

PART 1 - PUBLIC

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Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PDS COMMITTEE

Date: 16th November 2023

Decision Type: Non-Urgent Non-Executive Non-Key

Title: RINEY - CONTRACT PERFORMANCE REPORT

Contact Officer: Garry Warner, Assistant Director (Highways)
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Chief Officer: Colin Brand - Director of Environment and Public Protection

Ward: Borough wide

1. Reason for report

- 1.1 This Report sets out to update Members on the performance of JB Riney, the Council's Highways contractor during the last twelve months.

2. RECOMMENDATION(S)

- 2.1 That the PDS Committee notes the content of this report and in particular the on-going work to ensure compliance with the Contract.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Quality Environment .
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Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Highways & Street lighting revenue budgets, Capital Programme LIP schemes, Capital Programme Local Traffic schemes, Capital Programme Street Lighting Improvement schemes.
 4. Total current budget for this head: ££7.7m revenue and £2.7m capital in 2023/24
 5. Source of funding: Existing controllable revenue budget and capital programme 2023/24
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Staff

1. Number of staff (current and additional): 15
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough-wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: n/a

3. COMMENTARY

Background

- 3.1 Bromley's highway network comprises 856 miles (1370 km) of footway and 552 miles (884 km) of carriageway. This represents the Council's single most valuable asset with a gross replacement cost of £1.1 billion. Good quality and well maintained streets make a significant contribution to the street scene appearance, the prosperity of our community and help to ensure our streets are both safe and accessible for users.
- 3.2 In April 2018 the Council awarded contracts for major and minor highway works to Riney from 1st July 2018 for an initial term of seven years (Report No ES18040), with an option to extend the contract for a further year. In November 2018 Executive approved proposals to include Highway Engineering Consultancy Services within the Riney Major Highway Works Contract.

Contractor Performance

- 3.3 The Highway contracts commenced on July 2018, and include provision of a number of highway related services, as discussed below. The Contract includes targets for Key Performance Indicators (KPI) and associated Low Service Damages (LSD).
- 3.4 The contractors performance was last considered by this committee in January 2023, and this report provides an update of how Riney have performed since that time.
- 3.5 The construction industry in the UK continues to suffer from the global impact of recent events, with many materials and skilled labour still being in short supply. The high inflation levels since the start of the contract have resulted in contract prices increasing by 26%, which has reduced the volume of work undertaken from cash-limited budgets.

Planned Highway Maintenance

- 3.6 Following successful completion of the highway maintenance capital project in 2021, the planned maintenance revenue budget of £2.5m for resurfacing footways and carriageways has been reinstated.
- 3.7 In January 2023 the Portfolio Holder approved the first phase of the planned maintenance programme (Report ES 20249), most of which have been completed. A second phase has been approved by the Portfolio Holder, and is due to be completed by March 2024. The proposed works programme for 2023/24 will be considered at a later date.
- 3.8 As Members will be aware, funding from Transport for London for maintenance of the principal road networks has been reduced since 2018, with only one road; Main Road, Biggin Hill, being resurfaced this year.

Traffic Schemes

- 3.9 Although TfL funding for new projects has been reduced, Riney continue to work on the remaining traffic improvement projects as part of the annual LIP programme, which are due to be completed within the required timescales.

Reactive and Emergency Highway Repairs

- 3.10 As part of the Minor Highway Works Contract Riney complete all reactive maintenance tasks on the highway, along with in-hours and out of hours emergency repairs. Jobs have a

completion time based on the nature of the defect and the risk of causing an accident, which are usually 2 hours for an emergency, 10 working days for urgent repairs and 35 working days for non-urgent works.

