

**REPORT TO: CITY DEVELOPMENT COMMITTEE – 23 FEBRUARY 2015**

**REPORT ON: ROAD MAINTENANCE PARTNERSHIP**

**REPORT BY: DIRECTOR OF CITY DEVELOPMENT**

**REPORT NO: 75-2015**

## **1 PURPOSE OF REPORT**

- 1.1 This report provides an update on the progress and performance of the Road Maintenance Partnership with Tayside Contracts on the delivery of road maintenance and minor works services within Dundee City Council to 31 March 2014.
- 1.2 The report also seeks approval to extend the existing partnership with Dundee City Council and Tayside Contracts for the service delivery of road maintenance in Dundee.

## **2 RECOMMENDATION**

- 2.1 It is recommended that Committee note the contents of this report and agree:
- a to extend the Partnership to 31 March 2018.
  - b that the Director of City Development Department continues to report back annually to Committee advising on the progress and performance of the Partnership.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications arising from this report.

## **4 BACKGROUND**

- 4.1 Reference is made to Article II of the City Development Committee of 27 February 2012 (Report 88-2012 refers) when approval was given to continue the Road Maintenance and Minor Works Services Partnership with Tayside Contracts for a period of three years to 31 March 2015.
- 4.2 The Partnership operates as an integrated team under a single Road Maintenance Partnership Manager covering both Dundee City Council and Tayside Contracts and has many benefits for both parties:
- The larger team is more adaptable in dealing with peaks and troughs in workload.
  - The production of common specifications and agreed approach of longer term maintenance strategies has reduced the unit cost of repairs.
  - The arrangement also meets the Scottish Governments objectives in increased partnership working in line with the Efficient Government Agenda.
  - The implemented structure has provided opportunities for efficiencies and reduced staff costs for both the Council and Tayside Contracts.
  - The Partnership/Tayside Contracts model is noted as a good example of shared services in the National Roads Maintenance review (Option 30).
- 4.3 The present Partnering Agreement ends on the 31 March 2015 after a very successful three year period. Over the last 3 years the Partnership has consistently performed well against its various objectives and its key service performance indicators. In 2014, based on annual performance submissions, the Roads Maintenance Partnership received a national award through the Association of Public Sector Excellence (APSE) for the 'Best Performing Roads and Winter Maintenance Service in the UK in 2013/14'.

- 4.4 A summary of the latest performance results from 2011/12 to 2013/14 is attached in Appendix 1. In summary, the Road Maintenance Partnership has improved in performance over the period with some of the key areas identified below.

### **Summary of Key Areas**

#### **Asset Management**

- 4.5 The Road Maintenance Partnership is fully committed to the Roads Asset Management Planning framework. The Partnership is actively working towards ensuring that all inspections, repairs, inventory and records are held and updated electronically. This system should become fully operational in April 2015.

#### **Pothole Repairs**

- 4.6 Pothole repairs continue to be an important focus for the Partnership both in terms of the quality of the repair and the speed of the repair depending on its priority category and location.
- 4.7 Records show that in comparison to the same period over the last 3 years, pothole repair numbers reached a peak in 2013/14 of 26,638. Current indications are that in 2014/15, this increasing trend has stopped. Compared to the same period in 2013/14, pothole numbers have reduced by 35% to 6359. There are a number of factors that could be attributed to this reduction including a reasonably mild winter in 2012/13 (although significantly wetter), improved performance of first time permanent repairs and the benefits of increased capital investment over the previous 2 years. The key corporate service plan objective of maintaining the National Road Condition Indicator (RCI) at 27.7% has been achieved. All targets in relation to pothole repairs for priority Categories 1, 2 and 3 have been achieved. Average repair times have remained similar over the three year period, with the exception of Category 3's taking approximately 10 days longer to repair due to the strategy of ensuring more first time permanent repairs are carried out.
- 4.8 The focus going forward is to continue improving the quality of repairs and further increase the number of permanent repairs carried out first time. As a well established practice, the thermal patching process has assisted in this area. Following the introduction of a new provider, NuPhalt, this has improved reliability by approximately 80%. This repair method alone will not meet the aim of 30% of pothole repairs being first time permanent and in 2014/15 a further trial has been implemented utilising a JCB excavator with planer attachment and hot material and early indications are this strategy is delivering well. As of the end of November 2014, 32% of defects identified have been repaired first time.

