

# **BRIDGEND COUNTY BOROUGH COUNCIL**

## **REPORT TO THE SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3**

**12 JUNE 2018**

### **HIGHWAY SERVICES REVIEW**

#### **REPORT OF THE CORPORATE DIRECTOR COMMUNITIES**

#### **1. Purpose of report**

- 1.1 The purpose of this report is to advise scrutiny members on the impact of the Medium Term Financial Strategy (MTFS) on Highway Services.

#### **2. Connection to corporate improvement objectives/other corporate priorities**

- 2.1 This report assists in the achievement of the following corporate priority/priorities:

- Smarter use of resources– ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

#### **3. Background**

- 3.1 The Council has had to introduce measures to implement budget reductions across different service areas to react to year-on-year reductions in Welsh Government funding.
- 3.2 Since 2010 this has meant efficiency savings in the highways services budget in the order of £4 million. Amongst these savings have been measures that have seen a reduction in staff whilst trying to maintain an appropriate level of service.
- 3.3 The impact of the reductions to both staff and service levels varies subject to the viewpoint of the recipient of the service who may be either internal or external to the authority.
- 3.4 Whilst the majority of services specified are a statutory provision the exact level of service or standard is not specified within the statute and are based around sector guidance as to service delivery. Highway Services consists of seven sections namely:

- Fleet Services
- Network Management Drainage and Coastal
- Traffic and Transportation,
- Engineering Design and Project Management
- Rights of Way
- Direct Labour Organisation (DLO), Street lighting and Highways Maintenance
- Engineering Services

3.5 In order for members to consider the efficiency of the maintenance of the highway network it needs to consider the value and the form of the asset. According to returns for the Whole of Government accounts the reported gross replacement cost of the BCBC highway asset in 2015/16 was in the order of £1,000,000,000 (1Billion pounds excluding land valuation) and as such is probably the largest of the council assets which all sectors of the community use for all matters influencing their lives. In order to inform this valuation the following asset types have been considered.

- 799km of carriageway
- 883km of footway
- 24,853 road gullies & associated drainage lines/chambers
- 101 road bridges
- 102 footbridges
- 155 retaining walls
- 103 culverts
- 13 subways
- 20,000 street lights
- 419km of street lighting cabling
- 46 light controlled junctions
- 283 bus shelters
- 4.2km pedestrian barriers
- 15.6km safety fences
- 35 cattle grids
- 260 seats

3.6 The foregoing are a few main examples of specific highway assets however, as there are many others including grit bins, bins, street signs, bollards, verges, hedge rows, trees, ditches, gates, marker posts, carriageway markings, weather stations, traffic signs and carriageway markings

3.7 Additional assets that fall within the remit of Highway Services consist of Porthcawl Light house and Coastline Sea defenses including the Western breakwater.

- 3.8 Current revenue budgets for maintaining highway and coastal assets is approximately £4M per annum. This equates to 0.4 % of the highway gross replacement cost excluding the additional items identified.

**Base budget circa : £5.8 M**  
**LGBI\* repayments circa £0.6M**  
**Street Lighting energy costs circa £0.9M**

**Balance of revenue budget circa £4.3M**

\*LBGI- Local Government Borrowing Initiative – relates to repayment of capital spend on previous highways and street lighting schemes.

- 3.9 As reductions in budgets and staffing have taken place the Highways services section have sought measures to minimise the impact on front line services by predominantly considering back office functions and assessing technological innovations to enable the service to do things differently.
- 3.10 Examples of doing things differently have seen investment in both LED street lighting and part-night street lighting switchgear which has seen a reduction in the council's energy usage whilst for the most part keeping the lights on. In February 2018 the council were successful in obtaining SALIX interest free funding to enable replacement of street lighting to new energy efficient LED units over the next two years and to use the recouped energy savings to repay the SALIX funding. (SALIX, is a not-for-profit organisation funded by Business, Energy and Industrial Strategy, the Department for Education, the Welsh Government, the Scottish Government and Higher Education Funding Council for England, Salix provides 100% interest-free capital for the public sector to reduce their energy costs by enabling the installation of modern, energy efficient technologies and replacing dated, inefficient technologies)
- 3.11 The street lighting team have improved productivity by the use of handheld devices that link directly to the 'back office' and entries not only advise that a job is completed but also enable access to site plans so that defective items can be located and dealt with more quickly. This had previously been undertaken using paper records. This streamlining eliminates duplication of work and also leads to a quicker response time.
- 3.12 Similar equipment is used by the Highway & Streetworks inspectors when undertaking their duties and the systems are able to generate automatic

