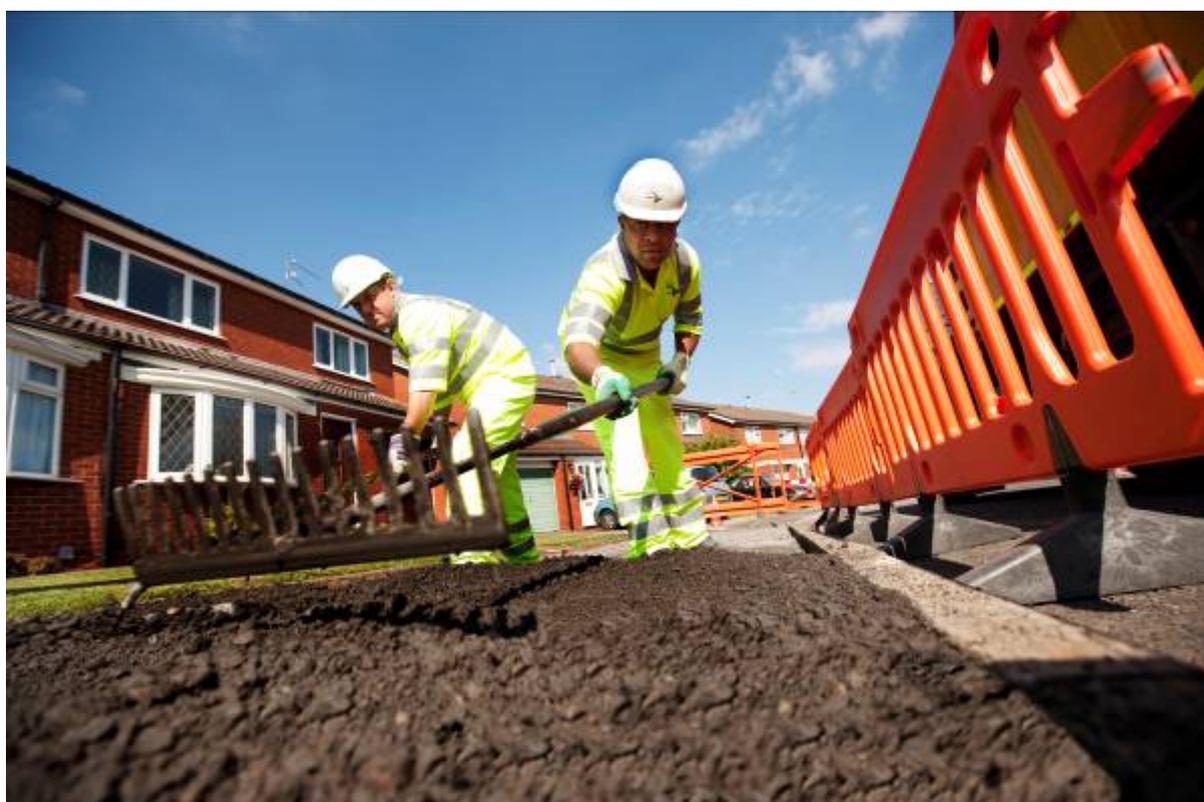




Highway Maintenance and Management Services in Partnership



A report from Overview & Scrutiny





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Preface

By Cllr Jerry Evans, Chair, Transport, Environment and Regeneration O&S Committee



In June 2010, Birmingham City Council commenced a 25 year partnership with Amey to manage and maintain highways across the city. It is the first Private Finance Initiative (PFI) scheme of this scope and scale. We commenced this Scrutiny Review a year into the partnership, to analyse how improvements were being delivered at a local level.

It is clear from our findings that the new arrangements are delivering real improvements at the local level, through unprecedented investment in our highway network and associated assets. However with a contract of this scope and scale it is inevitable that there will be room for improvement. Our recommendations within this report will assist with achieving these.

For instance we heard that local residents and Councillors were not receiving sufficient timely information regarding the works that would be undertaken in their road. We have therefore recommended that this is improved. Also, ensuring that the City Council fully assesses the revenue implications and identifies the resources for proposed changes to the highway infrastructure will assist the Council with 'living within its means'.

I would like to thank all those who made this Review possible: Members of the Committee, local Councillors, officers from Amey and within the City Council, Scrutiny Officers Emma Williamson and Amanda Simcox. In particular, I would like to thank the Lay Assessors for their time and insight.



Summary

The 7th June 2010 saw the start of a 25 year partnership between the City Council and Amey. In essence, this means that Amey is contracted to ensure that the road network is functioning, safe and available for use; the City Council remains as the Highway Authority, Traffic Authority and Street Authority.

One year after the start of this partnership, the Transport, Environment and Regeneration Overview and Scrutiny Committee agreed to undertake a Scrutiny Review of Highway Maintenance and Management Services in Partnership. The key question the review sought to answer was:

How are the new highway maintenance partnership arrangements delivering improvements at the local level?

In general, we found that the new arrangements are delivering real improvements at the local level, through unprecedented investment in our highway network and associated assets, and through a better understanding of that network to enable more effective and efficient management.

We recognised the scale and complexity of the contract, the fact that it is unique in this country and that it means a new way of working for our city. The statistics provided about activity during the first year of operation (up to May 2011) show the extent of that activity:

- 60km of roads and 190km of pavements resurfaced, including 7,000 potholes repaired;
- 30,000 trees pruned;
- 2,600 street lights installed, including LED lighting and remote control sensors;
- 48,000 miles of roads gritted (1,200km of roads gritted each night during bad weather) and 1,200 grit bins filled and placed around the city;
- Over 60,000 calls and enquiries received from members of the public and over 3,000 Councillor enquiries received.

Over and again, the critical importance of partnership was emphasised. Generally we found that the partnership is working very well. However, there are ways in which it can be strengthened.

Amey's role is to improve the road network in Birmingham so that it meets national standards. There are four key parts to the contract that Amey is required to carry out:

- Core Investment Works: refurbishing the network, 2010-15;
- Life-Cycle Works: end of life asset replacements, 2015-2035;
- Maintenance Works: routine and reactive maintenance throughout the life of assets;
- Network Management: managing activity on the network, including response to priority issues / defects, winter maintenance (gritting) services, and traffic management around its own works and co-ordinating works undertaken by others on the highway.



As maintainer of the infrastructure assets, the risk relating to third party claims and liability has been transferred to Amey, although this does not absolve the City Council of criminal responsibility. With the transfer of liability for claims there is an incentive for Amey to carry out repairs effectively and as soon as possible, as well as to manage claims that are made.

Amey has been praised by most of our witnesses for the work that has been carried out so far. There have been some problems, but this was perhaps inevitable given the volume of the work and timescales involved. Most importantly, Amey have shown a willingness to rectify issues when requested to do so.

A recurring issue however was about communication and we have made some recommendations around improving notification times to residents, and in getting information to Councillors. We also believe there should be meaningful consultation on the planned capital works programme with the public, to assist in building a strong relationship between residents and Amey. Amey does undertake local consultation at a community level through its Highway Stewards; however, we recommend that Amey should also carry out direct consultation on the five year capital programme with members of the public.

The City Council has two main roles in relation to the partnership: firstly they are the “client” within the contract, and as such must ensure contract compliance, application and assurance, including performance management and payment. Secondly, the City Council retains a number of statutory duties and non-statutory service-related functions as Highway Authority, Traffic Authority, Street Works Authority, Technical Approval Authority and Land Drainage Authority.

With regards to the first of these roles, the need for a strong, effective and adequately staffed retained client function was identified early on, and is in place. The City Council’s structure and Amey’s structure relate well to each other. Where there have been problems, the City Council has challenged under-performance and addressed this through a combination of formal and informal contract processes.

Secondly, in the course of its business, the City Council will have cause to make changes on the highway and these can be accommodated within the contract. The contract has made explicit the need to account for the true cost of maintaining infrastructure assets (such as signs and lighting) and resulting liabilities. Therefore, officers and Councillors must consider the full asset implications when seeking to make changes to the street scene, taking into account the financial sustainability of any capital spend. We have recommended that a process is put in place to ensure that all Project Officers fully assess the revenue implications of any change; and identify the resources to meet those implications as part of each stage of the approval process for projects.

In conclusion, we recognised the wider benefits to the city of this unprecedented investment in our highways, particularly regarding better roads and increased safety. There are also important advancements being made, such as in the use of LED lighting which can be managed and monitored remotely. The recommendations put forward in this report will assist the partnership to ensure even greater benefits are realised for the city.



Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R01	<p>That the Cabinet Member for Transport, Environment and Regeneration works with Constituency Chairs to put in a process to ensure that all Project Officers proposing changes to highway infrastructure:</p> <ul style="list-style-type: none"> • Fully assess the revenue implications; and • Identify the resources to meet those implications <p>as part of each stage of the approval process for projects.</p>	Cabinet Member for Transport, Environment and Regeneration	March 2012
R02	<p>That the Cabinet Member for Transport, Environment and Regeneration works with Amey to further improve notification letters to residents by including information on</p> <ul style="list-style-type: none"> • The types of work to be completed on the road or footway (e.g. surfacing, patching or full reconstruction); • The types of material to be used (where this is proposed to be changed). 	Cabinet Member for Transport, Environment and Regeneration	March 2012
R03	<p>That the Cabinet Member for Transport, Environment and Regeneration works with Amey to implement improved notification periods to residents and Councillors of a minimum of 4 weeks notice before works commence.</p> <p>The quarterly revised programme should be shared with Councillors by Constituency Engineers.</p> <p>Councillors will be kept informed if any notified work is rescheduled.</p>	Cabinet Member for Transport, Environment and Regeneration	June 2012
R04	<p>That the Cabinet Member for Transport, Environment and Regeneration work with Amey to publicise the environmental benefits of the work they undertake, in particular the recycling of footway waste materials.</p>	Cabinet Member for Transport, Environment and Regeneration	March 2012



	Recommendation	Responsibility	Completion Date
R05	<p>That the Cabinet Member for Transport, Environment and Regeneration, working with Amey, provide all Councillors with clear guidance on the ability to dim/increase brightness of street lighting, in particular:</p> <ul style="list-style-type: none"> • How this will be utilised; • Who will make the decision and who can request it (and how); • How other agencies, in particular the Police, will be involved to assist in other priorities such as crime prevention. 	Cabinet Member for Transport, Environment and Regeneration	March 2012
R06	<p>That the Cabinet Member for Transport, Environment and Regeneration works with Amey to commence consultation with Constituency Committees annually in November of each year (with effect from November 2012) for programmes effective from the following June.</p> <p>Amey should carry out direct consultation with members of the public (e.g. Ward Committees, local exhibitions).</p>	Cabinet Member for Transport, Environment and Regeneration	November 2012
R07	<p>That the Cabinet Member for Transport, Environment and Regeneration work with Amey to ensure that Ward Councillors are kept informed of changes to the programme on a monthly basis.</p>	Cabinet Member for Transport, Environment and Regeneration	June 2012
R08	<p>That the Cabinet Member for Transport, Environment and Regeneration explores ways in which continued improvement can be made to communication with Councillors. This includes:</p> <ul style="list-style-type: none"> • Appropriate performance information; • Results of customer satisfaction surveys. 	Cabinet Member for Transport, Environment and Regeneration	September 2012
R09	<p>That the Cabinet Member for Transport, Environment and Regeneration work with Amey to extend and embed processes relating to notifying both residents and Councillors about:</p> <ul style="list-style-type: none"> • Tree removals; • Tree replacements (including location) <p>as part of the 2012-13 Tree Maintenance Programme</p>	Cabinet Member for Transport, Environment and Regeneration	June 2012