#### **Gully Cleaning Operations**

- 4.9 During the three period, service standards have been reviewed in comparison to other Scottish authorities and in particular the neighbouring councils. To bring the service in line with current practice, the cleansing cycle has been increased from 9 months to 12 months with this having been assessed as having no impact on service outcome. The number of gullies cleaned has therefore reduced in comparison to previous years however, the unit cost remains similar to previous years at £5.21per/unit but the overall annual cost is reduced by £30,000 per annum.
- 4.10 An area still to be developed significantly is the use of GPS information collected from the gully emptying vehicles. The intention is still to use this collected information along with route optimisation software to establish and to develop an improved emptying regime based on need rather than frequency. In order to maximise the potential savings in this area, Dundee, Angus and Perth & Kinross councils have agreed a strategy to utilise the same data collection

system, cleaning frequency etc, and agreed to work together and share plant and equipment to realise potential cost benefits.

- 4.11 Part of Dundee's longer term gully maintenance strategy is the treatment of gully waste. This is currently undertaken through a well established system in Forfar operated by Tayside Contracts. In order to realise the full potential in this area across the council, approval was obtained on a spend to save option to introduce a full recycling facility at Riverside. This will establish a site for a reed bed gully water and waste recycling facility, associated composting and a construction aggregate processing area. The combination of these activities in the same facility within Dundee will make further environmental and cost efficiency savings in the current gully cleaning process. Works on the construction of the facility have commenced and should be fully operational in June 2015.

#### Non Adopted Council Roads and Footways

- 4.12 Historically, these surfaced assets were the responsibility of individual council departments, however in 2012/13 following a 'Changing for the Future' review, responsibility was transferred to City Development Department. Since their transfer, a formalised inspection process has been implemented to deliver a consistent standard across the whole council road asset, ensuring that all are maintained in a safe condition. The transfer of this asset and associated new investment has allowed structured maintenance to be undertaken on key council assets such as the Law Hill, Camperdown Park and Balgay Park as well as making improvements to historical council housing estate networks across the city.

#### Quality

- 4.13 An overall focus on quality had been identified as an area for development over the agreed 3 year period of the partnership, this with a view to providing a right first time high quality service in all areas of the partnership. Progress has been made through the Business Improvement Techniques process which has scrutinised the pothole repair process, gully emptying and the introduction of quality monitoring of all structural resurfacing works on roads and footways. The improvement of quality in all areas continues to be an important focus for the partnership.

#### Winter Maintenance

- 4.14 Ongoing improvements have been made in relation to the delivery of the winter maintenance service. Extensive liaison continues to take place annually with all key stakeholders to ensure a structured and prioritised approach is taken across the city. In 2012/13 a review of the adopted road network was completed using route optimisation software. Routes were created that cover every adopted street in Dundee giving assurances that when necessary there is a clear priority system in place for treatment. Due to the minimal winter experienced in 2012/13 the benefits of these improvements were not fully realised, however the feedback received during the festive period of 2014 suggests the changes have improved the overall service. Communication improvements have also been a focus over the term of the partnership including better communications with the public with an improved website, an annually updated winter leaflet and better up to date information is provided to customer services to advise enquirers.

#### **Performance & Benchmarking - Key Performance Indicators (KPI's)**

##### Performance Recognition

- 4.15 The service areas outlined above are key to the successful delivery of the service. Like many council services there is a requirement to provide performance information to national bodies. In 2014, based on a substantial annual performance submission covering 77 key performance indicators, the Roads Maintenance Partnership received a national award through the

Association of Public Sector Excellence (APSE) for the 'Best Performing Roads and Winter Maintenance Service in the UK in 2013/14'.

