

Regeneration, Culture & Environment Overview and Scrutiny Committee

26 March 2024

Highway Infrastructure Contract – Annual Review

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Summary

This report is the fourth annual review to be reported to Overview and Scrutiny of the Highway Infrastructure Contract between Medway Council and Volker Highways. This report and the supporting appendix provide an annual review for Year 6 of the Contract Term, covering the period 1 August 2022 to 31 July 2023.

1. Recommendations

1.1 The Committee is asked to note the contents of this report and the Annual Review for Year 6 of the HIC as set out in Appendix 1.

2. Background

2.1 Medway's highway network is the most visible, used, and valuable physical asset for which the Council is responsible with a gross replacement value of £2 billion. It is an essential communication link that serves everyone every day, connecting communities and businesses and encouraging economic growth by being accessible for all modes of transport.

2.2 Medway's highway network consists of:

- 827km of adopted highway
- 1,100km (approx.) of adopted footway
- 26,868 streetlights
- 405 bridges and retaining walls and one tunnel
- 91,000 (approx.) other assets such as street furniture

2.3 The Highway Infrastructure Contract (HIC) commenced on 1 August 2017 with the option of annual extensions from Year 3 subject to contract performance.

Professional services and consultancy support for the HIC is provided through Project Centre, who deliver expertise across a broad discipline of highway, traffic and structural engineering studies and designs. Appendix 1 provides a breakdown of Contract Performance for Year 6 of the HIC covering the period 1 August 2022 to 31 July 2023.

3. Governance & Performance Management

3.1 The HIC is a partnership between Medway Council and Volker Highways and performance is principally measured through 30 Key Performance Indicators (KPIs) centred around 6 key themes:

- Operation of the Contractor's Quality Management System
- Adherence to Programme
- Financial
- Service Provision
- Customer Care
- Added Value.

3.2 The KPIs are split between Business and Service; structured around contract themes of quality, service provision, finance, adherence to program, customer care and added value, with the Service Indicators being those whose scores determine any contract extension or loss. At the end of Year 5, Volker Highways are required to score a minimum 764 points, equivalent to a performance score of 98% and above. They were successful and scored 765 points from a possible 780, securing an annual contract extension award moving the current contract duration to an end date of 31 July 2026.

3.3 Accreditation ISO44001; a nationally recognized standard for collaborative working relationships has been awarded for the HIC partnership and continues to be reviewed annually to ensure ongoing compliance.

4. Contract Outputs

4.1 Key outputs from Year 6 of the HIC include:

Minor Works

- Maintained over 99% of lights in illumination at any one time all year.
- 99% of works orders completed on time

Cyclic Works

- Cleansed 11,353 gullies
- Completed 4 planned closures and associated maintenance of the Medway Tunnel.
- Undertook 120 General Inspections and 29 Principal Inspections on our structures.
- Refreshed all highway road markings in 4 Wards

Resurfacing Schemes

- Completed 20 carriageway resurfacing schemes, equating to a total of 49,349m² of upgraded network.
- Completed 11 footway resurfacing or patching schemes, equating to a total of 7,925m² of upgraded network.

Major Projects

- LED Street Lighting Replacement Scheme concluded with only a small number of heritage columns awaiting conversion.

5. Social Value Performance

5.1 Social Value Performance for the HIC is measured across 3 key themes of Workplace, Community and Environment using the Social Value Taskforce Framework with key performance in Year 6 being:

Workplace

- 92% of the workforce employed are local up from 76% when the contract started 7 years ago
- 10% of staff undertaking Apprenticeship programs including Business Administration, Surveying and Maintenance Operative Apprenticeships.
- Supported the Government's Kickstart Scheme helping young people who faced difficulty finding employment, providing support to get them back into the workplace.

Community

- 32 hours of educational engagement attending career fairs at local colleges
- 70% of the supply chain for the contract is from local suppliers providing materials and labour
- Participation in Brake's Road Safety Week raising awareness of the hazards and dangers around roads. Volker Highways judged children's designs and the winning design is on display on one of the Volker fleet vehicles
- Supporting the Dandelion Time Charity which provides early support for children who've suffered traumatic experiences such as neglect and domestic abuse.

Environment

- 95% of waste recycling achieved
- The three fully electric vans reducing 9.5t of CO₂e
- Donation of £10,000 to the GreenTheUk as part of their B-Lines Insect Pathways Project

6. Risk Management

6.1 Strategic & Operational Risks are reviewed on a 6 Monthly cycle to ensure appropriate levels of Governance Controls around Risk in relation to delivery

of the HIC. The key risks to be reported to Regeneration, Culture & Environment are detailed in Appendix 2.

7. Climate Change

- 7.1 As well as the Council's Climate Change Action Plan, Volker Highway's Carbon Reduction Strategy will build on collaborative relationships to enable the partnership to deliver mutual benefits through carbon reduction.
- 7.2 The LED Programme is forecast to produce savings of approximately £20m in energy cost avoidance and over 26,000 tonnes savings in carbon over the next 20 years.
- 7.3 Three fully electric vans on Volker Highways fleet continue to produce carbon savings and investigation continues into the highway inspectorate fleet vehicles switching to electric in the future.
- 7.4 Medway Highways adopted the use of warm mix asphalt (WMA) following trials in 2021. This switch to lower carbon asphalt helps support the Council's Climate Change Action Plan in tackling the high level of emission reduction pathways.
- 7.5 In October 2022 following approval from the Transformation Board, the new winter gritting fleet was equipped with pre-wetted salt to treat the highway network. Pre-wetted salt is salt that is mixed in a liquid chemical form and works like rock salt. It spreads more evenly and quicker than conventional salt and reduces salt usage by up to 20%, providing an estimated carbon savings of 14,000kg CO₂e due to less salt deliveries. It works straight away and doesn't have to wait to dissolve like traditional salt.
- 7.6 In February 2021 Transformation Board approved the trial into road temperature sensors with the aim of moving away from an authority wide winter forecast to a more localised route-based forecast. This could reduce the number of salting runs ensuring we are only treating the parts of the network that require it. Later in 2021 the Highways department installed the first 10 sensors in Gillingham and Lordswood. Following this successful trial in July 2023 an additional 34 sensors were installed across all the authority as an authority wide trial during the contract year 6.

8. Financial implications

- 8.1 Highway Network Investment delivered through the HIC is secured through four main funding streams:

Council Funding

Council revenue and capital funding through budget setting that is agreed annually at Full Council based on budget proposals developed by Cabinet underpinned by the Medium-Term Financial Strategy.

Department of Transport Grant

Department of Transport (DfT) Capital Funding through the Highways Maintenance Block (HMB), Pothole Action Fund, and Incentive Fund. The 2022/23 allocations for Medway equated to £3.177 million.

Highway Adoptions

Through the Highway Adoption process for new roads built by Developers, commuted sums (Section 106) are secured for Highway Assets that are over and above the standard road design which Medway Council would normally adopt and principally relate to Highways Structures, Drainage and Landscaping.

9. Legal implications

- 9.1 There are no direct legal implications arising from this report. Levels of Highway Investment need to take account of obligations under the Highways Act, principally Section 41.

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Appendices

Appendix 1 HIC Annual Review Report – Year 6 (August 2022 - July 2023)

Appendix 2 Risk Management Matrix

Background Papers

None