Highway Maintenance and Management Services in Partnership

	Recommendation	Responsibility	Completion Date
R10	That the Cabinet Member for Transport, Environment and Regeneration and Deputy Leader expedite the resolution of outstanding issues relating to highway reporting through the Contact Centre (and website) in recognition of the particular circumstances of the Highways Maintenance and Management contract. This should include exploring giving Amey more direct contact with the customer.	Cabinet Member for Transport, Environment and Regeneration; and Deputy Leader	September 2012
R11	Progress towards achievement of these recommendations should be reported to the Transport, Environment and Regeneration Overview and Scrutiny Committee in July 2012. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented.	Cabinet Member for Transport, Environment and Regeneration	July 2012



1 Introduction

1.1 Purpose of the Review

- 1.1.1 The 7th June 2010 saw the start of a 25 year partnership between the City Council and Amey. The Birmingham Highway Maintenance and Management PFI (HMMPPFI) contract transfers to Amey the responsibility for managing and maintaining all carriageways, footways and associated highway assets in Birmingham.
- 1.1.2 As a result of this partnership, over £350 million is being invested in rehabilitating the city's highway infrastructure over the first five years. This includes carriageway and footway condition, street lighting, structures and bridges, the City Centre tunnels, traffic signals and traffic management infrastructure. Amey also provide operational services on the highway:
- Responding to urgent highway defects and emergencies to keep traffic flowing;
 - Maintaining and managing all highway trees;
 - Co-ordinating all works (including utilities) and events on the network; and
 - Conducting winter maintenance activity to keep the network safe and moving.
- 1.1.3 One year after the start of this partnership, the Transport, Environment and Regeneration Overview and Scrutiny (O&S) Committee agreed at its meeting on 21st June 2011, to undertake a Scrutiny Review of Highway Maintenance and Management Services in Partnership.

1.2 Terms of Reference

- 1.2.1 The key question the review sought to answer was:
- How are the new highway maintenance partnership arrangements delivering improvements at the local level?**
- 1.2.2 The Scrutiny Review was conducted via a series of informal meetings and visits during July and September. The Review Group consisted of six Councillors, led by Cllr Jerry Evans (with Cllrs R. Alden, T. Ali, K. Hartley, A. Holtom and P. Howard).
- 1.2.3 This group met with Amey's management team in Birmingham (including a visit to their offices and depots across the city) and the Birmingham City Council officers charged with monitoring the contract, as well as those working in related highway and street-scene services. Members also spoke to those working in the Constituencies – Councillors, officers, lay assessors and Amey Highway Stewards.
- 1.2.4 A full list of witnesses is set out in Appendix A. We are grateful for their time and input.



1.3 The Report

- 1.3.1 Chapter 2 begins by providing contextual information in relation to the partnership, including the background to the decision to enter into the contract and the associated benefits and risks of the new approach.
- 1.3.2 Chapter 3 examines the contract itself: the scope of the contract and the role that both Amey and the City Council play within the partnership. We also outline the performance management processes, and how these are linked to payments to Amey.
- 1.3.3 Chapters 4 and 5 set out our findings in two parts. Chapter 4 deals with what has been achieved so far under the contract, and the issues that have arisen as a result. This includes work around highway and footway improvements, street lighting replacement and the management of trees.
- 1.3.4 Chapter 5 focuses on the relationships that underpin the contract: the partnership between Amey and the City Council is obviously key, but so is the relationship between that partnership and the public and their elected representatives. In particular, we examine the arrangements for communication and consultation.
- 1.3.5 Chapter 6 sets out the overall conclusions for this Scrutiny Review, suggesting that whilst the partnership appears to be working well, there are ways in which it can be strengthened. We have made a series of recommendations which we believe will achieve this.



2 Context: Background

2.1 Why a Partnership Approach?

- 2.1.1 The partnership approach is funded through a Private Finance Initiative (PFI) – see box below for further information.
- 2.1.2 The proposal to look at a PFI mechanism to fund the highways maintenance service originated in the Best Value Review of that service carried out by the City Council in 2000/2001. That review recognised that a major cash injection was needed to restore the highway asset to a fair and reasonable standard. Later in 2001, an Audit Commission inspection of the Highways Maintenance Service reported that the Council was providing a “fair”/1 star service that was unlikely to make step change improvement. They also recommended that project plans be drawn up for the implementation of a PFI, or for delivery of essential improvements should PFI funding not be achieved.

Private Finance Initiative (PFI) and Highways Maintenance

A Private Finance Initiative (PFI) is when private and public sectors come together to deliver public services.

It is a funding mechanism that uses private money to fund construction and maintenance projects in the public sector. In essence, a private company is contracted to improve / construct the public asset at the start of the contract according to set specifications and then maintain the asset for the remainder of the contract. That company would borrow the money needed to complete the work, which is recouped as elements of the contract are achieved.

Under some PFI schemes, for example where a private contractor builds a hospital or school, it operates and maintains the building for up to 35 years, and during this period the public sector must make a payment to the contractor, covering interest on borrowing, the cost of construction and maintenance of the building.

The difference with the Highways Maintenance and Management PFI in Birmingham is that the highway is not a static asset like a hospital and is therefore less straightforward to manage. It is an operational asset from day 1 of the contract. Amey is responsible for managing and maintaining it concurrently with delivery of rehabilitation works to the network and its assets. This must be done alongside other work that takes place on the highway – for instance utilities companies have the right to access their infrastructure in the highway, as well as changes being made to the highway as a result of developments and highway improvement schemes.



2.2 The Decision Making Process

The Initial Stages

- 2.2.1 The first political approval for work which could lead to a PFI was given by the then Executive Committee on 23rd March 2001. Later that year, an outline business case for the Highways Maintenance and Management Service to seek funding through a Private Finance Initiative was submitted to the Department for Transport (DfT).
- 2.2.2 In November 2003, the Cabinet agreed to accept the award by the DfT of PFI credits for a future Highways Maintenance and Management Service. This would entail committing to a 25 year contract and expenditure of over £2bn. That decision was “called in” by the Co-ordinating O&S Committee on the grounds that there had been insufficient time to consider the report (which had been submitted under urgent items provisions) and that it contained insufficient information.
- 2.2.3 Following that “call-in”, a full debate was held at a meeting of the City Council on 2nd December 2003. The outcome of that debate was that the Executive would pursue the considerable amount of work needed to meet Government timetables. However, there was widespread agreement that rigorous scrutiny was required before a final decision was made. A Scrutiny Review was therefore undertaken to provide a firm basis for understanding the detailed proposals.

Scrutiny Review of Highways PFI 2004

- 2.2.4 In December 2003, the Co-ordinating Overview and Scrutiny Committee agreed to undertake a Scrutiny Review of the Highways Management and Maintenance PFI. The Review explored the financial implications of the decision and alternative sources of funding. The necessity of significant investment was emphasised. City Council officers informed the Committee that:
- The road network in its condition at that time could not provide an acceptable service; it needed a major cash injection to remove the backlog of highway infrastructure works that had accumulated over the past 20 or so years;
 - Rehabilitating the road network to a reasonable condition was expected to need £50m;
 - Maintenance on bridges and other structures was expected to need £47m;
 - Upgrading street lighting to current standards was expected to need £75m;
 - Rehabilitating the road drainage network was expected to need £5m.
- 2.2.5 Members of the Review Group considered which services would be included in the scope of the contract. A list was drawn up with advice on what should be included and excluded. The concerns over what should be included and what should be excluded reflected wider questions regarding the impact of a PFI contract on services users and democratic representatives. At that time, “mechanisms ... to ensure that local Councillors and residents were able to influence these services ... were still being worked up.”



2.2.6 Nevertheless, the Committee concluded that the PFI approach was “the only option currently available that will bring the additional resources to the City Council at the level needed to bring about the major maintenance and restoration of the highway network”. The City Council endorsed this approach in October 2004.¹

The Selection Process

2.2.7 Following the agreement of the City Council to continue with the PFI, the contract was publicly advertised in the Official Journal of the European Union (OJEU), in the Birmingham Post, Contract Journal, Construction News, New Civil Engineer and on the City Council’s Website.

2.2.8 Expressions of interest were received from 41 companies; five returned the Pre-Qualification Questionnaire. Three of these companies withdrew during the first evaluation stage (Invitation to Submit Outline Proposals). In September 2007, Cabinet re-affirmed the decision to proceed to obtain Best and Final Offers (BaFO), so the remaining two qualified bidders were asked to produce Best and Final Offers (BaFOs) in February 2008. The bids were submitted in May 2008 and were subsequently evaluated for strengths and weaknesses. This evaluation was used as the basis for dialogue with Bidders. This dialogue aimed to:

- Ensure that they understood the City Council’s service requirements and their priority;
- Ensure that they understood what the City Council sought to achieve through the BaFO process;
- Ensure that they understood the City Council’s instructions on how bids are to be structured;
- Clarify proposals made by the bidders in respect of priced options and variations;
- Resolve areas of unacceptable risk in their bids;
- Ensure that the City Council had explored all value for money options.

2.2.9 Around this time, a global crisis had created instability in the financial and insurance markets. Both Bidders were therefore invited to submit refreshed BaFO bids by 16th March 2009. This process was overseen by the Cabinet Committee for Highways Maintenance and Management PFI.

2.2.10 In July 2009, following evaluation of the refreshed bids, Amey was appointed by Cabinet as Preferred Bidder for the contract.² Continued work took place with Amey and its lending group to develop the contract, with the Final Business Case for the project being approved on 26th November 2009 by the Cabinet Committee.

The Final Stages

2.2.11 On the 6th May 2010, following further contractual discussions and the necessary financial arrangements being made, the contract was signed by both parties.