#### External Market Comparison

- 4.16 KPI's relating to the approved Service Plan 2012-2017 have been regularly monitored and financial KPI's have been established for various structural maintenance and minor works over a number of years. These are detailed in Appendix 1. A key area highlighted in previous reports and by the Executive Board was for the need to compare performance against external markets. The 'Framework for Roads Maintenance' contract which was procured for the three Tayside councils via the Tayside Procurement Consortium has been one of the sources used to compare rates with the external competitive market.
- 4.17 Comparison has been made for a number of scenarios and this report focuses on two key areas which account for 95% of the capital spend, these being footway partial and full reconstruction, and carriageway resurfacing (40mm and 100mm depths). Detailed in Appendix 2 is the KPI information obtained for both of these comparisons. The comparison exercise demonstrated that 63% of the rates compared with the non restricted working time pattern were below the market rate.
- 4.18 When considering the scenarios within the restricted time band ie works than can only be carried out between 9.15 and 15.00 to avoid disruption to the road network, all of rates come within the band with the exception of the full footway reconstruction in 2013/14. This is considered to be very positive.
- 4.19 It is important to note that currently, the Roads Maintenance Partnership rates are outturn rates for works actually carried out whereas the external comparison rate is based on the original theoretical scope of works. There is therefore the possibility that RMP outturn rates also cover additional work or deeper depth of construction not allowed for in the theoretical rate. In future, for each project a comparison is to be made at the end of the works between RMP actual costs and the Framework Contract but based on actual outturn quantities.
- 4.20 The framework contract was renewed in January 2015 and the partnership will utilise this in the procurement of specialist services and as an ongoing means of external comparison.

#### Future Areas to be Developed

- 4.21 A number of further areas of potential development have been identified and will be actively pursued. Listed below are the main areas of work where the Partnership is realising further improvements:
- Continue to monitor and review the quality of service provided through the partnership, focusing on operational quality and customer perception.
  - Continue to review the delivery of minor works elements of the partnership, to ensure an effective and expedient response in accordance with current national standards and best practice.
  - Continue to develop systems and processes to ensure a right first time quality service is being delivered.
  - Continue the review of the current procedures for pothole repairs with a view to increasing the percentage of first time permanent repairs.
  - Continue to work together to establish further KPI's and drive down the unit cost of repairs, reinvesting efficiency savings back into the road network.
  - Continue to establish a computerised asset management system and produce a comprehensive Roads Asset Management Plan.
  - Work with local and national partners to deliver the Scottish Government shared service agenda.

- 4.22 Some of these initiatives and projects will continue to take time to develop and taking account of this and on the evidence of the performance achieved to date, it is recommended that this successful Partnership be extended for a further period of 3 years.

## **5 POLICY IMPLICATIONS**

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

## **6 CONSULTATIONS**

- 6.1 The Chief Executive, the Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

## **7 BACKGROUND PAPERS**

- 7.1 None

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3 February 2015

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**APPENDIX 1**

Road Maintenance Partnership Performance

|                  |                   |   |          | <b>Dundee</b> |         |         |         |
|------------------|-------------------|---|----------|---------------|---------|---------|---------|
|                  | Headings          | Measures  | Target   | 2008/09       | 2011/12 | 2012/13 | 2013/14 |
| Condition/Asset  | Reliability       | Dundee City Road Condition (RCI) Index (Percentage of Road Network Requiring Intervention or Further Investigation) | 27.7     | 23.2          | 25.8    | 27.7    | 27.3    |
|                  |                   | Cities Average RCI Index  | N/A      | 27            | 30.4    | 31.15   | 31.15   |
|                  |                   | Scottish Average RCI Index  | N/A      | 34            | 37.06   | 36.62   | 37.02   |
| Customer Service | Repair Times      | Total number of pothole repairs   | Reduce   | 8,291         | 20,789  | 25,963  | 26,638  |
|                  |                   | Average time taken to repair CAT 1 (Hours)  | 1 hour   | N/A           | 0.59    | 1.08    | 0.52    |
|                  |                   | Average time taken to repair CAT 2 (Days)   | 3 days   | N/A           | 1.54    | 1.79    | 1.44    |
|                  |                   | Average time taken to repair CAT 3 (Days)   | 28 days  | N/A           | 6.73    | 8.77    | 18.27   |
|                  | Public perception | % of CAT 1 repairs within 3 hours   | 90%      | 100%          | 100%    | 100%    | 100%    |
|                  |                   | % of CAT 2 repairs within 3 days  | 85%      | 96%           | 95%     | 94%     | 91%     |
|                  |                   | % of CAT 3 repairs within 28 Days   | 80%      | 98%           | 99%     | 99%     | 92%     |
|                  |                   | Permanent repairs as a % of potholes  | 30%      | 0.00%         | 25.00%  | 19.00%  | 15.00%  |
|                  |                   | Area of Footway Treated (Sq.m)  | Maximise | 24,111        | 22,259  | 17,343  | 37,845  |
|                  |                   | Area of Carriageway Treated (Sq.m)  | Maximise | 86,884        | 81,188  | 148,528 | 143,521 |
|                  |                   | Number of gullies cleaned annually  | Maximise | 34,182        | 34,644  | 32,340  | 31,683  |
| Financial        | Financial Costs   | Average costs of pothole repair   | Reduce   | £23.27        | £10.33  | £13.34  | £13.10  |
|                  |                   | Average cost per Sq.m of surfacing  | Reduce   | £16.84        | £22.44  | £20.44  | £22.01  |
|                  |                   | Average cost per Sq.m of patching   | Reduce   | £36.18        | £25.69  | £28.57  | £27.56  |
|                  |                   | Average cost to clean a gully.  | Reduce   | £4.35         | £5.33   | £4.65   | £5.21   |
| Environment      | Carbon Footprint  | % of construction material recycled   | 90%      | 100%          | 100%    | 100%    | 100%    |
|                  |                   | Tonnage of cyclone ash used   | 500T     | N/A           | 658T    | 0*      | 0*      |
|                  |                   | Annual savings in using DERL cyclone ash  | Maximise | N/A           | £64k    | 0*      | 0*      |