- responses via the Customer Relationship Management (CRM) system for simple customer requests such as potholes. These devices log inspections and can be used to generate works requests when downloaded. Inspection of assets results in the commissioning of any appropriate emergency or planned maintenance /repair works either through the in-house direct labour teams or through external contractors. The type of external commissions may include substantial resurfacing works or bridge repairs whilst in-house DLO responses may include emergency 'pothole' repairs, highway drainage, vegetation removal, gritting and flooding incidents.
- 3.13 The Direct Labour Organisation (DLO) manages street lighting assets as well as providing staff resources to deliver emergency and planned responses to the network management service as well as other sections and departments within the council.
- 3.14 As financial savings have impacted on service areas of the council, there has been a growing reliance on the highways out of hour's teams to respond to incidents and make situations safe such as in parks or Council buildings/property.
- 3.15 In delivering highways maintenance, excluding street lighting, the DLO service employ's a limited team of 37 staff who undertake a variety of tasks to meet the maintenance needs of the councils (1 Billion pound gross replacement cost) highway assets. The DLO teams include Drainage, Surfacing, Hazarding, Out of Hours Response, Winter Maintenance and Barrier Repair. Staff are trained and skilled not only to repair the multitude of specialist surfacing materials in our towns and villages but also CADW standard repairs to structures and maintenance of historic highway structures. The workforce contains skilled drivers who not only drive HGV's to carry out winter maintenance but also lead teams in the repair of drainage, highways and sea defenses. Other team members maintain the circa 25,000 road gullies, highway verges and provide emergency response to traffic collisions, potholes, stray animals, spillages, fallen trees, securing buildings, and winter maintenance. As such, this small team is experienced and diverse in carrying out duties that would otherwise require individual specialist contracts outside of the authority.
- 3.16 In driving efficiency winter gritting vehicles are equipped with computerised control that does not discharge material when stationary and machines are tracked which provides information on when and where routes have been treated, how much salt has been used and the speed of the vehicles to ensure the effective gritting of the routes (Appendix A). Assessment of the routes resulted in a reduction in the number of teams from four to three in

2016/17 which deliver the typical needs of winter maintenance within the borough.

- 3.17 One issue in relation to winter maintenance is climate change which means that the service needs to be reactive to winters that are forecast to be wetter. Increased rainfall means that the service needs to consider its maintenance regime and improvement of drainage and flood protection. Whilst there is not a specific duty to provide sandbags the council does supply these free of charge to residents and irrespective of the flooding a significant quantity are stored and replenished at the councils Waterton depot for deployment when required.
- 3.18 In assessing performance the Council's highway department has recently rejoined the Association for Public Service Excellence (APSE). This enables comparison with similar authorities across the UK in various elements of service delivery. Within Wales BCBC has been grouped with Swansea City and County (SCC) and Caerphilly County Borough Council (CCBC). Some examples of the comparisons from 2015 are given in Appendix B.
- 3.19 In considering performance the benchmarking is of use in assessing how BCBC are delivering a service in comparison to similar authorities, such as the cost to clean gullies or response times to attending to category '1 Defects' ie that is a defect that represents an imminent hazard to highway users, comparable to other local authorities within the same family grouping.
- 3.20 The assessments do not currently have a comparator for cost of pothole repairs however it is estimated that for a basic pothole repair of a 1m2 40mm deep it costs the DLO in the region of £26 to attend as a comparison to procure a similar repair through the south east wales framework which would be approximately £50.
- 3.21 In order to seek further efficiencies a review of the service area identified certain improvements for consideration. These included

