

## **SCRUTINY OF THE INTEGRATED PLAN PROPOSALS 2016/17 – 2017/18**

### **PORTFOLIO: HIGHWAYS**

#### **INTRODUCTION**

The Highways Portfolio delivers safe, reliable journeys, sustainably through effective transport planning, network and development management and delivering programmes of highways improvements and maintenance.

The key pressures and challenges facing the department arise from, the pressure for growth and development, the contrast between the available levels of capital and revenue funding and the high expectations of our communities:

- As the economy improves and major national infrastructure projects get underway market forces are increasing the costs of our contracts and services, and making it increasingly difficult to recruit and retain staff. The service structure, levels of service and affordability are under review in order to forge a sustainable service for the future.
- The Highways Service had to consider 4,000 planning applications in 2013/14, but this is expected to rise to 6,900 in 2016/17 rising further as the economy continues to improve. Planning agreements enabling Hertfordshire County Council to fund some of the growth in staff requirement
- Following the award of £170 million from the Local Enterprise Partnership (LEP) for infrastructure, the department has a major challenge to progress delivery of a number of high profile infrastructure projects over the next three years including the A120 Little Hadham bypass and A602 improvements whilst enabling the development and delivery of projects such as Croxley Rail Link and A1(M) improvements.
- The adverse impact on traffic flow through current traffic growth, the 70-80,000 authorised highway activities per year undertaken by Hertfordshire County Council, Utilities together with the growing unauthorised activities is tempered by pro-active network management to keep traffic moving as efficiently as possible and providing multi-media real time information.
- Reducing the number of road traffic collisions remains a priority for the service. This is achieved through programmes of engineering, training, education and publicity activities. These programmes will be supported by the Road Safety Partnership – to be relaunched in 2016, in conjunction with the new Road Safety Fund which Hertfordshire County Council will be administering.

## KEY THEMES AND QUESTIONS

### STRATEGY AND CAPITAL INVESTMENT

#### How do the future service plan priorities contribute to the Corporate Priorities?

- **Opportunity to Thrive** – by providing for and encouraging sustainable transport and improving Travel Choice
- **Opportunity to Prosper** – by creating the conditions for economic growth through the delivery of critical highways infrastructure, maintaining the roads and keeping traffic moving through pro-active network management.
- **Opportunity to be Healthy and Safe** – by providing and maintaining pedestrian and cycle facilities, promoting and delivering Safer Routes to School initiatives and through delivery of casualty reduction initiatives. In addition, Transport Access and Safety (TAS) deliver road safety education and training, and develop safe routes to schools.
- **Opportunity to Take Part** – by promoting the localism agenda through the Highways Locality Budget scheme, initiatives such as Herts Together and through effective public consultation.

#### How are you managing your service to make it more efficient?

Value for money is optimised in the delivery of Highways Service by:

- Taking a risk based approach to service levels across all services
- Adopting strategic financial management
- Investing in programme planning and co-ordination
- Bulking like-activities into countywide work streams
- Removing inter-organisational boundaries within the Whole Client Service
- Streamlining the design process through the use of 'walk and build'
- Maintaining competitive tension between contractors
- Promoting the local member community leadership role and channel shift to enable reduced personal officer support to members and customers

#### How are you developing and delivering partnership approaches to make best use of the Hertfordshire pound and improve outcomes for our citizens?

- Partnership working has been effective for many years with the aim to deliver the best value for the Hertfordshire Pound.
- Some of the recent examples of this work include:
  - The 'Highways Together' schemes, which are aimed at enabling Town and Parish Councils to undertake non-statutory local maintenance (e.g.

to clean village signs), whilst making the best use of volunteers and other resources such as the probation service.

- Working with District Councils delivering initiatives ranging from major public realm improvements through to joint litter pick and verge maintenance activities
- Working on road safety through the Hertfordshire Road Safety Partnership. Increasing safety initiatives are also delivered with other Hertfordshire partners (e.g. Learn2Live with Fire & Rescue and Police) or with neighbouring local authorities.
- Road Safety has supported the tri-force Police collaboration, which has enabled the County Council's safety camera budget to be reduced by 60% (£400k) over the last three years without any reduction in service.

**How have you prioritised capital investment and what opportunities have you considered that might mitigate or reduce future capital and/or revenue costs?**

- Highways capital investment priorities are to:
  - Ensure that roads are maintained safe and operational through technically led programmes of planned and responsive interventions to meet statutory obligations.
  - Tackle congestion and provide travel choice in support of economic development and improved health through a programme of integrated transport schemes
  - Provide local discretion for all non-statutory maintenance service levels and minor improvements through the Highways Locality Budget scheme.
- Similarly, the capital invested LED lighting with Central Management System control project continues to be rolled out with the aim of saving ongoing maintenance costs as well as energy.