¹ Scrutiny Review of Highways Management and Maintenance PFI 2004, p.26; and debate at City Council, 12 Oct 2004

² Highways Maintenance And Management Private Finance Initiative: Best And Final Offers Evaluation / Appointment of Preferred Bidder, Report of the Acting Strategic Director Of Development to Cabinet, 27th July 2007



Highway Maintenance and Management Services in Partnership

Start and Mobilisation

- 2.2.12 The start of the partnership had been delayed because extra assurances were required by the banks lending money to Amey. This resulted in a shortened “mobilisation” period of one month – i.e. the period of time Amey were given to ensure systems and procedures were in place, and for the supply chain to be finalised. There were therefore extensions to a number of moratoria against contractual obligations.
- 2.2.13 Amey's evidence to the Review Group noted the impact of the shortened mobilisation period, which placed a drain on project management resources well beyond the five month extension to obligation moratoria. This required extra resources to cover the workload and the mobilisation team stayed on the contract longer than anticipated.
- 2.2.14 However, once started (at 00:00 hours on 7 June 2010), the work got going very quickly. Road resurfacing commenced with the first scheme being completed and the road re-opened on the first day of service. The very first highway emergency occurred within the first fifteen minutes of service commencement and was responded to within the hour by an Incident Response Vehicle.

2.3 Benefits and Risks

Improved Road Network

- 2.3.1 As noted in section 2.1, the key reason why the City Council considered a PFI approach was the poor condition of the road network (and related assets) and the poor prospects for improvement. We received evidence that prior to the contract, 51% of roads were in a poor or critical condition.
- 2.3.2 Pre-contract estimates of the condition of the highway deemed 3.3% of Birmingham's roads as “failed” (i.e. complete deterioration with no structural integrity, reconstruction required). This included 9.3% of strategic or main distributor roads (e.g. A roads). Another 21.4% of all roads (and 35.6% of strategic or main distributor roads) were “critical” (extremely deteriorated, reconstruction required).³
- 2.3.3 One of the main aims of the contract is to ensure all roads and footways are brought up to and maintained at an overall average “fair” standard (in fair condition but may need some light patching/surface work). Surfaces that have been renewed are returned to an “Excellent” condition; these are balanced in the average condition by those that are soon to be worked upon, whilst the worst (i.e. “Failed”) sections will be removed during the Core Investment Period. Details explaining Condition Indices are contained within Appendix B.

³ Information supplied to Highways Management and Maintenance Review Group by PFI Contract Management team, July 2011. See Appendix B for more details.



Local Contractors

2.3.4 Around 90% of suppliers engaged by Amey have operations in the West Midlands and around 88% of the contract annual spend is with these local companies.

Local Employment

2.3.5 The significant investment in the road network and related assets requires a substantial number of people to carry out, manage and audit the improvements. When the contract was set up 237 City Council employees were transferred under TUPE into the new partnership; a further 28 from other organisations. Since then further employees have been recruited to reach the total level of resource required to carry out the work. Amey's current headcount for the contract is 534.

2.3.6 As part of the recruitment drive, Amey has proactively worked with Birmingham City Council, Skills Funding Agency and Jobcentre Plus to engage local unemployed people and promote access to jobs and training. A monthly steering group works together to ensure local people benefit from training and employment opportunities.

2.3.7 Amey has also taken the decision to employ apprentices; all recruited locally from young people unemployed for over six months. Some of these young people had already benefited from the Future Jobs Fund scheme. The partners developed an assessment centre to select trainees. Assessment included a number of processes such as written, numerical, team exercises and a structured interview. All apprentices have access to the gold award of the Duke of Edinburgh scheme. Around 20% of new employees are apprentices or were long term unemployed.

2.3.8 As a result of working together and targeting unemployment 'hot-spots', the partnership put 100 unemployed people through an assessment centre: 72 were employed and 18 apprentices taken on. Amey has locally recruited four graduates to the project, three of whom were unemployed.

Risk and Liability

2.3.9 Under the contract, the City Council remains as Highway Authority, Street Works Authority and Traffic Authority (these are non-delegable functions). Amey is required to provide the City Council with an adequate defence to meet its statutory obligations. This includes undertaking statutory inspections and repairing defects in order to keep the network safe.

2.3.10 As maintainer of the infrastructure assets, the risk relating to third party claims and liability has been transferred to Amey, although this does not absolve the City Council of criminal responsibility. With the transfer of liability for claims there is an incentive for Amey to carry out repairs effectively and as soon as possible, as well as to manage claims that are made.

The City Council's Financial Commitment

2.3.11 In accepting the PFI credits from Government, the City Council committed to maintaining revenue budgets within the PFI scope at the 2003/04 level, in real terms, until the PFI contract was in place and for the period of the contract. This ensured no significant deterioration of the highway in the period leading up to the contract commencement.



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2.3.12 Now that the contract is in place, the City Council is receiving the PFI credits from the Government, and must use these to pay Amey the Unitary Charge payments which are stepped up incrementally as it meets its milestones (see section 3.4). The City Council must ensure these payments are met (otherwise risk interest on the missed payments and breach of contract).

Road Safety

2.3.13 Amey notes the “very strong links between standards of highway maintenance and road safety” and states that the service contributes to the reduction in the risk of road traffic collisions and other potential injury accidents in the following ways:

- Improved Surface Condition – removal of carriageway potholes and footway trips provides a direct reduction in accident risk;
- Road Marking Renewal – new road markings improve driver awareness of road layout and the presence of hazards and directly affect driver behaviour;
- High Friction Surfacing – the repair / renewal of “anti-skid” surfacing reduces braking distances significantly and can reduce the impact speed of vehicles to below the critical limit of 30 mph;
- Improved Lighting and Signing – brighter lights that are more reliable both in lighting columns and road signage add to the visibility of highway features for drivers;
- Drainage Services – the repair and regular cleansing of road gullies reduces the risk of standing water on road surfaces and hence the potential for “aquaplaning” is reduced.

2.3.14 The highway inspection teams look out for deficiencies in the highway network that can present hazards. Amey also provides an Incident Response: the provision of incident vehicles that attend and make-safe hazards on the network quickly ensures that the number of dangerous defects that exist at any one time is minimised. There is also a feedback process to the City Council, highlighting areas where safety and traffic flow on the network can be improved. This is important for the City Council in directing its capital works (improvement) spend on the highway.

Crime and Perceptions of Crime

2.3.15 The work carried out as part of the contract is also expected to have a positive impact on both crime and perceptions of crime. Amey uses crime data, including information on priority neighbourhoods, from the Safer Birmingham Partnership.

2.3.16 The maintenance work is expected to be particularly beneficial in terms of improved street lighting and also tree maintenance resulting in removal of overgrowth from trees that can obscure visibility for pedestrians. These can add to residents’ perception of safety as it opens up the street scene and removes potential hiding places for criminals. In addition, Amey told us that because of the vast amount of work being undertaken, there is a re-assuring visual presence of Amey officials on street. This can go some way to deterring criminal activity due to the raised levels of incidental surveillance by the Amey workforce, both by day and by night.



3 Context: The Contract

3.1 Scope of the Contract

3.1.1 The contract requires that Amey improves the road network in Birmingham so that it meets national standards but also allows for any enhancements or additional treatment the City Council requires. Any new build (assets or additional road length) on the road network will not automatically be included within the contract but may be accrued into the service by the City Council. This accrual will result in additional cost, to pay for the increased maintenance and liability services that Amey carries out (maintaining the asset to a set standard).

3.1.2 In essence, Amey is contracted to ensure that the road network (essentially the Highway Maintainable at Public Expense) is:

- Functioning;
- Safe;
- Available for use.

3.1.3 The City Council remains as the Highway Authority, Traffic Authority and Street Authority.

3.1.4 For the purposes of the contract, the city is divided into 12 districts:

10 Geographical Districts	1 - Edgbaston
	2 - Erdington
	3 - Hall Green
	4 - Hodge Hill
	5 - Ladywood
	6 - Northfield
	7 - Perry Barr
	8 - Selly Oak
	9 - Sutton Coldfield
	10 - Yardley
1 City Centre "District"	11 - Boundary of District defined as the A4540 and the area contained within it,
1 Strategic and Main Distributor Network "District"	12 - Stratford Road (A34), Coventry Road (A45), Warwick Road (A41), etc.



Highway Maintenance and Management Services in Partnership

Key Inclusions and Exclusions

Amey provides services in relation to:

- Project Roads: carriageways, footways, verges, kerbs, footpaths and cycle tracks;
- Streetscene Land*: designated squares and key areas of public realm adjacent to the Highway;
- Structures, Bridges and Tunnels: including reserved areas in bridge abutments;
- Apparatus: items on the network including street lighting, traffic signals, bollards, pedestrian guard rails, non-illuminated traffic signs, cabling and communications;
- Highway Trees: trees in a project road;
- Privately Maintainable Public Rights of Way (PROWs)*: PROWs that are maintained by third party land owners.

* Limited obligations, principally "inspect and make safe" functions.

Key Exclusions

- Traffic management policy, including the making of Traffic Regulation Orders;
- Third party infrastructure (e.g. bus shelters, Network Rail structures);
- Carrying out new build work:
 - Local Transport Plan (LTP) Capital Programme: LTP Major Schemes, Safety Schemes / Safer Routes to School;
 - Constituency and Local Engineering;
 - Planning and Regeneration, including Local Centres Programme;
 - Housing, including Public Land Initiative;
- New build by third party developers;
- Private lighting agreements (e.g. unadopted streets, public and amenity lighting);
- Unadopted roads (private roads are the responsibility of residents to maintain, the City Council has no responsibility to light or maintain such roads unless specifically arranged by agreement, which would result in maintenance and operating costs being charged to residents);
- Capital works to refurbish Tame Valley Viaduct and Aston Road North Flyover box girder structures (the necessary works will be undertaken by the City Council. Due to the requirement for extensive refurbishment and strengthening work to maintain the structure, this would not represent value for money within the PFI contract)
- A38 Sutton Coldfield Bypass (originally maintained by the Department for Transport (DfT), transferred to the City in February 2010. DfT has acknowledged that the road they transferred to the City Council was not in a satisfactory condition. Resurfacing work was completed in Autumn 2011, utilising funding from DfT.



3.2 Amey's Role

3.2.1 There are four key parts to the contract which Amey is required to carry out:

- Core Investment Works: refurbishing the network, 2010-15 (with Street Lighting upgrades continuing to 2032);
- Life-Cycle Works: end of life asset replacements, 2015-2035;
- Maintenance Works: routine and reactive maintenance throughout the life of assets;
- Network Management: managing activity on the network (on behalf of the City Council under the Highways Act), including:
 - Response to priority issues / defects;
 - Winter maintenance (gritting) services;
 - Traffic management around its own works and co-ordinating works undertaken by others on the highway.

Core Investment Works

3.2.2 The core investment period (CIP) spans the first five years of the contract and will account for around £350m of capital expenditure by Amey.