Staffing restructures

Energy savings through LED technology

Review of service provision

- Bus services
- Gulley cleansing
- Street works

- 3.22 These recommendations have been considered against service need and deliverability. Based on this review restructures and cost saving measures have been implemented and contributed to MTFS savings. Of the areas identified for consideration some have already been realised for implantation with a successful application for £2.5 million to fund upgrading of street lighting to energy efficient LED units with repayment made from the cost of energy saved. Additionally a report has recently been presented to cabinet on reductions in subsidised bus services. Other initiatives will be considered but the impact of any changes needs to be carefully considered.
- 3.23 Included within the review was the consideration of collaboration/ regional working which may have a potential for shared savings with other authorities. This in part is already taking place within the wider highway services with a shared provision of civil parking enforcement with the Vale of Glamorgan Council and the shared Fleet maintenance facility Ty Thomas with South Wales Police.
- 3.24 Additionally there may be further opportunities presented by the City Deal project in areas such as transportation which officers will consider with other local authority partners where this provides efficiencies and benefits for its constituents.
- 3.25 It must be highlighted that an impact of the MTFS savings has been a reduction in staff from both the supporting back office and some front line service delivery. These reductions place added pressure on remaining staff who still have to deliver the same workload and manage increasing demands from new legislative frameworks such as Wellbeing of Future Generations Act 2015, General Data Protection Regulation (GDPR), as well as maintain compliance historical legislative requirements such as those of the Health and Safety at Work Act etc 1974.
- 3.26 What this has meant in practice is that staffing numbers have reduced with individual teams being reduced between 20 and 50 percent with reduction in plant and vehicles where applicable. The impact on services is that whilst functions are still being delivered the response times for non priority areas have increased and the ability to deliver anything outside of the core activities has diminished.
- 3.27 With the loss of professional members of staff, any work outside core activities now requires the contracting in of services which has implications on workload in the commissioning, monitoring and quality checking of any outsourced work.

- 3.28 This also manifests itself in longer operational response times to address non priority issues such as cutting back of vegetation or responding to requests for service.
- 3.29 In January 2018 Welsh Government announced a £30 million highways refurbishment capital grant, which local authorities could use to displace any item of their own current capital programme in the current year (2017-18) so long as an equivalent amount is then used for highways refurbishment works in 2018-19. The grant for Bridgend was £1,204,380 and was used to replace the Council's use of capital receipts on a number of schemes taking place in 2017-18, thus releasing that funding to be spent on additional highways works in 2018-19. In addition Council approved additional capital funding of £5 million for investment in carriageway resurfacing and renewal of footways as part of the Medium Term Financial Strategy 2018-19 to 2021-22, bringing the total new investment in highways and footways, to £6.204 million over the next 3 years, including £500,000 for school highways works.

#### **4.0 Current situation/proposal**

- 4.1 Future financial savings present a significant challenge for both the Communities Directorate as well as the Highways service. The Highways service will have to continue to consider those services that are not a statutory provision and the realistic level of service for those services that are statutory.

Such considerations would extend to areas that have previously been highlighted for consideration such as

- School crossing patrol service
- Council subsidised bus services
- Shopmobility services
- Service Level for highway maintenance
- Structures and staffing

- 4.2 The move towards regional working may have opportunities to combine skills and resources with other neighbouring authorities but this will still have a financial implication on the authority along with any ongoing costs associated with enabling such a collaboration.

## 5. Effect upon policy framework and procedure rules

5.1 None for the purposes of this report

## 6. Equality Impact Assessment

6.1 No specific EIA has been undertaken at this stage

## 7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 None for the purposes of this report

## 8. FINANCIAL IMPLICATIONS

8.1 The total historical and future planned MTFs savings for the Highways section are shown below (Table Values in £'000s):

<b>Service Area</b>	<b><u>11-</u> <u>12</u></b>	<b><u>12-</u> <u>13</u></b>	<b><u>13-</u> <u>14</u></b>	<b><u>14-</u> <u>15</u></b>	<b><u>15-</u> <u>16</u></b>	<b><u>16-</u> <u>17</u></b>	<b><u>17-</u> <u>18</u></b>	<b><u>18-</u> <u>19</u></b>	<b><u>19-</u> <u>20</u></b>	<b><u>Total</u> <u>Savings</u></b>
Highways Network	157	0	250	90	98	200	195	50	50	<b>1,090</b>
Street lighting	50	90	0	125	0	150	0	110	0	<b>525</b>
Highways DLO	48	56	40	52	203	157	0	0	50	<b>606</b>
Rights of Way	20	0	0	27	42	0	21	0	0	<b>110</b>
Fleet Services	7	0	0	10	75	0	0	0	0	<b>92</b>
Transportation (inc Car Parks)	277	345	0	110	445	15	100	188	40	<b>1,520</b>
Engineering Services	0	0	0	28	0	0	0	74	0	<b>102</b>
<b>TOTAL</b>	<b>559</b>	<b>491</b>	<b>290</b>	<b>442</b>	<b>863</b>	<b>522</b>	<b>316</b>	<b>422</b>	<b>140</b>	<b>4,045</b>