**Have you considered any other investment approaches to reduce future costs to the authority?**

- The capital budget strategy for Highways works is to reduce the reliance on County Council capital funding through seeking and deploying funding from alternative sources, such as Government Block allocations, special grants, (e.g. Local Sustainable Transport Fund), S106 and through partnership working with other organisations such as District Councils and Sustrans.
- The Highways service has been particularly successful in attracting Single Local Growth funding (SLGF) through its partnership with the Local Enterprise Partnership.
- Road Safety has moved much of its activity onto social media and digital marketing to reduce costs, increase reach to target audiences, and increase feedback on effectiveness.

## **ENGAGEMENT**

### **How have the proposals been informed by staff/public/partner/staff engagement?**

- The Highways Service delivers a mix of core and discretionary services. The Core Highway Service is determined by the county council's role as the Strategic Highway and Transport Authority, which has a legal responsibility for the highways network in terms of keeping the routes available and safe for the passage of the travelling public
- The Core Highways Service is plan led, derived from policies and standards agreed by Cabinet, enabling the county council to discharge its statutory duties.
- Highways draft policies and strategies are supported by market research and subjected to public consultation where appropriate.
- Operational strategy is shaped and driven by a business and service plan approach, in which 'communities' made up of a range of levels of staff from Hertfordshire County Council and its term contractor participate
- Road Safety activities are led by the Hertfordshire Road Safety Partnership which includes Environment, Fire & Rescue and Public Health from the County Council, and external bodies including the Police and Highways Agency. There is additional regional input through the Road Safety Practitioners Group and the East of England Directors of Environment and Transport Road Safety Group.
- Staff also participate in Quarterly Team Briefs led by the Senior Management Team and through monthly Group Meetings

### **How do your proposals support engagement with or delivery to local communities including the enhancement of the role and visibility of Members?**

- In line with the council's vision for localism, funding for non-core Highways service is devolved to individual county councillors in conjunction with their Highway Locality Officer to spend on local highway activity in consultation with their local communities. There is discretion within this budget to fund activities outside of the Cabinet approved plans and programmes.
- Most Road Safety and sustainable transport initiatives are delivered with or through the local school, such as school travel plans and Learn2Live. Local Members are informed of these processes and invited to participate. Road Safety has also enabled Local Members to support school crossing patrols using locality budgets.

**To what extent do your proposals encourage self-reliance e.g. volunteering, accessing services on line etc. enabling people and communities to help themselves?**

- The 'Highways Together' schemes are aimed at enabling Town and Parish Councils to undertake non-statutory local maintenance (e.g. to clean village signs), whilst making the best use of volunteers and other resources such as the probation service.
- The School Crossing Patrol service is encouraging the use of volunteer patrols.
- Road Safety and sustainable transport work with schools to deliver volunteer-led walking buses to primary schools.
- TAS works with community and voluntary groups to develop and support transport schemes in local areas, many of which are run by volunteers.
- Road Safety has been working with the Customer Service Centre to increase the number of clients booking on-line for driver training courses.

**PERFORMANCE, STANDARDS & TARGETS**

**What contribution are you making to the broader partnership working both within Hertfordshire County Council and outside?**

- The Highways Service works closely with the Environment Planning & Transport and Enterprise, Education & Skills portfolio with transport planning and implementation in support of growth and economic development

**What contribution is your service making towards the efficiency savings Hertfordshire County Council needs to make?**

- Income generated from Driver Training courses has increased by a predicted £340k during this year
- The Highways service model proposed in 2010, delivered an inter-linked mix of service efficiencies, changed services and service reductions.
- Compared to 2010, the Highways service is being delivered with
  - 87 fewer Hertfordshire County Council FTE's, which equates to 42% reduction
  - £10.1m equating to 26% reduction in revenue budgets for works and services (including budget increases for inflation, growth in network and the like)
  - £13.0m equating to 28% reduction in revenue budgets overall
- A further £516k savings, predominantly associated with income generation and energy savings are planned for 2016/17

**What is your services contribution to the IP cross-cutting themes and how are these impacting on your proposals?**

- *Enabling the Worker* – the service is actively promoting this programme.
- *Enabling the Citizen* – officers are engaging with those leading on the development of the Council's new website, a key element of this IP cross-cutting theme, in order to enable residents to access services more effectively online.