- 3.11 The Contract includes a KPI requiring 90% of all maintenance tasks to be completed within the specified timescales.
- 3.12 While the winter of 2022/23 did not seem particularly adverse, heavy rainfall, extended periods of cold weather and limited snow did have a detrimental affect on the highway network, with accelerated deterioration resulting in a significant increase in the number of defects being identified and reported during the following six months.
- 3.13 The number of repairs ordered during the spring and early summer were close to double compared to previous years. The annual budget for carriageway patching is £0.86m, although during the first seven months of this financial year a total of £0.90m had been spent. While the volume of repairs has since reduced the forecast spend on carriageway repairs is £1.40m, a projected overspend of £0.54m. The spend on minor footway repairs is forecast to be £0.71m, compared to a budget of £0.64m.
- 3.14 As additional repairs were required in all London borough's and adjacent counties, resources were in short supply, resulting in delays to completing works. In an effort to assist clear the backlog of overdue works the Council employed a second contractor on emergency grounds to complete carriageway repairs.
- 3.15 Performance during the summer continued to be below that required by the contract, and Officers have been working closely with Riney to agree an improvement plan. This has resulted in improvements during the last two months, and the KPI's are expected to be acheived in November 2023.

Street Lighting

- 3.16 Under the Contract routine maintenance of street lighting is a fully managed service, where the Council pay a fixed annual sum to maintain all street lights and illuminated signs or street furniture in working order. Defective street lights or signs are identified through the contractor's monthly night inspection across the borough, or raised following FMS and telephone enquiries.
- 3.17 The Contract includes completion times for all routine maintenance tasks, with KPI's requiring 95% of tasks to be completed within 4 working days, and 100% within 8 working days.
- 3.18 During the last year performance has been close to 100% for all routine maintenance tasks.
- 3.19 In August 2021 Executive approved a capital programme to replace all remaining street lights with low enery LED units. All lanterns in residential roads have now been replaced, with the remaining units in town centres, footpaths and country lanes due to be completed within the next month.
- 3.20 The number of routine maintenance tasks has reduced since the LED programme commenced, which has also reduced electricity consumption and the resulting energy and maintenance costs for the Council.

Winter Service

- 3.21 During the winter months JB Riney undertakes precautionary gritting and snow clearance works on the carriageway network, along with footway clearance outside a number of schools in the event of a snow emergency. While the Council currently own the fleet of gritters, the

contractor is responsible for the maintenance of all vehicles and to provide drivers when the weather forecasts predict freezing or below freezing temperatures.

- 3.22 The Contract requires all precautionary gritting to be completed with 2.5 hours, which was achieved in all cases last winter. The winter maintenance policy and plan clarify the roads and footways to be cleared and gritted following snow, and the snowfall during the winter was treated within the required timescales.

Highway Engineering Consultancy Services

- 3.23 Engineering consultancy services have been undertaken by JB Riney since April 2019, through their supply chain of specialist consultants. While the arrangement continues to provide an acceptable level of service for management of highway structures and various traffic surveys, delays have been encountered with the delivery of designs for traffic schemes.
- 3.24 An improvement plan resulted in a direct relationship between the Council and Riney's supply chain, which has improved the delivery of traffic designs and other engineering advice.

Highway Drainage Cleaning

- 3.25 The cleaning of all highway drainage assets (e.g. road gullies) has been included in the Highway Contract since 1st April 2019, and the service is provided by one of Riney's supply chain partners. Public sewers are maintained and cleaned by Thames Water Utilities.
- 3.26 The contract provides for cyclical cleaning tasks of the Council's highway drainage assets, which range in frequency from every three months in areas of frequent flooding to every four years, as well as emergency and ad-hoc cleaning when flooding occurs.
- 3.27 While programmes of cyclical cleaning have generally been completed in line with the KPI's, delays were encountered in the completion of ad-hoc cleaning tasks. Riney appointed a new sub-contractor to undertake all drainage cleaning tasks, and to date this change has resulted in improved levels of service.

Management

- 3.28 The LBB client team continues to have the necessary resources to manage the contract successfully.
- 3.29 During the last year Riney have experienced a high turnover of key personnel, including temporary management roles, which is likely to have impacted on the performance issued encountered. Following a recent reorganisation the current establishment is considered suitable for delivery of all services covered by the contract.

Review of Contract Purpose

- 3.30 The Council have an ongoing requirement for all highway related services. The contract is based on a schedule of rates and future works can be 'called-off' as and when required revenue of capital funding is available.
- 3.31 The current contract is due to run until June 2026, and commissioning options for the future will be considered in the spring of 2024.

