

Regeneration, Culture and Environment

Overview and Scrutiny Committee

20 January 2026

Highway Infrastructure Contract – Annual Review

Report from: Richard Hicks, Chief Executive

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Summary

This report is the sixth 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 8 of the Contract Term, covering the period 1 August 2024 to 31 July 2025.

1. Recommendation

- 1.1 The Committee is asked to note the contents of this report and the Annual Review for Year 8 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:

- 845km 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 8 of the HIC covering the period 1 August 2024 to 31 July 2025.

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 (KPI's) 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 KPI's 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 8 of the HIC include:

Minor Works

- Maintained over 99% of lights in illumination at any one time all year
- 92% of works orders completed on time

Cyclic Works

- Cleansed 15,110 gullies
- Completed 4 planned closures and associated maintenance of the Medway Tunnel
- Undertook 100 General Inspections and 28 Principal Inspections on our structures
- Refreshed road markings in 4 Wards

Resurfacing Schemes

- Completed 11 carriageway resurfacing schemes, equating to a total of 17,013m² of upgraded network

Major Projects

- LED Street Lighting Replacement Scheme concluded with only a small number of heritage columns still waiting 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 8 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
- Awarded CSR Excellence Award from the Green Organisation, recognizing efforts to support local communities and drive positive change

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 5km Sunrise Walk, raising £1200 for the Samaritans for Suicide Prevention Day
- Hosted a Macmillan Coffee morning, raising £200

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 has now achieved an energy consumption reduction of 70% and an annual carbon reduction of 75% (when comparing figures from 2019/20 (pre roll out) and 2024/25).
- 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. Following a trial last year we proactively programmed the thermal road repair system again this year which enabled 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 Outlook.

Department of Transport Grant

Department of Transport (DfT) Capital Funding through the Highways Maintenance Block (HMB), Pothole Action Fund, diverted HS2 Funding and Incentive Fund. The 2024/25 allocations for Medway equated to just over £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.

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Appendices

Appendix 1: HIC Annual Review Report – Year 8 (August 2024 - July 2025)
Appendix 2: Risk Management Matrix

Background Papers

None