3.2.3 Amey is carrying out investment to tackle the worst first. As above, the work will be organised into 10 Constituency Districts, plus District 11 (City Centre) and District 12 (strategic road network). By the end of the five years, all Constituencies will meet a consistent, reasonable standard. The type of work to be carried out includes:

- Improving the condition of carriageways and pavements so that they meet the required levels. Amey is required to deliver a "fair" average condition with no "failed" sections (see Appendix B: Network Condition Indices). This will not mean that there are no defects but through proactive maintenance and timely intervention these will be less likely and less severe. Over the CIP, around 1,100 km (of the total length of 2,547 km) of carriageway (40%) and around 750 km (of the total length of 4,923 km) of footways (15%) will be treated;
- Replacing around 41,000 street lighting columns – about half of those in the city – including upgrading the light output to comply with British / European Standards and installing equipment to enable the Council to monitor and manage energy use more effectively;
- Refurbishing the three main City Centre Tunnels with modern safety equipment;
- Strengthening works to bridges, so that there is a larger network in the city capable of carrying 40 tonnes live loading;
- Refurbish the Urban Traffic Control system to modern standards and ensure no traffic signal controllers are more than 15 years old;
- Pumping Stations: Refurbishment of mechanical and electrical equipment.



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3.2.4 The five year programme for this work has been published, and is updated periodically.⁴ The programme is determined by a mixture of condition surveys, inspections and consultation with Councillors and key stakeholders. These are continually updated to ensure that there is a current picture of asset inventory and condition. Other factors taken into account when determining the programme include when the City Council carries out new build works as the Highway Authority, when statutory undertakers (e.g. utilities) are planning to work on a road and the classification of the road. These are coordinated to minimise overall disruption and maximise opportunities to make changes concurrently.

Lifecycle Works

3.2.5 After the CIP, a more limited level of investment will continue to replace/renew assets as required in order to maintain the standards set out in the contract. This will mean for example that at least a further 24,000 street lighting columns are replaced by 2032, with all other remaining street lights being refurbished and upgraded. There will also be a continued substantial programme of carriageway and footway works undertaken each year.

3.2.6 This work will be determined by machine and walked technical surveys, together with a programme of safety inspections (completed every six months, more frequently on busy roads) and a combination of annual/biennial condition surveys in line with national maintenance standards.

Maintenance Works

3.2.7 Routine and reactive maintenance will be carried out over the 25 years of the contract. This includes routine, cyclic, emergency and winter maintenance.

3.2.8 A number of surveys and inspections are carried out to determine where all types of maintenance work are required, including:

- Service, Structural, Arboricultural and Safety Inspections;
- Electrical Safety Inspections;
- General and Principal Inspections on structures;
- Inspection of utility works and reinstatements.

3.2.9 There is also reactive work: residents and Councillors report problems via the City Council's Contact Centre or via the website, which are then routed to Amey's Help Desk in its Operational Control Room.

3.2.10 Amey must give priority to "category 1" defects (i.e. those deemed to be immediately dangerous), including the removal of dangerous highway trees and responding to highway emergencies. In such cases, the basic services carried out are to attend, make the issue safe, make any temporary repair and then ensure that a permanent repair is made promptly.

⁴ Available at www.birmingham.gov.uk/highways-works-programme



Network Management

- 3.2.11 Amey runs the Urban Traffic Control (UTC) centre. The UTC operators monitor traffic flows around the city via remotely controlled cameras and vehicle detection systems. The system is used to optimise traffic signal timings, share information with the media and emergency services and operate variable messages that are displayed on Electronic Message Signs around the city.
- 3.2.12 Part of the capital investment Amey will be making includes requirements to introduce a new Urban Traffic Management and Control (UTMC) system that will replace some of the human control operations with automated systems. This will also improve integration between the various UTC systems and those operated by partners such as Centro.

3.3 Birmingham City Council's Role

- 3.3.1 The City Council has two main roles in relation to the partnership: firstly they are the "client" within the contract, and as such must ensure contract compliance, application and assurance, including performance management and payment. A PFI Contract Management team was created in May 2010 to carry out these tasks as part of the Street Services Division in Highways.
- 3.3.2 Secondly, the City Council retains a number of statutory duties and non-statutory service-related functions as Highway Authority, Traffic Authority, Street Works Authority, Technical Approval Authority and Land Drainage Authority. There are "in-house" responsibilities associated with these roles and these sit within the Infrastructure Management team in Street Services Division and the Traffic Management Services team.
- 3.3.3 In addition, other areas of the City Council interface with these activities, and other service areas must work with Amey under the new arrangements to deliver services (e.g. Transportation Projects, Highway Information Services, Private Developments, Housing Regeneration, Planning and Regeneration, etc.).

Street Services Division: Infrastructure Management Team

- 3.3.4 The Infrastructure Management team essentially ensures the effective stewardship of assets to make sure that they are fit for purpose. There are three parts to this:
- Highway Asset Management – the team monitor and manage changes on the network, carry out inspections and quality audits and manage assets such as highway trees and traffic signals. As part of the service, Amey is completing a highway asset inventory and this needs to be maintained in an environment of constant change by both Amey and the City Council;
 - Street Scene Performance – monitoring and managing fixed assets on the highway, granting permits and licences as required e.g. for skips on the highway (the income from these is allocated between Amey and the City Council, related to the principle of who does the work in preparing and issuing the permit). This team also monitors performance against the Customer Charter and manages the footway crossing process (Chapter 5);



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- Emergency Planning and Business Continuity – developing Business Continuity Plans in line with changes in legislation and new delivery mechanisms, acting as the Winter Maintenance Client Management Function (including ensuring that weekly Cabinet Member / City Council Briefings take place when required).

Traffic Management

3.3.5 The City Council retains its role as the Traffic Authority and as such has responsibility to ensure movement on the highway. The Traffic Management team provides guidance on the application of the City Council's role as the Traffic Authority processes for day to day management of traffic on the highway. They approve:

- Road closures;
- Traffic management arrangements in relation to Amey and utility street works.

Street Services Division: PFI Contract Management Team

3.3.6 The newly created client function is charged with contract governance, compliance, audit and assurance. There is a lot of complex activity within the contract, and this team build knowledge of the contract and its consequences. This enables them to help people understand the contract, how to interpret it and the context they now need to operate in. It has also included a number of essential functions being put in place to manage the contract, including recording contractual notifications and approvals.

3.3.7 They also undertake performance management, ensuring the correct payments are made under the contract and ensuring the appropriate recording of data.

Other City Council (Non-Highways) Service Areas

3.3.8 Other City Council service areas border the contract scope, and so must work with Amey to deliver services. For example, Fleet and Waste Management work with Amey to ensure the collection of waste and cleansing of streets is co-ordinated with other work on the highway.

3.3.9 There are areas where responsibilities overlap: for example, it is Amey's responsibility to spray weeds, but the City Council's Fleet and Waste Management team remove the resulting dead weeds.

3.3.10 In addition, there are areas where co-ordination benefits both sides: such as graffiti removal. There are graffiti cleansing teams that are run through the Fleet and Waste Management Depot's and the graffiti cleansing services run through Amey under the PFI arrangements. Amey is responsible for graffiti on some highway infrastructure (e.g. road sign faces, subways, bridges); the City Council for all other graffiti.

3.4 Performance Management and Payment

3.4.1 Amey's performance is monitored by a variety of means:



- Reporting of faults through the Contact Centre;
- Service Provider self-monitoring;
- Audit and inspection by the client;
- Independent certification by WS Atkins.

3.4.2 Assessment of the contract is not based on “inputs” (e.g. how much time/money Amey spend resurfacing roads) but on “outputs” (e.g. are Birmingham’s roads being maintained to agreed standards). This means, for example, that if Amey or one of its contractors carries out work below standard, Amey has to rectify that at no extra cost to the City Council. Amey is also required to take the risk of meeting requirements to the output specification across the contract term. This includes monitoring the condition of assets and ensuring timely maintenance interventions. Amey carries the risk of condition of the assets (e.g. the effects of severe winters / hot summers and variations in traffic volumes).

Core Investment Period

3.4.3 The contract sets milestones for the Core Investment Period. Incremental increases in payments to Amey are dependent on these being met. The milestones are certified independently (by WS Atkins, the Independent Certifier).

3.4.4 Amey will borrow around £350m of capital funding to carry out the core investment works. This is factored into the Unitary Charge payment from the City Council. The Unitary Charge payment reflects the full charge for operating and maintaining the refurbished network. It increases from a base of 60% of the full amount as milestones are met through the CIP. The money the City Council pays comes both from the Government (as “PFI credits – £627m paid as an annuity across the contract term of approximately £50m per annum) and the City Council’s ring-fenced pre-contract highway maintenance budget.

3.4.5 Certification of the full achievement of all Milestone 1 and Milestone 2 targets occurred on 30th November 2010 and 31st May 2011 respectively.

3.4.6 Successful achievement of milestones results in increasing Unitary Charge payments to Amey. There are ten, six-monthly step-ups of 4% of the Unitary Charge, measured across the Core Investment Period. Receiving full available step-up in Unitary Charge at each Milestone is dependent on achieving specified performance targets and demonstrating that network improvements have been achieved; should works not meet the standard, Amey will not receive the full associated step ups in the unitary charge. Amey is required to complete all the Milestones within the Core Investment Period of five years.

On-going Maintenance

3.4.7 With regard to on-going maintenance, Amey has obligations to report its performance in rectifying defects and provide monitoring systems.

3.4.8 Amey is required to rectify a reported fault from:



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- The time they are made aware of it; or
 - The time that they should have become aware of it (i.e. if they were scheduled to inspect and didn't, it is the time that they should have inspected it).
- 3.4.9 Performance is monitored principally by Amey with a requirement to report to the City Council. Amey submit monthly monitoring reports, including a summary of the monthly contract adjustment values.
- 3.4.10 There are additional financial adjustments for failures to report performance correctly and for not meeting performance targets. For example, for every Category 1 defect on the highway that Amey does not attend and make safe within an hour of it being reported to Amey, an adjustment is made reducing the monthly payment to Amey. The incentive is to remedy defects within the specified timescale.
- 3.4.11 There are a number of performance indicators – in total over 1,300 performance items are monitored in a highly complex, resource intensive operation involving:
- Individual rectification periods per performance target;
 - Individual adjustment periods per performance target (the rate at which subsequent adjustments are made);
 - A multiplier mechanism by adjustment period, meaning that adjustments increase the longer they remain unrectified.
- 3.4.12 Amey records the data and identifies failures and the corresponding deductions. The City Council's client team checks the records and agrees the adjustment level.
- 3.4.13 At contract commencement, a backlog of 'live' priority defects and non-essential maintenance work was given to Amey. Many of the lower priority items had a moratorium period for financial adjustments. This did not mean that Amey was not responsible for carrying out maintenance, but provided a reasonable period for Amey to identify problems without being at unreasonable financial risk.
- 3.4.14 Notwithstanding that, the City Council's client function did identify some issues with footway works carried out in the early stages of the contract. An audit was carried out and as a result a significant number of footway schemes required additional works to be undertaken prior to them being accepted as complete; and the process for footway works was amended to allow the City Council to see plans at an earlier stage.
- 3.4.15 The City Council has made a number of performance adjustments and has demonstrated that it is managing the contract appropriately through a range of formal and informal processes. However, it is worth noting that the overall level of adjustment represents a small proportion of payments to Amey and the shortened mobilisation period for the contract (only 32 calendar days) is an important consideration. Amey responded positively to these issues. A number of meetings take place regularly at various levels to identify and resolve areas that need to improve.



