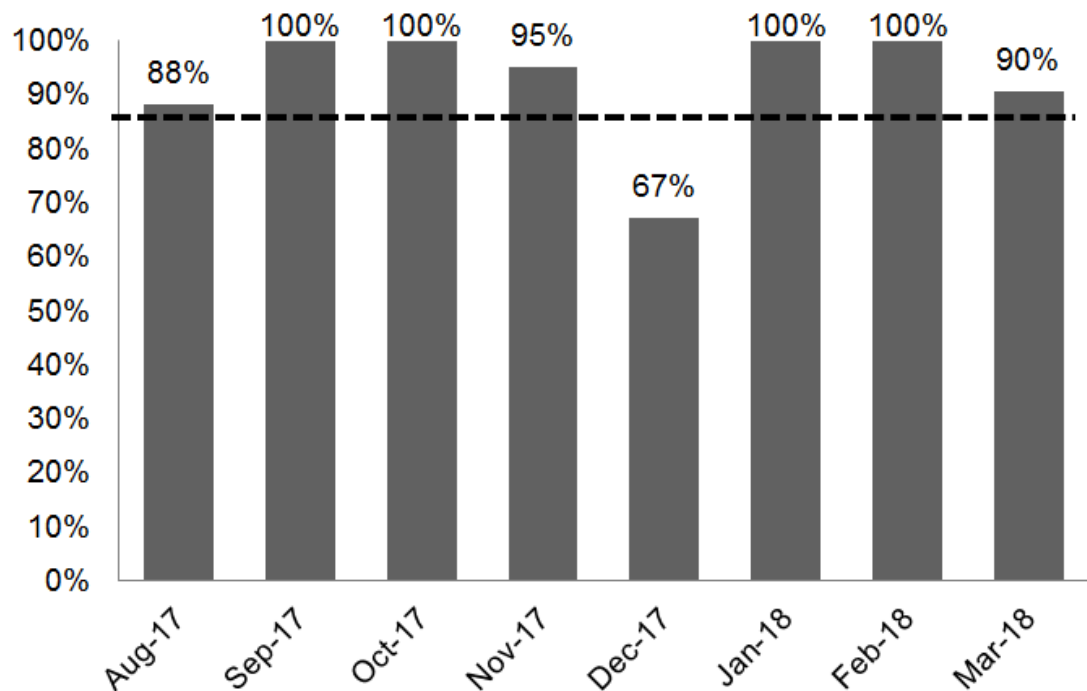
5.4 The status of 'completed in-year' refers to a scheme reaching the stage as agreed with the member and commensurate with the sum of HLB funding allocated to it. In most cases this means fully completed but in the case of PTROs for example this could mean to a certain stage e.g. to complete the first informal consultation.

5.5 The Local Roads Maintenance Team KPI measures the actual start date of works on site compared to the date programmed by the contractor, the latter being used to inform the members. The monthly KPI scores are as follows:



5.6 The agreed performing measure is $\geq 85\%$. Ten of the twelve months were at or above the performing benchmark.

5.7 The Ringway KPI was introduced for 2017/18 and measures the actual start date of works on site compared to the date advised to members on the monthly HLB bulletins, or as communicated separately if the date on the bulletin is changed. The monthly KPI scores are as follows:



5.8 The agreed performing measure is $\geq 85\%$. Seven of the eight months were at or above the performing benchmark, with the drop in performance in December being down to a misunderstanding between Ringway and WCS officers as to who was going to inform local members of the programme changes.

6. Findings

6.1 The LRMT achieved a completion rate of 98% (390/399) and a compliance with programme score residing within the performing zone for 10 out of 12 months. This depicts a service that is functioning well and demonstrates the benefit of early decision making, for a programme which represents 68% (by value) of the entire HLB programme.

6.2 The Ringway delivery route achieved a completion rate of 92% (270/292) and a compliance with programme score (for the 264 Delivery Route 1 schemes) residing within the performing zone for 7 out of 8 months in which delivery occurred. This depicts a service that is functioning well, particularly given that much of the programme only emerges in the second half of the year and hence delivery is susceptible to adverse weather events and competing resources needed for winter service duties and other reactive service priorities.

- 6.3 Of the 22 ordered but not completed by Ringway:
- 4 were Complex schemes requiring design work.
 - 18 were Delivery Route 1 schemes akin to Cat2 work.
- 6.4 While this delivery route is functioning well, the following two areas are noted:
- Complex schemes by definition require more detailed design work and are more likely to require PTROs to facilitate the scheme. In some instances, delivery of these schemes may be better suited over two years to provide sufficient time for full delivery.
 - Delivery Route 1 jobs, whilst less complex, are delivered in much higher numbers and require delivery as part of Ringway's delivery of other core funded work. Of the 18 schemes not completed in-year, the ordering process for 11 of these was not completed until after mid-January 2018. Realistically this means significant risk of non-delivery for these jobs existed from the outset, as Ringway had very little time and limited opportunity to resource delivery, taking into account all other service priorities that exist through the winter period.
- 6.5 Of the 80 schemes not completed by the HCC Whole Client Service:
- 50 were PTROs, 45 of which were funded to full completion e.g. restrictions implemented on the ground.
 - 15 were traffic studies.
 - 2 were schemes requiring design.
 - 3 were traffic surveys.
 - 10 were Speed Indicator Devices (SIDs).
- 6.6 The 50 incomplete PTROs represent 89% of all PTROs undertaken and therefore a significant under-delivery.
- 6.7 Part of a new PTRO process introduced for 2017/18 required schemes to be decided by 30 June to assure a high probability of delivery within year. Of the 45 PTROs funded for completion, 40 of these were quoted to members after the June milestone, with 30 of these as late as September. Realistically this means significant risk of non-delivery for many of these schemes existed from the outset.
- 6.8 The 17 incomplete traffic studies and scheme designs represents a notable under-delivery in this area, however quotations for 13 of these projects were only provided in the second half of the Financial Year.