## 9. RECOMMENDATION

9.1 That the content of the report is noted.

**Contact Officer:** Kevin Mulcahy,  
Group Manager – Highway Services

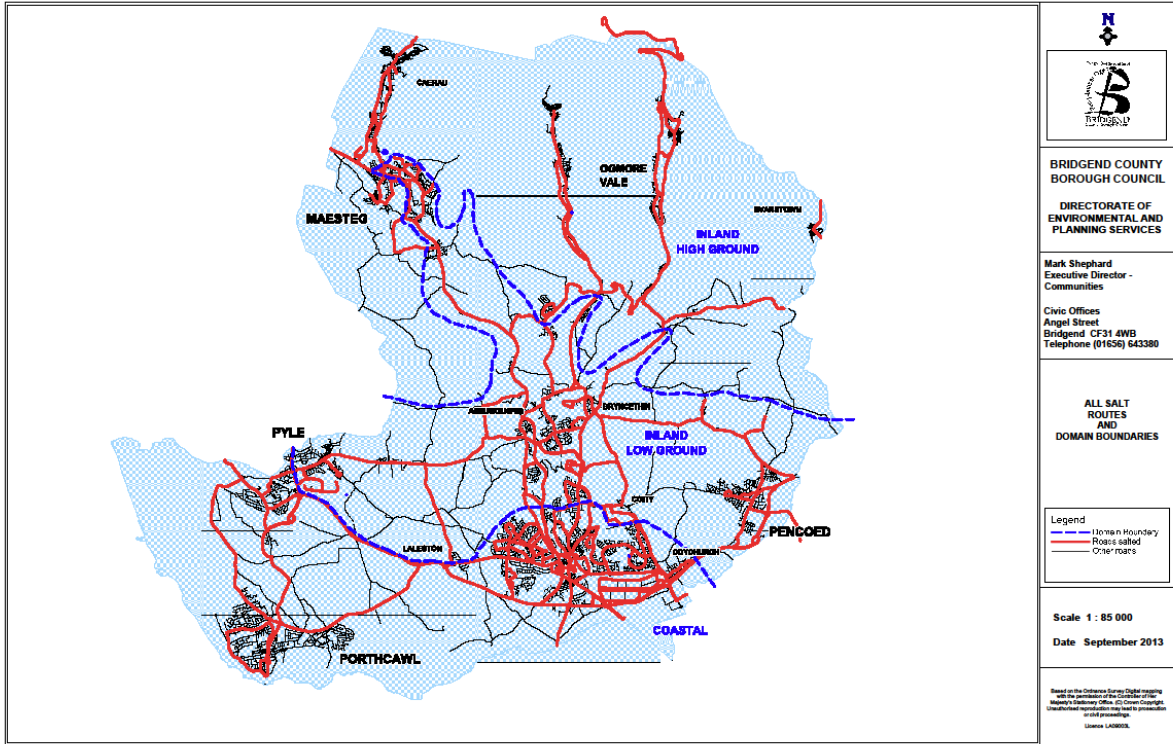
**Telephone:** (01656) 642535

**E-mail:** [Kevin.Mulcahy@bridgend.gov.uk](mailto:Kevin.Mulcahy@bridgend.gov.uk)



Background documents: None

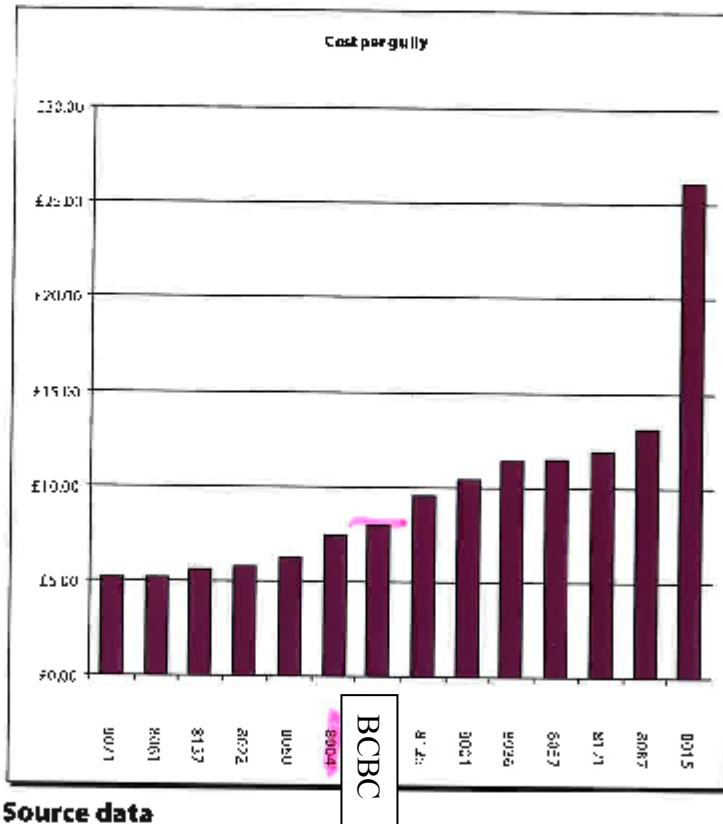
Appendix A



### PI 32 Service cost per gully

Family group H2

	Gullies emptied	Total cost	Cost per gully
Average			19.84
Lowest			£5.23
Highest			£26.14
Lowest in range	4,975	£47,738	