4 Findings: Carrying Out the Work

4.1 Introduction

4.1.1 The Committee has gathered a range of views of the partnership over the first 18 months of its operation. Undoubtedly the volume of work on the public highway being carried out has increased far beyond that of previous years. That has brought real improvements to the city's streets, but has also – partly due to the speed at which work had to commence – raised some concerns. We will explore some of those issues in this chapter. In the next chapter, we will consider the relationships and ways of working that are critical to making the partnership work.

4.2 Headline Statistics – Year 1

4.2.1 Amey provided some headline statistics on activity completed during the first year of operation:

- Full highway network surveys completed covering 2,500km of roads and 76,000 trees;
- 60km of roads and 190km of pavements resurfaced, including 7,000 potholes repaired;
- 30,000 trees pruned;
- 2,600 street lights installed, including LED lighting and remote control sensors;
- 130,000 utility and highway works co-ordinated;
- 66 traffic signal controllers replaced and three pumping stations refurbished;
- Total of 48,000 miles of roads gritted (1,200km of roads gritted each night during bad weather) and 1,200 grit bins filled and placed around the city;
- Up to 80 highway emergencies responded to each day, within an average time of 28 minutes and 20 seconds;
- Over 60,000 calls and enquiries received from members of the public and over 3,000 Councillor enquiries received.

4.3 Asset Management

4.3.1 The sheer volume of activity on Birmingham's streets, as outlined above, has not been seen for many years. What is also new is that we now have information on highway activity, and that our knowledge of highway assets will improve further. A full Asset Inventory Survey has been completed by Amey which means that every highway asset is now logged on a map-based database. This will allow Amey, officers and Councillors to understand the network and the value of assets on it, and so manage change more effectively. Birmingham will be a leading local authority in this respect.



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4.3.2 This is important as the highway is not a static environment and this must be managed within the contract. There are contractual mechanisms to account for continual additions and subtractions to the inventory of assets that Amey maintains.

“De-cluttering”

4.3.3 There are a number of assets – signs, bollards, benches etc – on the highway. Over time, these can accumulate and do not routinely get removed as highway use changes (e.g. a sign/pole left where once parking restrictions were in place). These assets currently form part of the inventory for which the City Council is paying.

4.3.4 The basic aims of de-cluttering are to remove any infrastructure items that:

- Are redundant (e.g. No Waiting at Any Time plates, which are no longer required);
- Are surplus to requirement (e.g. additional signage that is not necessary to meet standards);
- Can be dealt with more efficiently (e.g. mounting signs on existing columns rather than on separate poles).

4.3.5 The surveys and inspections Amey must carry out means it is in a good position to recommend to the City Council removal of such assets. This is provided through two annual reports:

- The *Network Integrity Report*, identifying opportunities to modify the layout of the network, including poorly sited, incorrect, confusing or redundant Traffic Signs and Road Markings;
- The *Network Safety Improvement Assessment Report*, identifying works to improve the safety of the network and traffic regulation (beyond what Amey is already employed to do).

4.3.6 If removal of assets is agreed, this results in a reduction in the City Council's payments to Amey.⁵ Other benefits of removal include:

- Making streets tidier and more pleasant, demonstrably being maintained;
- The resulting streets are usually easier and cheaper to maintain;
- Contributing to a safer and easier to navigate street environment, especially for those with visual or mobility impairments;
- Contributing to uniformity of street scene, enabling particular characters to be given to areas.

4.4 Highway and Footway Maintenance

Quality of Work

4.4.1 Resident surveys conducted by Amey report high levels of satisfaction with carriageway and footway resurfacing: 86% of those surveyed were satisfied with the carriageway resurfacing and 68% satisfied with footway maintenance. There was 100% satisfaction with the tidiness of sites.

⁵ “De-cluttering”, 2nd September 2011, Briefing note provided to Review Group by Street Services Division, BCC



- 4.4.2 We received a number of submissions from Councillors about the quality of work being done on some highways and footways. Generally views were mixed: most roads were seen to be done to a high standard, however we were given examples of poor road repairs. We brought the following examples to Amey's attention, and the following responses were received:
- Subcontractor covered up stopcocks whilst resurfacing footway – there was a significant delay in getting the subcontractor to rectify this. On bringing this example to Amey's attention, they instructed the subcontractor to return to the site and rectify the issue;
 - Joints in a concrete road were sealed to stop water ingress but some joints were left slightly low, resulting in increased noise levels. The subcontractor has now rectified this.
- 4.4.3 Amey is responsible for the risk of managing its supply chain. As part of resolving these and other concerns raised by the client function, Amey has undertaken to put in measures including closer supervision of subcontractors to ensure a good standard of work is achieved.

Five Year Programme and Maintenance Schedule

- 4.4.4 Our evidence gathering did reveal the need for better information to both Councillors and residents on why some streets are prioritised over others in the five year programme.
- 4.4.5 We were informed that Amey employed 50-60 crews to carry out maintenance work. These are based both on the condition surveys and inspections. Regular inspections are necessary as the condition surveys can become out of date quite quickly, particularly where potholes are concerned. A couple of concerns were noted regarding potholes: firstly that sometimes different crews attended to potholes in the same road, and secondly that residents observed contractors circling potholes with paint so residents then thought work to repair them was imminent, but then the work was not done for many months.
- 4.4.6 Partly this can be explained by the difference in severity of the pothole: potholes are classified using a risk matrix developed specifically for Amey's work in Birmingham from the guidance in the Highway Code of Practice. The different categories and response times are set out in Appendix C.
- 4.4.7 Category 1 defects (e.g. where the pothole is of a size and location to put both the probability and impact of an accident as very high) should be attended within one hour. At that initial visit, the site will be made safe either with barriers or a temporary repair. At our request, Amey examined the response times to 1,166 Category 1 emergency pothole reports (the total number received between 1 March and 31 July 2011), which showed an average response time of 28 minutes.
- 4.4.8 Other potholes are added to the list of works and an Enquiry Inspector will visit site and use the risk matrix to determine the category of the defect. The response times for these non-emergency defects can range from 7 days to 12 months dependant upon the safety risk that it presents to highway users.

Footway Crossings

- 4.4.9 A major source of complaint throughout this Scrutiny Review related to footway maintenance works and the provision of footway crossings (dropped kerbs).



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- 4.4.10 When Amey undertakes footway maintenance works in a road, they offer residents the opportunity to install a footway crossing at a discount. Footway crossings must be approved by the City Council (by the Street Scene team in Highways). Therefore residents must have sufficient notice to apply for a quote (and to obtain planning permission for a driveway if necessary).
- 4.4.11 The standard City Council process (i.e. for “new build” requests – those not taking place where Amey are working) for installing a footway crossing includes the promise that a quote (or reason for non-approval) will be sent within 10 days; and that the dropped kerb will be installed within six weeks (unless trees or utility works are needed, which will take a minimum of eight weeks longer).
- 4.4.12 Amey's process runs parallel to this. The Customer Charter states that if a road is to be resurfaced, Amey will write to residents at least one week beforehand. During our evidence gathering, we learned that Amey had agreed to aim to provide notification two weeks beforehand.
- 4.4.13 However, neither timescale is enough to enable residents to apply for footway crossings. Footways to be resurfaced are set out in the five year plan, but no timescale other than the year is included and it is unclear how residents are to be notified about the programme's existence.
- 4.4.14 Amey has noted the issue and taken steps to resolve it. The design process is being accelerated so that scheme details are available three months prior to works commencement. It is intended then, that an advanced notice of footway refurbishment can be given to provide a longer lead-in time for residents to make decisions about their requirements. In addition, a process for managing the requests for discounted footway crossings has been created and refined. Amey have put in place dedicated resources to handle the volume of requests and assess the feasibility of the footway crossings. A finance system for accepting payments was also created. The assessment of whether a property can have a footway crossing will become part of the “Walk and Build” process.

4.5 Street Lighting

- 4.5.1 Street lighting will be replaced both as part of the core investment works (to be completed within the first five years of the contract) and as part of ongoing routine maintenance. The first thing to note is the significant increase in volume of street light replacement. As stated earlier, 2,600 street lights were installed in the first year, including LED lighting and remote monitoring and control equipment.
- 4.5.2 There are approximately 94,000 street lights in Birmingham and approximately 41,000 are to be replaced by 2015, with over 10,000 columns per annum being replaced between 2011 and 2014. A minimum of 24,000 of the remainder of street lighting columns will be replaced from 2015 to 2032 and all other street lights will be refurbished to the same high standards. The five year programme sets out which streets are to have the lighting upgraded, and in which year.⁶ This is more than the yearly average of recent years – under an enhanced City Council capital programme for 2009-10, 1,200 street lights were replaced.

⁶ www.birmingham.gov.uk/highways-works-programme



4.5.3 The lighting solution, made possible through the partnership, has attracted much interest from across the UK, Europe and the world with many delegations visiting the project to see Birmingham's work. Birmingham is now part of the European PLUS (Public Lighting in Urban Spaces) project, developing best practice in lighting strategy and has received particular praise for its city-wide remotely controlled LED solution.

Energy Management

4.5.4 When lights are replaced, they are being replaced by a world leading, remotely monitored LED street lighting solution making Birmingham the world leader in implementation of this energy efficient and cutting edge technology. Further advantages of this form of lighting include:

- Improved energy consumption and therefore lower cost and carbon footprint;
- Increased options for control of levels of lighting; and
- Remote control and oversight of lights, enabling defects to be identified without night scouting.

4.5.5 Use of LED lights will enable the City Council to reduce energy consumption by over 30% over the first five years of the contract and 50% by end of contract. There are also benefits in terms of a more uniform lighting appearance leading to improved visibility and a reduction in light pollution (sky glow) and obtrusive light.

4.5.6 Technology in lighting advances at a rapid pace. LED lighting is now being considered for use on all roads. At service commencement, the technology was not sufficiently advanced for LED use on Traffic Routes, but a trial is currently underway using the very latest technology. A successful trial will enable LED installation on Traffic Routes to be delivered. (the original contract excluded major roads from LED lighting schemes as earlier versions were deemed insufficient for those categories of road).

4.5.7 Members of the Review Group were given a demonstration of the new remote monitoring system being installed in all street lights. A single transmitter on the top of lighting columns sends information back to the control room on any faults. It also allows the lighting to be controlled from the control room – i.e. switching on and off, and varying the light output.

4.5.8 This ability to vary the light output allows Amey to maintain the requisite brightness as the lights naturally fail due to wear and tear or long life (when first installed, the lights are not put on at 100%, so as the light fails, it can be turned up to maintain brightness levels). It also assists with carbon reduction and cost reduction. Lower cost is also achieved by increased reliability, leading to a better service.