- 6.9 Analysis of the WCS delivery stream shows the majority of the under delivery occurred in the East Herts and Broxbourne areas. Despite significant efforts from the AHMs in those teams, and the support of other resources, a design staff vacancy for the majority of the year left insufficient time to fully complete the volume of work taken on.
- 6.10 As a direct result of the incomplete delivery of the PTROs, traffic studies and scheme designs, 45 schemes due to be issued to Ringway (to implement the outcome of those studies) were not able to be ordered.
- 6.11 Traffic survey delivery resulted in 95% completed in-year. The 3 incomplete traffic surveys were quoted to members in December.
- 6.12 150 of the 160 (94%) SID schemes were completed in-year.
- 6.13 7 of the 10 SID schemes not completed in-year were decided from September onwards, meaning they were included in a SIDs 'mop-up' in the last quarter as additions to the main SID delivery programme for 2017/18.
- 6.14 Whilst the number of SID schemes completed in-year represents 94% of the entire SIDs programme, it is recognised that the delivery was prolonged and very fragmented, mainly due to the physical works requiring various works elements and involving works at many locations often needing more than one visit to complete.
- 6.15 The delivery of SIDs is due to be altered in 2018/19 to have more defined ordering windows to complement set delivery times. This in turn should result in more efficient planning of road space and obtaining the required Statutory Undertaker's plans, both of which are seen as key for effective delivery.
- 6.16 Schemes delivered by District, Borough, Town and Parish Councils etc resulted in a completion rate of 97%.
- 6.17 Of the £292k additional income received, £23.3k of this was received from December onwards.

7. Financial Impacts

- 7.1 There are no new financial impacts as a result of this paper's recommendations.

8. Equalities Impact

- 8.1 When considering proposals placed before members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.

- 8.2 Rigorous consideration will ensure the proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.

- 8.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to:

(a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

and

(c) foster good relations between persons who share a relevant, protected characteristic and persons who do not share it.

The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

- 8.4 No equalities implications have been identified in relation to this report.

9. Conclusions

- 9.1 HLB has a number of established delivery routes that deliver in excess of 90% in-year of all orders placed via those routes.

- 9.2 The LRMT delivered 98% of schemes in-year, with a high degree of programme reliability and to a value of 68% of the entire yearly budget (£4,934k of £7,249k). This demonstrates the effectiveness of the HLB decision making protocols that require decisions prior to the year of delivery.

- 9.3 The Ringway delivery route completed 92% of all work ordered in-year. Whilst this is a good result, it could be improved with closer attention to detail and collaboration between AHMs and Ringway counterparts in the run up to the December ordering deadline. That way any potential schemes selected between the September and mid-December deadline could be assessed first for deliverability and then whether the ordering process can be completed by the end of December, so the member can be advised accordingly before the scheme is 'committed' to. Any schemes requested after the December ordering deadline should then be treated as exceptions, with ordering only taking place once approval has been received from both WCS Head of Profession for Member & Community Engagement and Ringway's Operations Manager.
- 9.4 The programme management for PTRO schemes, traffic studies/design work is in need of improvement with completion rates at 11% and 29% respectively. Particularly for PTRO schemes, even schemes that on the face of it look straightforward, can often become time consuming and contentious once public engagement begins. This results in the necessary formal processes taking an extended amount of time to complete than perhaps first estimated, meaning there is then little to no opportunity to implement the scheme in the final quarter, at a time when both resources are stretched and adverse weather is likely.
- 9.5 Accordingly schemes of this nature requested after 30 June need a more realistic assessment at the outset of the work that can be completed in-year, with then only a commensurate sum of money being allocated to them from that year's budget. Often this will mean planning to develop and implement PTRO based schemes over a 2 year period, following the same principles that apply for Integrated Works Programme (IWP) schemes of a similar nature. Similarly any PTRO schemes committed to before 30 June also need to be closely tracked if implementation is expected and fully funded within the year, in order that expectations can be managed and funds diverted in good time, should that become necessary.
- 9.6 Delivery of SIDs remains very popular and eagerly anticipated. Whilst the completion rate was a respectable 94% improvements will be sought in 2018/19, to include consideration of a new Key Performance Indicator (KPI) to measure delivery performance against programme dates should the size of the SIDs programme be comparable to past years and therefore warrant the additional measure.
- 9.7 Delivery by Others completed in excess of 97% of schemes.

- 9.8 The success of HLB, demonstrated by the willingness of members and third-parties to provide additional income, also adds further complexity to the already challenging task of delivering a programme of schemes of this number and value. Consideration should be given to establishing a protocol to control third-party contributions e.g. additional income needs to align to the HLB end of September and mid-December decision milestones.
- 9.9 Finally, full completion of HLB schemes within a financial year is frequently challenging as they require numerous timely decisions. These decisions then need to be developed and in most cases delivered as physical works, requiring detailed planning, available road space and favourable weather conditions. Typically, timely decisions means the work will generally get done and in all cases will provide the best opportunity to do so.

Background information:

None.