4. Service Profile / Data Analysis

- 4.1 The Contract includes Key Performance Indicators (KPI) and associated Low Service Damages (LSD). Performance relating to each area of the service are discussed in Section 3 above.
- 4.2 A Service Operations Board is held monthly where performance is discussed, and KPI's and related LSD's are considered. Key issues and service developemts are considered by the Strategic Board which meets quarterly.

Plans for Ongoing Improvements in Performance

- 5.1 Performance of the contractor is measured using the KPI requirements of the Contract, which are designed to provide clear and demonstrable evidence of the success of the contract. KPI's are monitored monthly and discussed at the Service Operations Board.
- 5.2 The contractors performance relating to reactive highway maintenance were below contractual requirements during the early months of the contract. The contractor is aware that the KPI's in the Contract are the minimum standards acceptable, and are committed to ongoing improvements in delivering these services.

Plans for Ongoing Improvements in Value for Money

- 6.1 As a term services contract, Task orders are raised as and when required from the Contract Price List. During the term of the contract options to achieve improved value for money will be based on new methods of working and the adoption of innovative materials.
- 6.2 A good example of innovation is the adoption of 'warm asphalt'. This has a reduce carbon footprint due to the temperature of the asphalt ingredients, while performing at the same high level. LB Bromley were the first London Borough to adopt 'warm asphalt' for all carriageway resurfacing projects.

7. Stakeholder Satisfaction

- 7.1 The contract requires all stakeholders to be notified in advance of planned works, and the methods employed will depend on the scale of the project.
- 7.2 Post-work surveys can be used by way of an audit for planned works. These are yet to be conducted, but the results of future surveys will be included in performance review reports.

8. Sustainability

- 8.1 The Contract includes Key Performance Indicators for the following sustainability matters, which are monitored on an annual basis;
 - (i) **Construction waste to landfill** - Percentage decrease, compared to the baseline year, in the weight of construction waste produced in delivery of the service that is disposed of at Landfill or sent for incineration, per thousand pound of works delivered through the Contract.
 - (ii) **Construction waste recycling rate** - Change in the percentage of construction materials (by value) used to deliver the service that are from either secondary or recycled sources, compared to the baseline year.

- (III) **Fleet CO2 emissions** - Percentage reduction in the total mass of CO2 produced by the Contractor's vehicle fleet in delivery of the service per thousand pounds of the Contract compared to the baseline year.

10. Policy Considerations

- 10.1 The borough's roads have a high profile and are used by most residents and businesses on a daily basis. Maintaining these assets to an appropriate standard will contribute to the Council's vision of providing a place where people choose to live and do business and links well with policy priorities of a quality environment, vibrant thriving town centres and supporting independence/safer communities.
- 10.2 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient & effective services and value for money to its residents.

11. Commissioning & Procurement Considerations

- 11.1 The Contract Procedure Rules require an Annual Performance Report to the relevant Portfolio Holder for all contracts with a whole life value of £500k or higher. This report meets that requirement.

12. Financial Considerations

- 12.1 Members are asked to note the contents of this report and actions being taken to manage the performance of the highways contract.
- 12.2 The total 2023-2024 controllable revenue budget for Highways Maintenance and Street Lighting is £7.7M and the total capital budget for the same services is £2.7m.
- 12.3 There are no direct financial implications arising from this report, however it should be noted that the highways service is currently reporting a significant revenue overspend arising from increased reactive repair works as detailed in section 3.13 of this report.
- 12.4 Although this was not linked to the contractors performance and beyond our control, it shows the risks and volatility of this service area and therefore the importance of managing this contract and ensuring performance does not diminish.

14. Legal Considerations

- 14.1 Under the Highways Act 1980 the Council as Highway Authority has duties to ensure the safe passage of users of the highway and to maintain the highway.

Non-Applicable Sections:	Customer Profile, Market Considerations, Personnel considerations
Background Documents: (Access via Contact Officer)	- ES20063