

CITY OF PLYMOUTH

Subject: Growth & Prosperity Scrutiny – Review of Highways Maintenance
Committee: Cabinet
Date: 29 March 2011
Cabinet Member: Councillor Wigens
CMT Member: Director for Development and Regeneration
Author: Ian Ellis (Assistant Network Manager) Transport and Highways
Contact: Tel: 01752 304223
e-mail: ian.ellis@plymouth.gov.uk
Ref: IE/03/11
Key Decision: N
Part: Part I

Executive Summary:

Following on from the Growth & Prosperity Scrutiny Panel's Review of Highways Maintenance in November/December 2010, a report was submitted to Cabinet on the 19th January 2011 recommending that further work be undertaken by officers to identify what, if any, of the Scrutiny recommendations would be appropriate to take forward. This report details the actions taken since that report. The recommendations and progress to date are as follows:

- 1) *that the Transport and Highways Partnership review service levels in relation to highways maintenance to improve value for money.*

A review of the contract service levels is currently underway. Based on the work undertaken so far, it is likely that the existing service levels will be revised such that, for 2011/12 at least, response times for attending and repairing defects will increase whilst highway safety inspections, the main method for highlighting highway defects, will become less frequent. It is proposed to adopt revised levels of service early in the next financial year subject to review by the council's Risk and Insurance team.

- 2) *that highways maintenance be assured of greater emphasis within the transport and highways capital programme alongside new works, but not at the expense of other areas of prioritised work;*

Local Transport Plan (LTP) capital expenditure on highway maintenance for 2011/12 is to be increased by 22% on the 2010/11 programme to £2.720m, of which £1.780m has been allocated to carriageway resurfacing and reconstruction. This compares to £1.270m for resurfacing and reconstruction in 2010/11.

- 3) *that an Invest to Save Bid be submitted by officers to successfully secure additional capital funding;*

An Invest to Save Bid, based on reducing footway defects, is currently being considered and, subject to developing a viable business case, is likely to be submitted by the end of April 2011. It is the hope that by making positive in-roads in to the footway maintenance back-log, the council's insurance premiums, and by extension, the Transport and Highways' insurance contributions may be significantly reduced over time. This would enable footway revenue expenditure to be diverted into carriageway repairs.

- 4) *that despite the current difficult economic climate and the budget position of the authority, the council should consider giving a higher priority to highway maintenance needs over and above other priorities included in the Council's Capital Programme;*

Currently the Council's Capital Programme is fully committed but the Highways team will continue to work with the Capital Delivery Board to seek additional funding in particular from external funders. However, the Department for Transport has recently announced additional revenue funding in the region of £0.180m.

- 5) *that the Council's Insurance Reserve be reviewed to identify whether an element could be diverted to planned preventative term maintenance instead;*

Following a review of the council's insurance reserve, it is clear that year-on-year increases in the highway contributions to the insurance reserves are due largely to the council's rising exposure to risk from highway related insurance claims. These contributions are unlikely to decrease without first reducing this risk. This may be achieved through the Invest to Save route.

Corporate Plan 2011 – 2014 as amended by the four new priorities for the City and Council:

Providing a safe and well-maintained road network contributes to the economic well being of the City in support of the Growth priority.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Whilst there are no immediate implications for the Medium Term Financial Plan, Transport and Highways will continue to look for opportunities to divert funding from within its own capital and revenue budgets for highways maintenance. Further bids to the Capital Delivery Board, including Invest to Save bids, will also be considered.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

Plymouth City Council's defence against insurance claims relies largely on its ability to demonstrate performance against its prescribed service levels for highway maintenance. Consequently, the review of service levels will be undertaken in consultation with the council's Risk and Insurance team to ensure that a defensible position can be maintained.

Recommendations & Reasons for recommended action:

It is recommended that Cabinet note the progress made on the Scrutiny Panel's recommendations.

Alternative options considered and reasons for recommended action:

No action – The Task and Finish group's review of highway maintenance followed significant public interest in the condition of the City's road network. The review considered maintenance techniques, budgets and risk, and the subsequent recommendations are considered both positive and constructive. Consequently, it is likely that by taking no action the condition of the road network

would deteriorate at a faster rate, thereby increasing the council's exposure to risk, storing a greater maintenance problem for future years, and fostering negative public perception.

Background papers:

Cabinet Report dated 18th January 2011 - Growth & Prosperity Scrutiny – Review of Highways Maintenance

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert initials of Finance and Legal reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin DEVF 10110 065		Leg 1125 1/RW		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member											

1.0 Introduction

- 1.1 Following on from the Growth & Prosperity Scrutiny Panel's Review of Highways Maintenance in November/December 2010, a report was submitted to Cabinet on the 19th January 2011 recommending that further work be undertaken by officers to identify what, if any, of the Scrutiny recommendations would be appropriate to take forward. This report details the actions taken since that report.