Highest in range	80,600	£741,207	



**Source data**

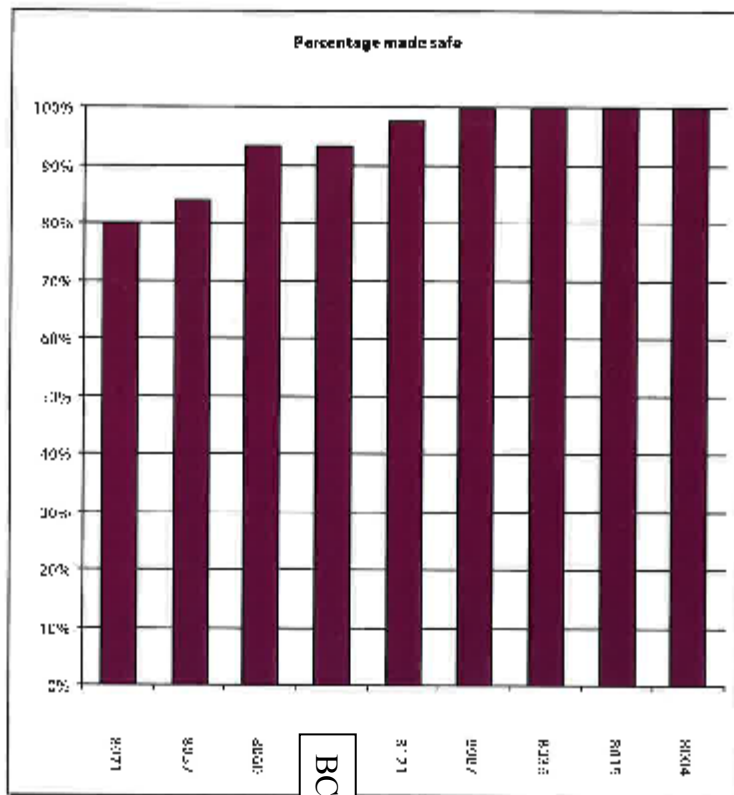
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**Acceptable parameters: >£3 and <£35**

## PI 45a Percentage of category 1 defects made safe within response time

Family group H2

	Number of category 1 defects	Incidents made safe	Percentage made safe
Average			94.25%
Lowest			80.00%
Highest			100.00%
Lowest in range	5	4	
Highest in range	844	844	



Source data

[FCAT1TT] / [FCAT1D]

Acceptable parameters: >10% and <=100%; category one defects separated from footway