4.5.9 Under the contract, the City Council continues to pay for the electricity so this decrease in energy consumption will lead to lower costs. The reduction of energy consumption is built into the contract, with an incentive for Amey to reduce energy use beyond the agreed level. In simple terms, Amey has given the City Council a profile of predicted energy use across the contract, which reduces as investment is made. If this is not met Amey is obliged to pay the City Council the difference. If this is bettered, then there is a mechanism for sharing the proceeds.



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Quality of the Work

4.5.10 Amey reported high levels of resident satisfaction with the new LED lighting from their customer surveys:

- 86% think the brightness level is about right;
- 90% like the new lights;
- 84% think the houses are now safer as a result of the new lighting;
- 89% think the roads are now safer as a result of the new lighting.

4.5.11 These results reflect feedback that we received informally. Nonetheless, there were one or two cases of residents complaining that the lights were too bright and shining into residents' homes (conversely other residents complained that the reduction in light "spill" meant that light no longer reached their properties).

Five Year Programme and Maintenance Schedule

4.5.12 The criteria for installing new lighting are set out in the contract, namely the height of the column, the light on the road (is it sufficient for that classification of road?) and other sensitivities. The aim is to ensure the network is lit to national standards.

4.5.13 The light and signals team based at Thimble Mill Lane work mainly on the maintenance of existing stock. They deal with approximately 200 repairs a day, including the lights themselves and lighting columns (we learnt that between five and ten are knocked down in accidents each week). Five night monitors (night scouting staff) are out every night to identify faulty lighting.

4.5.14 The programme seeks to take into consideration where lighting had been installed recently. However, as with footway and carriageway works, it was not always clear to Councillors or residents why some streets are prioritised over others. We received details of one example where roads that had new street lights erected prior to the contract were included in the five-year programme as the inventory had not been updated prior to the contract. These were subsequently removed from the programme, though this took some time.

4.5.15 Members of the Review Group also questioned whether Amey and the City Council work with the Police to programme enhanced street lighting where there are crime hotspots. Amey told us that they use crime and perceptions of crime data to compare Constituencies and Wards of the city, there was as yet no mechanism for highlighting more localised "hotspots". Amey could therefore work with the Police to respond to local areas of concern.

4.6 Trees in the Highway

4.6.1 Under the new contract, Amey are responsible for managing Birmingham's highway tree stock of 74,000 trees, and for keeping the city's highways and footpaths substantially weed-free. Managing the tree stock includes planned removal of basal growth (growth from the base and/or trunk of a



tree) and other tree maintenance as part of the core investment five-year programme.⁷ There is also a five-year tree replacement programme of trees that are diseased or badly located. Amey must maintain existing tree numbers in each ward and an asset management system for trees is in place to monitor this, as will the proposed tree management strategy.

- 4.6.2 The first year of operation focused on the higher risk trees such as those presenting safety risks due to their condition or position and 2,000 trees were replaced. Around 600 to 800 of these 2,000 were removed because either the planting failed or because of vandalism. This is a common risk with tree planting and is managed at Amey's cost.
- 4.6.3 Resident surveys conducted by Amey revealed that the overall satisfaction rate with arboriculture was 74%. Furthermore:
- 43% thought the level of pruning was about right (48% did not answer this question);
 - 48% thought the pruning would help work towards a "Greener" Birmingham;
 - 62% thought the houses were safer as a result of the works;
 - 64% thought the roads were safer as a result of the works.
- 4.6.4 The Tree Management teams at Amey consult local groups on tree works, as they know the area and also help to maintain the trees and report problems. Amey also deployed extra resources from both the tree management and weed control services to support the City Council in its success in the 2011 "Britain in Bloom" competition. Members heard how Amey has worked with a number of local interest groups and associations such as Moorpool Residents Association and actively promote community links.
- 4.6.5 Two key issues emerged during our evidence gathering with regard to trees, namely communication around tree removal and the policy around replacing trees.

Communication Issues

- 4.6.6 All tree removals are required to be approved by the City Council. As Amey carries the risk of tree maintenance, it may remove trees that pose an immediate danger without prior permission, but is required to notify the City Council of such removals within one hour of doing so. Amey also has to prepare and submit to the City Council the Annual Tree Management Programme.
- 4.6.7 Amey and the City Council are working to achieve a common understanding of the need for tree removals, which should enable speedier tree removal decisions and better coordination of services.
- 4.6.8 However, from very early in the contract, concerns were raised about the lack of information about tree removal, with what seemed to residents to be healthy trees removed. Distress was also caused on at least one occasion, by confusing signs on trees, whereby residents thought that trees

⁷ www.birmingham.gov.uk/highways



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were going to be removed, but only basal growth work was planned.⁸ Evidence to our Review Group included examples where trees have been cut down without notification to local Councillors.

- 4.6.9 These issues were also flagged in the results of Amey's survey. When asked about tree notifications, 75% of those surveyed did not receive notification or felt the level of information provided was not enough.
- 4.6.10 Where trees are dangerous and need to be removed urgently, this is understandable; however not all the trees that are removed are dangerous and in most cases residents and Councillors could receive information prior to the work. Amey recognise the sensitivity of this issue and have since amended their procedures. A new tree removal notice has been developed, which gives contact details for anyone who may be concerned about the loss of the tree. This is attached to each tree two weeks ahead of felling. Letters have been revised and include the reason for the work.
- 4.6.11 Where trees are removed from the Project Network by Amey (for whatever reason) they have to replace such trees having regard to the species and location of the tree that is to be or has been removed. However, they will not necessarily be replaced in the exact same location, if deemed inappropriate, nor will it be a "like for like" replacement of species. There are a number of reasons for this, including not being able to put a new tree where a diseased tree had been, the presence of utility apparatus or the suitability of species for that highway.
- 4.6.12 The feedback we received suggested that Councillors and residents were not being told where replanting was taking place. Amey have told us that they have now set up a process to notify all Councillors of new planting. All replanting will be in the public highway and is planned so as to maintain total tree numbers in each ward. The annual planting programme (up to 1,800 trees for 2011/12 season) will be made available to Councillors.
- 4.6.13 Due to the high number of services and other infrastructure in the highway (including the increased number of footway crossings), new planting locations are limited. There is national guidance on where trees should be placed in relation to utilities which aim to ensure that trees are not damaged or made unsafe when utility companies have to excavate to access pipes or cables.
- 4.6.14 Amey work to the National Joint Utilities Group Volume 4 guidance⁹, which set out "dos and don'ts" in order to protect roots. This means the "prohibited zone" in which no excavation can take place is one metre around the tree trunk. Activity is further restricted, though not prohibited, around a further one metre.

Tree Replacement Policy

- 4.6.15 A question was raised during the evidence gathering as to what the tree replacement policy was: should Amey be replacing trees on a "one for one" basis or "two for one"?

⁸ Issues raised at the Leisure, Sport and Culture O&S Committee, 8th June 2011

⁹ NJUG Guidelines for the Planning, Installation and Maintenance of Utility Apparatus in Proximity to Trees – Issue 2



- 4.6.16 Both Amey and City Council officers were clear: the contractual requirement for trees on the public highway is to replace them on a “one for one” basis. This is as stated in the City Council’s Tree Management Policy provided to Amey at the time the PFI agreement was signed. Amey is obligated to ensure that, as a minimum, the current number of trees on the highway network is not reduced throughout the contract term unless prior written consent has been obtained from the City Council.
- 4.6.17 In June 2009, Cabinet approved a revised Tree Management Policy which discharged Recommendation 12 of the Leisure, Sport and Culture Overview and Scrutiny Committee report of February 2006 which stated “That the current Tree Management Policy Statement (insofar as it affects street trees) be revised and included in the ‘Best & Final Offer’ HMMPFI documentation.” This policy contains the following three “Street Tree Specific Commitments”:
- Every tree removed (for whatever reason), to be replaced with two new trees planted in the highway as near as is reasonably practicable to the original location;
 - Undertake an annual street tree ‘fell and replant’ programme giving consideration to age, condition and suitability of trees to their location;
 - Designed planting schemes to provide a minimum of two replacement trees for every one removed as part of highway improvement projects.
- 4.6.18 The Committee were told that the first of these relates to specific removal of a tree in all circumstances other than general tree maintenance. Where the work that Amey does is general tree maintenance, i.e. the “annual street tree ‘fell and replant’ programme”, the two for one does not apply in these circumstances. The final Street Tree Specific Commitment refers to new build / improvement schemes.

4.7 Recycling

- 4.7.1 We have already noted the environmental advantages of the street lighting replacement programme. Further benefits can be seen in Amey’s approach to waste management. Excavated road material, cardboard, metals, lamps, IT and electrical equipment, woods, oils and liquids, white goods, wood, timber and green waste are all recycled.
- 4.7.2 We were particularly interested in the “FoamMaster” asphalt recycling plant at Bordesley Green, run in partnership with Tarmac. The plant takes waste material from road re-constructions, crushes it and mixes it with recycled pulverised fuel ash (PFA) to form a grade of material that is used in footway schemes. A Carbon Footprint Calculator has been developed that demonstrates the environmental benefits of such material processing.
- 4.7.3 Amey informed us that they are working with Tarmac’s technical team to investigate the potential for replacing PFA with incinerator bottom ash arising from the Tyseley Energy from Waste plant to assist the City Council in maximising its recycling performance. Subject to agreement between the respective parties, a trial will take place in 2012.



4.8 Safety on the Highway

- 4.8.1 The expected impact of the contract on road safety has been noted in Chapter 2. However, there are also the safety issues related to carrying out the works.
- 4.8.2 Members heard how Amey is working to a “Target Zero” health and safety management initiative that aims to have no injury or lost time accidents arising from its works. Every Amey manager working on the contract undertakes to spend time each month on a Visual Felt Leadership (VFL) tour of operations. These tours ensure that all managers get to meet staff from every part of the project and to discuss openly how health and safety risks are understood and managed. Council officers are invited to attend the tours. This has helped to develop and share a culture of openness and collaboration and brought management and operatives closer together.
- 4.8.3 Amey operates a “Silence is Consent” near-miss reporting system. The philosophy is to encourage all employees to report near misses so that potential accident trends can be identified. This in turn provides for a proactive approach to accident prevention. Incorrect or lack of protective equipment/clothing has the highest number of near misses.
- 4.8.4 The first year of the contract has been completed without a RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995) reportable incident. Amey reported that five accidents have resulted in lost time totalling in 13 working days lost. There have been a total of 30 no-lost time accidents reported on the contract to May 2011. There have been three lost time incidents involving sub-contractors during the first twelve months of the contract. This is an excellent achievement on a project of this size.¹⁰
- 4.8.5 The City Council has made it a requirement of the contract that Amey and all subcontractors are participants in the Considerate Contractors Streetworks Scheme. This obliges participating highway and utility contractors to abide by standards relating to safety, quality and customer care when working on or adjacent to pavements and roads. The agreed standards are monitored by Lay Assessors who are members of the public who volunteer to undertake random surveys of ongoing construction work and feed the results of these surveys back to the City Council.
- 4.8.6 We spoke to some Lay Assessors as part of our evidence gathering. Mostly, they agreed that the works had been carried out in a safe and proper manner. However, one did raise concern regarding an incident whereby sub-contractors had not been wearing the appropriate protective equipment and the pedestrian side of the works had not been cordoned off. Amey emphasised that they hold regular meetings with both the direct and subcontracted workforce to brief on safety issues.
- 4.8.7 Amey service managers also raised issues about threats to workforce by aggressive members of the public and of motorists ignoring road closures. Whilst not desirable, managing such issues is part and parcel of managing a street scene service operation.

