

Regeneration, Culture & Environment Overview and Scrutiny Committee

21 January 2025

Highway Infrastructure Contract – Annual Review

Report from: Richard Hicks, Chief Executive

Author: Ruth Du Lieu, Assistant Director, Front Line Services and
Deputy Director of Place

Summary

This report is the fifth 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 7 of the Contract Term, covering the period 1 August 2023 to 31 July 2024.

1. Recommendations

- 1.1 The Committee is asked to note the contents of this report and the Annual Review for Year 7 of the HIC as set out in Appendix 1.

2. Budget and Policy Framework

- 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
- 27,007 streetlights
- 406 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 7 of the HIC covering the period 1 August 2023 to 31 July 2024.

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 6, 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 the last annual contract extension award moving the current contract duration to an end date of 31 July 2027.

- 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 7 of the HIC include:

Minor Works

- Maintained over 99% of lights in illumination at any one time all year.
- 97% of works orders completed on time

Cyclic Works

- Cleansed 18,031 gullies
- Completed 4 planned closures and associated maintenance of the Medway Tunnel.
- Undertook 82 General Inspections and 12 Principal Inspections on our structures.
- Refreshed all highway road markings in 4 Wards

Resurfacing Schemes

- Completed 12 carriageway resurfacing schemes, equating to a total of 41,041m² of upgraded network.
- Completed 5 footway resurfacing or patching schemes, equating to a total of 4,069m² 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 7 being:

Workplace

- 80% of the workforce employed are local
- 10% of staff undertaking Apprenticeship programs including Business Administration, Quantity Surveying and Maintenance Operative Apprenticeships.
- Supports the Government's Kickstart Scheme helping young people who face difficulty finding employment, providing support to get them back into the workplace.
- Member of the Considerate Constructors Scheme, consistently scoring above the industry average for valuing the workforce, environment and community.

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
- Resurfaced the playground at Hilltop Primary School, enabling pupils to once again enjoy time outside of the classroom safely.
- Supporting the charity Demelza Kent, organizing several fundraising events, including a charity walk fundraiser and clothing donation drive.
- Celebrating World Wildlife Day by holding a screening of the short film WWF Our Planet, Our Business where staff from Medway Council also attended.
- Raised funds for the Heart of Kent Hospice through a cake sale and Macmillan Coffee Morning.

Environment

- 100% of waste recycling achieved
- The three fully electric vans reducing 9.5t of CO₂e
- Implementation of a Site Waste Management Plan (SWMP); a framework for delivering materials resource efficiently, adopting a

structured approach to waste management during construction and demolition.

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 work will commence in 2025 to deliver an on-street EV Charging Infrastructure across Medway, that will facilitate a switch for more Medway vehicles to become electric.
- 7.4. Medway Highways continue to ensure the use of warm mix asphalt (WMA) to support the Council's Climate Change Action Plan in tackling the high level of emission reduction pathways.
- 7.5. The winter gritting fleet is 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. Road surface temperature sensors will enable us to move 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.
- 7.7. Innovation will continue to be a priority, particularly where it supports Climate Change. Earlier this year we trialled the thermal road repair system which enables us to address a wide range of defects on the highway. It works by reheating the existing surface so it can be re-rolled to create a safe, smooth surface, with minimal new material being added. Not only does this method of repair reduce our carbon footprint, it also enables us to support the Volker workforce in reducing the impact of hand-arm vibration syndrome (HAVS).

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 2023/24 allocations for Medway equated to £3.5 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.

Lead Officer Contact

Alex Constantinides, Strategic Lead, Front Line Services
Email: alex.constantinides@medway.gov.uk

Appendices

Appendix 1 HIC Annual Review Report – Year 7 (August 2023 - July 2024)
Appendix 2 Risk Management Matrix

Background Papers

None