2.0 Review of Service Levels

- 2.1 One of the findings of the highways maintenance Task and Finish group was that severe weather conditions had deteriorated the condition of the road network and that this had been exacerbated by a reduction in revenue maintenance spending in 2009/2010.
- 2.2 The consequential increase in the number of highways defects, predominantly pot holes, throughout 2010/11 has made the contract service levels largely unachievable and unaffordable. This has increased the risk of successful insurance claims against the council as the defects are less likely to be attended and repaired within an acceptable timescale. Additionally, given the increased number of defects, the additional resources required to meet the existing service levels is likely to increase the cost of the services.
- 2.3 As part of the development of the Annual Plan for 2011/12 (a key document detailing the services to be provided by Amey), a review of the contract service levels is currently underway. Based on the work undertaken so far, it is likely that the existing service levels will be revised such that, for 2011/12 at least, response times for attending and repairing defects will increase whilst highway safety inspections, the main method for highlighting highway defects, will become less frequent.
- 2.4 Whilst this represents a general lowering of services, it does provide an opportunity to make a positive impact on the backlog of highway defects: by reducing the rate at which defects are reported, more efficient working practices can be adopted to reduce the number of temporary repairs (which often require more than one visit) and therefore to provide more first-time permanent solutions. Clearly, this represents better value for money.
- 2.5 It is proposed to adopt revised levels of service early in the next financial year however, since Plymouth City Council's defence against insurance claims relies largely on its ability to demonstrate performance against its prescribed service levels for highway maintenance, the council's Risk and Insurance team are being consulted first to ensure that a defensible position can be maintained.
- 2.6 In terms of the Highways Services Contract, Amey's performance is currently measured against the existing levels of service. Any changes to these will require revised contract performance indicators and a formal contract change, both of which may be managed through the partnership's governance structure, i.e. the Operations Board and the Strategic Partnering Board.

3.0 Assuring Greater Emphasis of Highways Maintenance

- 3.1 In view of the deteriorating condition of the highway network, Local Transport Plan (LTP) capital expenditure on highway maintenance for 2011/12 is to be increased by 22% on the 2010/11 programme to £2.720m, of which £1.780m has been allocated to carriageway resurfacing and reconstruction - see Table 4.1, below. This compares to £1.270m for resurfacing and reconstruction in 2010/11. Consequently, whilst the overall LTP capital budget for Transport and Highways has decreased, the percentage of proposed capitalised

maintenance expenditure represents 64% of the overall transport capital programme for 2011/12.

- 3.2 The £1.780m proposed for 2011/12 will be used to undertake a programme of carriageway resurfacing and reconstruction works on a prioritised list of roads. The aim of this programme is to target sites where structural failure or significant deterioration has occurred in order to restore long-term pavement life. These works will begin in April 2011, following on from resurfacing works currently underway. Further works will be prioritised and carried out throughout the year.

Highway Engineering	£1.820m
Carriageway resurfacing/reconstruction	£1.780m
Safety barrier improvements	£0.040m
Structures Maintenance	£0.850m
Street Lighting Replacement	£0.050m
Total Capitalised Maintenance Funding 2011/12	£2.720m

Table 4.1 – Capitalised Maintenance Funding 2011/12

- 3.3 The Department for Transport (DfT) has recognised the effect of the recent harsh winters on the country's roads in general and, as with last year, has announced a further £100m grant to Highways Authorities for carriageway repairs. Whilst the authority is yet to receive confirmation of its allocation, it is reasonable to assume that the figure will be similar to that allocated in 2010/11, i.e. circa £0.180m. This is in addition to the capitalised maintenance expenditure detailed in Table 4.1.
- 3.4 A considerable back-log of temporary carriageway repairs has built up over the past two years, predominantly to potholes and other carriageway defects, and this situation needs to be addressed as a matter of urgency. Consequently, a programme of carriageway patching works will be started in April 2011, with a view to significantly reducing the temporary repair back- log. Initially, this will last for approximately three months and will be supported by the additional DfT funding as revenue expenditure.
- 3.5 The approach used for the proposed programme of patching works will be based on a recent trial undertaken in Mount Gould, whereby a repair gang undertook large patching repairs prior to the area's scheduled Safety Inspection. The objective of the trial was to reduce the number of defects raised by the Safety Inspection thus reducing the resources required to make temporary repairs.
- 4.0 Invest to Save Bid**
- 4.1 An Invest to Save Bid, based on reducing footway defects, is currently being considered and, subject to developing a viable business case, is likely to be submitted by the end of April 2011.
- 4.2 Whilst concentrating on footway defects may appear counter-intuitive given the well-publicised 'pothole' problem, insurance statistics clearly indicate that 75%, by value, of settled highways insurance claims since December 2008 arose from footway defects. Furthermore, footway defects represent more than half of all highway insurance claims.

4.3 It is the hope that by making positive in-roads in to the footway maintenance back-log, the council's insurance premiums, and by extension, the Transport and Highways' insurance contributions may be significantly reduced over time. This would enable footway revenue expenditure to be diverted into carriageway repairs.

5.0 Review of the Council's Insurance Reserve

5.1 The highway maintenance budget contribution to the insurance reserve for 2011/12 has been set at £0.843m, and can be seen in context of previous years' contributions in Table 6.1, below.

Financial Year	Highway Contribution
2007/08	£0.510m
2008/09	£0.610m
2009/10	£0.641m
2010/11	£0.691m
2011/12	£0.843m

Table 6.1 – Highway maintenance insurance contribution

5.2 The significant increases are due largely to the council's rising exposure to risk from highway related insurance claims, although it should be noted that the Transport and Highways service is also carrying a larger proportion of the council's overall insurance liability since the Housing Stock Transfer in 2009/10.

5.3 Whilst it would seem logical to divert a proportion of the contributions into highway repairs, this cannot be achieved without first reducing the risk presented by the current condition of the network. Consequently, the Invest to Save route described above would seem to be the most effective way of doing this.