¹⁰ Annual Service Report for Contract Year 1 2010-11, page 18/9



5 Findings: Building the Relationships

5.1 Introduction

- 5.1.1 The previous chapter described our findings in relation to the physical improvements being undertaken. But as all parties recognised, the key to making this work is partnership.
- 5.1.2 Firstly, we will explore the health of the partnership itself: the relationship between Amey and Birmingham City Council, which comprises the formal “Highway Maintenance and Management Services in Partnership”.
- 5.1.3 However, equally important is the relationship between the partnership and the public: the residents and workers of Birmingham who use the highways. We will explore this both through the direct relationships between the partnership and the public, and through their elected representatives, local Councillors.

5.2 The Partnership: Amey and the City Council

- 5.2.1 The formal relationship at the heart of the partnership – that between Birmingham City Council and Amey was said by both parties to be in good health. Both sides recognised the enormity and complexity of the contract and all its implications, and both sides said they had experienced a big learning curve.
- 5.2.2 The complexity is reflected in the relationship between Amey and the City Council: the City Council must balance ensuring that the contract is delivered and working with Amey as a partner to ensure that it can be delivered. The importance of partnership was emphasised by Amey, who told us that the contract needed to operate within a partnership otherwise it could become very inflexible and constraining with regards to meeting the diverse and changing needs of the City Council and customers. Both sides have shown a willingness to work together to reinforce a strong partnership ethos.
- 5.2.3 This partnership ethos is extending beyond the Highways service to other parts of the City Council (as discussed in Chapter 3). There are now regular discussions to ensure that services are delivered without duplication. For example, environmental services (such as street cleaning) are co-ordinated with Amey’s work and there is ongoing work to manage interfaces on highway change. Strong relationships have also been developed with Leisure Services, developed through the establishment of joint working initiatives such as “Britain in Bloom”.



5.3 The Partnership and the Public

Satisfaction Surveys

5.3.1 Customer Satisfaction Surveys were designed by Amey in conjunction with Birmingham City Council in a simple format to encourage a high return rate. The surveys were sent to all households on one road per Constituency for each service area. Surveys were also sent to 50 addresses where residents had reported an emergency during the last year. The questions were worded slightly differently for each road surveyed, depending on which service had been carried out.

5.3.2 The return rate was 16%, which was considered a success by Amey compared to previous surveys completed in the city. The return rate was poor with regard to Winter Maintenance and Emergencies. To overcome this in the future it is intended to send Winter Maintenance surveys during the winter period and send more surveys to those residents who report emergencies.

Constituency	Sent	Returned	Response rate
1 - Edgbaston	219	20	9.13%
2 - Erdington	150	29	19.33%
3 - Hall Green	338	80	23.67%
4 - Hodge Hill	153	20	13.07%
5 - Ladywood	122	9	7.38%
6 - Northfield	70	14	20.00%
7 - Perry Barr	236	37	15.68%
8 - Selly Oak	108	29	26.85%
9 - Sutton Coldfield	132	22	16.67%
10 - Yardley	119	26	21.85%
Total	1647	286	17.36%

5.3.3 The results of the surveys for specific aspects are discussed elsewhere in this report, however the highlights of the survey results were:

- Most residents are pleased with the new lighting;
- 79% overall Customer Satisfaction;
- Good overall perception of how the works are being carried out, including site tidiness; access and staff behaviour.
- Areas that Amey need to improve on were:
 - Notification of works;
 - Follow up works after emergency response.



Highways Customer Charter

5.3.4 The City Council have published a Customer Charter, which sets out service standards for both City Council services and those provided by Amey.¹¹

5.3.5 One of the areas covered in the Charter is notification of works. The five year programme sets out the year in which work on a particular street is expected to take place. This is periodically updated in line with the latest inspections, monitoring the asset condition. When the work is actually due to take place, the Highways Customer Charter states that:

We will write to you at least one week beforehand, explaining the work to be done and telling you who to contact if you have any queries.

5.3.6 Amey told us that notice is given by means of an e-mail to the respective Ward Councillors, followed by a letter posted to properties in the direct vicinity of the works and erection of street signs for the travelling public. Generally these notice periods have been met, but on several occasions, where late changes to the programme have been necessary, shorter notice has been given.

5.3.7 The surveys conducted by Amey show that notification and level of information provided was considered to be good for carriageway works. Notification was provided well in advance of works but some residents felt it did not contain enough information.

5.3.8 We have already explored the issues relating to footway crossings (see Chapter 4). In addition the following concerns were raised:

- Members of the Review Group were told that with regard to the street lighting programme, residents and Councillors should be notified of work start a minimum of two weeks before the work commences. Councillors felt it would be better if they were told six months in advance.
- Councillors indicated that it would be helpful if public notices could be displayed explaining what work was being carried out. Some had received complaints from residents that carriageway work had been undertaken for no apparent reason. Members of the Review Group were informed that the work was probably carried out as the result of a skid resistance survey, which identifies repairs that are not visually noticeable. Members requested that when they receive notification of carriageway work that they are also told exactly what work is being undertaken in order that they can answer any queries from residents;
- Road closures and parking for residents was discussed: some residents felt that they did not get the level of detail they needed regarding closure of roads;
- Safety barriers used to surround any ongoing works tend not to have contact details on them.

5.3.9 Amey agreed that communications could be improved. The letters have undergone some revision over the last 12 months, to take account of confusion over dates and to improve clarity.

¹¹ www.birmingham.gov.uk/highways-charter



Reporting Faults

5.3.10 Both members of the public and Councillors can report any issues to Amey through the City Council's contact centre. Over 3,000 Councillor enquiries and approximately 55,000 enquiries from members of the public were investigated and responded to during the first year.

5.3.11 Residents can report issues via a phone call or through the City Council's website.¹² From there, the information is entered onto the City Council's customer relations management system, which is linked to Amey's operational control room (based at Lancaster Circus). Amey then process and prioritise the enquiry. The job ticket is linked to a map to identify the location and sent through to a Highway Inspector via telephone and computer handset. The fleet of vehicles are fitted with tracking systems which is used to assign the closest vehicle.

5.3.12 Amey told us about the difficulties in getting this process up and running:

The Customer First Customer Relations Management and Contact Centre implementation was not aligned with the HMMPFI contract creating major difficulties with service interface ... Regular meetings have been held with Customer First and Street Services to discuss the issues and help with resolutions, several change requests have been raised ... Meetings will continue and the change requests will be chased until they are completed.

5.3.13 This reflected what we were told: there had been a lot of problems initially with the information the Operational Control Room received from the Council's Contact Centre but things were getting better. It appears that Amey had limited input into the design, and no input into testing the new system. Change requests to improve the script had been slow to progress. Problems have included:

- Poor location details;
- Technical knowledge in the Contact Centre is understandably limited, and so the questions asked of callers are not always adequate;
- Where assets within the contract are damaged as a result of a traffic accident, Amey has responsibility to replace this and handle any insurance claims relating to it, but if the right information was not obtained from the Contact Centre they may not be able to do so;
- The differentiation of "category 1" defects (i.e. those that are dangerous and require a response within one hour) from other defects: this has resulted in an increased number of emergencies being reported to Amey and around 30% of these were incorrect classifications or "no fault found".

¹² www.birmingham.gov.uk/highways



- 5.3.14 Amey is working with Customer First to address all these issues and improvements have already been seen. A system for the re-classification of emergencies has been agreed with the City Council and a workshop and officer briefing was run early in contract year two to initiate this system.
- 5.3.15 Furthermore, since we commenced our evidence gathering responsibility for delivery of Customer Services was transferred to the Homes and Neighbourhoods Directorate. An external review of Customer Services and the Contact Centre was then commissioned through a competitive process.
- 5.3.16 The key findings were submitted to the Co-ordinating O&S Committee on 11th November 2011. These included the finding that:
- The Council has not managed the outsourced service contract with Service Birmingham for the operation of the Contact Centre as strongly as it might have done. In particular, there has not been the strong, focused contract management which we would expect to see from the client side of an outsourced relationship.
- 5.3.17 An accompanying action plan is being prepared by the City Council's Customer Services team, and will be released along with the report. A Governance Board has been established for service areas whose public facing initial contact is being delivered by the Contact Centre. This Board includes problem sharing and solving both high level and low level issues with appropriate responsiveness; and relationship management with Service Birmingham and monitoring of service and technical issues.
- 5.3.18 In addition to the Governance Board, Customer Services officers meet with each service area using the contact centre on a monthly basis (or at a frequency agreed with the service area).

5.4 The Partnership and Councillors

- 5.4.1 Local Councillors have particular roles in relation to the partnership: as Ward Councillors working with Amey and residents to ensure work runs smoothly; and as Members of the City Council with devolved decision making powers (approving plans developed by Constituencies involving capital expenditure).

Ward Councillors

- 5.4.2 Amey have received over 3,000 Councillor enquiries over the first year of the contract. Most of the Councillors we spoke to were positive about the response they had received from Amey. Highway Stewards attend Constituency and Ward meetings and many Councillors particularly appreciated the "walkabouts" to discuss the highways programme and any issues.
- 5.4.3 Most Councillors reported getting a positive and quick response to queries sent to the Highway Stewards and Team Leaders, though this was not everybody's experience. Amey reported that feedback from Councillors in the early stages of the contract was that the response times on correspondence were not quick enough. Therefore extra resources have been put in place to respond to Councillors correspondence. Both Highway Stewards and Enquiry Inspectors are now



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co-located in a single team. Constituency areas allocated to these officers has been altered to improve the knowledge of local issues. The process for recording both initial enquiries and responses has been enforced throughout the teams to improve logged information and internal enquiry handling.

5.4.4 A common concern however, was that Councillors are not informed when work has been completed nor when changes were made.

Consultation: The Five Year Programme

5.4.5 During the first year of the partnership, Amey put together a programme of work which would form the "core investment works" during the first five years of the contract (see section 3.2). This programme includes:

- Carriageway resurfacing;
- Footway resurfacing;
- Lamp column replacement.