**How are you continuing to drive service improvement and how do you compare against the top performers in your area?**

- Comparisons for the Road Safety function are difficult due to differences in traffic volumes, population, and nature of the road network. Hertfordshire ranks 10th out of 35 shire counties for road casualties per vehicle kilometre, and the 21st best out of all 151 English highway authorities. Performance is joint second best in the East of England. Opportunities to further improve safety are reviewed through the national and regional groups of Road Safety Great Britain.
- The Highways Service asset management approach aims to provide long term sustainability and optimum value for money through:
  - Considering Whole Life Costing
  - Undertaking the right intervention at the right time
  - Moving from reactive to planned, permanent repairs
- Hertfordshire was one of the pioneers of Highways asset management within the UK, having recognised the benefits introduced elsewhere in the world. This has now become the preferred approach adopted by central government.
- The adoption of the County Council's 'Safe and Operational' Street Lighting policies including Part Night Lighting has enabled the county council to reduce its revenue budget from £9.2 million in 2010 to £5.2 million in 2015/16 despite energy cost increases, the introduction of carbon tax and inflation.
- Benchmarking services is challenging, given the different ways that highway authority's price, procure and account for their works and services.
- In the absence of any voluntary scheme, Hertfordshire County Council used a 'Freedom of Information' request in order to get truly comparable information. The approach placed the county council within the top quartile for VFM of the authorities that participated. However, none of the councils are willing to continue the benchmarking exercises.
- Hertfordshire County Council has continuously been successful in Department for Transport (DfT) 'efficiency' challenges and it augers well

that Hertfordshire County Council should receive the maximum amount in the latest DfT Maintenance Incentive Fund scheme.

## **SUSTAINABILITY, DELIVERABILITY & IMPLEMENTATION**

### **How is your service supporting economic growth and prosperity?**

- The highways service supports economic prosperity by optimising journey times through pro-active traffic management, effective transport planning and development management and the delivery of highways and transport improvements.
- In particular, it is supporting the delivery of Hertfordshire's Strategic Economic Plan (SEP) through a series of capital projects, including major projects such as Croxley Rail Link, A120 Little Hadham By-pass and A602 Stevenage to Ware improvements. It is also co-ordinating the consortium working with the Highways Agency to promote improvements to the A1(M).
- The service works to reduce collisions and delays on the highway network, and thus reduce the economic costs of congestion, which in 2013 was estimated at £30 million.

### **What effect is the change in the economy and society having on your services? e.g. levels of demand, inflation, charging income etc. and how are these impacts being managed or mitigated?**

- In 2016 there remains an austerity agenda to control public spending, which is expected to continue to press revenue budgets into the foreseeable future.
- However, the government has committed to investing in infrastructure as a key supporter of its growth agenda, which has led to increased capital budgets for the service and a national upturn in construction.
- As the economy improves and major national infrastructure projects get underway market forces are increasing the costs of contracts and services, and making it increasingly difficult to recruit and retain staff.
- The service structure, levels of service and affordability are under review in order to forge a sustainable service for the future
- Representatives from the Civil Engineering Contractor's Association have indicated that construction inflation is currently 6% to 10% p.a. across the country.
- A comparison of Hertfordshire County Council's prices obtained by competitive tender for framework contracts for works delivered in 2014/15 compared to similar works in 2015/16 indicates their prices have increased by around 12% *over the year*.

- Rising development levels are creating an increased demand for planning advisory services, at present these are being managed through a prioritisation process. Workload impacts are being managed with robust prioritisation and increased fees / income is helping to quench some of the pressures.

**What are the major risks to delivery of your proposals and how are you proposing to manage these? e.g. capacity, time, budget in regard to these proposals.**

- Road Safety could be significantly affected if the county council were to lose the driver diversionary course contract with Hertfordshire Police. This work currently generates £770k net income which helps to fund other road safety activity.
- The major risks to the Highways service delivery are:
  - The impacts of climate change, which can potentially lead to roads melting, freezing and flooding all within one year.
  - The state of flux within the S106 and CIL regimes, leading to uncertain future funding availability
  - Local construction inflation impacting on the sustainability of the Highways Service Term Contract
  - Staff shortages due to the buoyant construction industry and the influence of London
- Mitigating in-year weather events tend to require a re-programming of works and a fresh casting of the budget
- The service structure, levels of service and affordability are under review in order to deliver a sustainable service for the future
- However, if the market remains in 'white heat' this approach may not be sufficient

**What is the basis of your demographic predictions? What effect is demographic change having on your service? How flexible is your budget to demographic changes?**

- The County Travel Survey, transport planning and pre-application development management help provide robust demographic predictions
- The main demographic changes are associated with traffic growth, changes in travel patterns and modes and the construction of new roads
- Budgetary provision is made to fund the maintenance of increased road lengths and capital budgets support the introduction of sustainable transport schemes and Intelligent Transport Systems