\*Note:- No DERL ash used in 2012/13 and 2013/14 due to the fire at the site.  
Ash now being used as of November 2014.

**APPENDIX 2**

External Market Comparison

| <b>Comparison of Roads Maintenance Partnership Rates vs TPC Framework Contract Rates</b><br><b>Information is based on <u>Gross Unit Rates</u></b><br><b>The Framework contract rates are an average rate of those within 20% band</b> |   |                |                |
|--|---|----------------|----------------|
| <b>Information for 2013/14</b>   |   |                |                |
| <b>Provider</b>  | <b>JOB TYPE</b>                           | <b>2012/13</b> | <b>2013/14</b> |
|  | <b>Footway HRA Partial</b>                |                |                |
| RMP Gross Actual Unit Cost   | 20/40 HRA/DBM Footway Partial             | £35.68         | £37.32         |
| Framework Gross Theoretical Unit Cost  | 20/40 HRA/DBM Footway Partial             | £41.17         | £41.17         |
| Framework Gross Theoretical Unit Cost (Restricted Hours 9.15 to 15.00)   | 20/40 HRA/DBM Footway Partial             | £41.32         | £41.32         |
| Difference between RMP & Framework   |   | <b>-13.33%</b> | <b>-9.35%</b>  |
|  | <b>Footway HRA Full with Kerbs</b>        |                |                |
| RMP Gross Actual Unit Cost   | 20/40 HRA/DBM Footway Full Con with kerbs | £46.36         | £58.69         |
| Framework Gross Theoretical Unit Cost  | 20/40 HRA/DBM Footway Full Con with kerbs | £47.96         | £47.96         |
| Framework Gross Theoretical Unit Cost (Restricted Hours 9.15 to 15.00)   | 20/40 HRA/DBM Footway Full Con with kerbs | £52.83         | £52.83         |
| Difference between RMP & Framework   |   | <b>-3.34%</b>  | <b>22.38%</b>  |
|  | <b>40mm HRA Resurfacing</b>               |                |                |
| RMP Gross Actual Unit Cost   | 40 HRA Resurfacing                        | £20.83         | £21.50         |
| Framework Gross Theoretical Unit Cost  | 40 HRA Resurfacing                        | £19.85         | £19.85         |
| Framework Gross Theoretical Unit Cost (Restricted Hours 9.15 to 15.00)   | 40 HRA Resurfacing                        | £22.45         | £22.45         |
| Difference between RMP & Framework   |   | <b>4.94%</b>   | <b>8.32%</b>   |
|  | <b>100mm HRA/DBM Resurfacing</b>          |                |                |
| RMP Gross Actual Unit Cost   | 40/60 HRA/DBM Resurfacing                 | £32.10         | £34.75         |
| Framework Gross Theoretical Unit Cost  | 40/60 HRA/DBM Resurfacing                 | £37.88         | £37.88         |
| Framework Gross Theoretical Unit Cost (Restricted Hours 9.15 to 15.00)   | 40/60 HRA/DBM Resurfacing                 | £44.05         | £44.05         |
| Difference between RMP & Framework   |   | <b>-15.25%</b> | <b>-8.27%</b>  |