5.4.6 This programme was determined initially by a series of condition surveys, which are updated periodically. With regards to carriageway repairs for example, there are essentially three surveys which are carried out in order to determine when and how a road should be treated. The first is a deflectograph survey which predicts the strength and life of the road i.e. how it moves under a known load – the elasticity. The second is a skid resistance survey which is carried out mainly on the carriageway of A roads and B roads. Finally, a detailed visual survey is conducted by specialist highway inspectors walking the length of each carriageway and footway. This information is inputted into the asset management system and audited to ensure it is correct. Each of the survey results is given a score and it is the total score that indicates the road or pavement condition. For roads there are four different treatment categories that can be selected:

1. Full re-construction;
2. Deep re-surface;
3. Shallow re-surface;
4. Surface treatment.

5.4.7 The results of these surveys were then used as the basis of the annual consultation with Councillors primarily, who were asked to feedback both their responses and that of their constituents. Amendments were then made to the programme which is now published on the Birmingham City Council website.¹³

5.4.8 The views on how well this worked in that first year were mixed. Many of the Councillors we spoke to felt that their views were not taken on board. Amey did show us the schedule of suggested changes and those that were implemented or not. Amey reminded us that they are contracted to

¹³ www.birmingham.gov.uk/highways-works-programme



bring the road network up to standard, and that surveys may reveal problems that are not apparent. However, one idea fed back to Amey was the notion that, whilst tackling the “worst first” was the correct approach, usage of that road/footpath should also be a factor (rather like the risk matrix for highway defects). This would reduce some frustration with seemingly difficult to understand decisions.

- 5.4.9 In addition, the first year of contract had a fixed volume of work based on limited condition data (because the City Council did not have sufficient resources to maintain a full set of condition surveys for the full network) which may have meant that not all work was necessarily focused on where need was greatest. For the second year’s programmes, much better data was available as condition surveys were completed in November 2010 enabling the Year-2 programmes to be developed on a “worst first” basis with the draft programmes being ready for consultation with Councillors in January 2011. Overall, over 1,000 comments were received from Councillors during January 2011 consultation and Amey subsequently made 700 changes to its draft programmes of work as a result.
- 5.4.10 The second issue is that Amey is required to consult on its draft “Service Provider Programmes” with each Constituency Committee and not with individual Councillors or Ward Committees. Not many Councillors were aware of this, and many certainly felt that the time and information given to them was not sufficient. Amey undertakes its main formal consultation around December for the forthcoming year, to develop programmes to start in the following June. This process is not designed to engage with the public directly.
- 5.4.11 A third issue is that the programme is subject to change. The programme is formally reviewed every three months, with proposed changes being brought forward on a more frequent basis. In this case, Amey is required to consult with the Constituency Committee before submitting a revised programme to the Highways client team, which considers consent to deliver the works.
- 5.4.12 However, there are also on-going changes to the programme, for example, picking up any significant deterioration from on-going routine inspections during the year. Residents and Councillors felt that they were often not consulted or informed about these changes.
- 5.4.13 The programme does include over 25,000 individual schemes and responding to change on these is a challenge. Also, making amendments is a complex matter as any changes to the contract require a re-assessment of the levels of risk that have transferred to Amey. The key link is with Highway Stewards and Constituency Engineers, who should be aware of changes on an on-going basis.

Capital Improvement Works

- 5.4.14 The Highway Maintenance and Management PFI contract is principally a maintenance and management contract for existing highway assets. It does not specifically include ‘new build’ work. However, it was recognised in procuring the contract that where there was synergy between maintenance activities and proposed enhancements to the network, there would be cases where such enhancements can be delivered. In August 2011, the Cabinet Committee (Procurement)



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therefore agreed a programme to allocate £900,000 for a programme to deliver a significant number of small highway schemes based on local Ward priorities needs in accordance with Local Transport Plan 3 objectives such as tackling congestion, improving safety, improving accessibility and improving air quality.¹⁴

- 5.4.15 Each Ward has been allocated £20,000 and the capital work is to be co-ordinated with the programme of works undertaken under the PFI. By combining these enhancement works at the same time as Amey's programmed investment works, the City Council can get better value for money and minimise disruption. In practice, Amey will be carrying out work everywhere in the city and therefore there should be little issue in combining other work with this.
- 5.4.16 Constituency Engineers are leading on this to inform Councillors about Amey's programme and the opportunities to carry out necessary works within this. It was said to be a challenge to get some Constituencies to engage with this process. A schedule of rates has been compiled and is now available to Constituency Engineers. This was somewhat delayed – it should be noted that in order to enable additional schedules of rates to be available for the additional Ward budgets, a change to the contract was required. Following lengthy negotiations, this exercise was completed in October 2011.
- 5.4.17 Councillors told us that the process this year had been rushed: letters were sent out in July and business cases had to be submitted by the end of August. To meet the deadline proved difficult because they did not know what work Amey would be doing and, therefore, not in a position to identify expenditure that would complement that work.
- 5.4.18 Members of the Review Group were told that Constituency Engineers had received copies of the Network Integrity Report in February 2011 and have direct access to details of Amey's programmes and the Constituency Engineer should be telling Councillors where Amey was working. Members were reminded that the money could also be used in conjunction with routine works. Members were assured that Amey's Highway Stewards were working with City Council officers to improve the communication/information that Councillors receive.

¹⁴ Report to Cabinet Committee (Procurement) from Project Director, Highways and Resilience, Definition Document (PDD) – Supporting Local Communities Programme – 2011/12; 2nd August 2011



6 Conclusions and Recommendations

6.1 Introduction

6.1.1 This Scrutiny Review was commenced one year after the start of a new partnership with Amey which transferred to Amey the responsibility for managing and maintaining all carriageways, footways and associated highway assets in Birmingham. The partnership marked a new way of working, and the start of a massive public investment in highways. The emerging improvements had been widely welcomed, but concerns had been raised by some Councillors during the first year of the operation. The Transport, Environment and Regeneration O&S Committee therefore asked:

How are the new highway maintenance partnership arrangements delivering improvements at the local level?

6.1.2 In general, we found that the new arrangements are delivering real improvements at the local level, through unprecedented investment in our highway network and associated assets, and through a better understanding of that network to enable more effective and efficient management of it.

6.1.3 We recognised the scale and complexity of the contract, the fact that it is unique in this country and that it means a new way of working for our city.

6.1.4 Over and over again, our witnesses emphasised the critical importance of partnership. Generally we found that the partnership is working very well. However, in the following sections, we suggest ways in which it can be strengthened, on both sides. This chapter therefore sets out our conclusions in terms of the City Council and then Amey, and then considers cross-partnership issues for both parties to consider.

6.1.5 Overall, we agreed that this is, in the words of one of our witnesses, a “once in a generation opportunity to raise standards” across the highway network in Birmingham. There is a huge challenge to bring the highway network up to the required standard and in managing this unprecedented level of activity on our roads. And whilst the first year has been something of a “mixed bag”, with some things working well and others have needed improvement, our view is that the direction of travel is the right one and the capacity and willingness to improve is there.

6.2 The Role of the City Council

6.2.1 As noted earlier in this report, this arrangement is both a partnership and a contractual relationship. The City Council must balance this, ensuring that the contract is delivered but also working with Amey as a partner to ensure that it can be delivered.



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- 6.2.2 For the City Council to continue to play its part, we suggest there are two key areas where focus must be maintained: continued emphasis on the new approach to service delivery that this arrangement necessitates; and in retaining a strong client function.

A New Approach

- 6.2.3 The new partnership arrangements are not a simple contractor relationship. Most of the risks and liabilities associated with the management of the highway and its assets have been transferred to Amey. This is therefore the determining factor in “who does what”.
- 6.2.4 An example was given with regards to rat infestation. The City Council’s pest control service remains responsible for this area; however, Amey may deal with rats where they affect their business, for example where it occurs in traffic signal controller cabinets, or perhaps where the footway is being undermined by rats. The issue is how Amey wishes to address the risk – through continually carrying out repairs or addressing root causes.
- 6.2.5 Alongside this, a culture change is happening across the City Council in terms of understanding the true cost of maintaining infrastructure assets and liabilities. The PFI contract has made this explicit in relation to highway assets.
- 6.2.6 For example, in previous years, the addition of assets to the highway was not fully considered in the light of the full maintenance and liability implications. In adding new assets to a highway inventory that already lacked the resource to be fully maintained, the result was that available resources simply became stretched a little more thinly. Now Amey are required to maintain assets to a specified standard and identify the resources to do so.
- 6.2.7 Officers and Councillors must now consider the full asset implications when seeking to make changes to the street scene, taking into account the financial sustainability of any capital spend. The Cabinet Member for Transport, Environment and Regeneration has sought to reinforce this message both with officers and with Councillors (as stated in a letter of 8th September 2011). The PFI contract gives a much clearer framework for this to happen, and the cost of putting in new highway infrastructure assets now includes accounting for on-going maintenance and liabilities. For scheme promoters and for the City Council, the most practical approach is to provide for such maintenance costs in a single sum up front, i.e. a one-off charge at the start, not a year on year charge.



	Recommendation	Responsibility	Completion Date
R01	<p>That the Cabinet Member for Transport, Environment and Regeneration works with Constituency Chairs to put in a process to ensure that all Project Officers proposing changes to highway infrastructure:</p> <ul style="list-style-type: none"> • Fully assess the revenue implications; and • Identify the resources to meet those implications <p>as part of each stage of the approval process for projects.</p>	Cabinet Member for Transport, Environment and Regeneration	March 2012

Strong Client Function

6.2.8 The second area of key importance for the City Council is the client function. The 2004 Scrutiny Review of the Highways PFI concluded that:

... for the Highways PFI to deliver the improvement in standards needed for users it is absolutely essential that there be a strong, effective and adequately staffed retained client function.

6.2.9 This has been put in place, and the City Council's structure and Amey's structure relate well to each other. Following the bedding in of the contract over the first 18 months both parties are actively pursuing and developing efficiency opportunities whilst being mindful of not compromising the governance and probity of the contract. The client function is focussing on resolving difficulties. Where there have been problems, the City Council has challenged under-performance and addressed this through a combination of formal and informal contract processes.

6.2.10 The contract is extremely complex, but that is more a reflection of the complexity of the service that it delivers. Therefore the processes to monitor it and ensure compliance are exacting. Some witnesses felt that the processes were overly bureaucratic, inefficient and that the City Council had in effect "lost control of the highway". However, in order to maintain a strong compliance culture (both in terms of Amey meeting the requirements of the contract; and City Council officers and Councillors take into account the full consequences of any changes on the highway), data must be collected and analysed in a consistent way.

6.3 The Role of Amey

6.3.1 The findings regarding Amey's work broadly fell into two categories: findings about the work itself and issues around communication, particularly with the public and Councillors. Both are considered below.



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Carrying out the Work

- 6.3.2 Amey has been praised by most of our witnesses for the work that has been carried out so far – there have been some problems, but this was perhaps inevitable given volume of the work and timescales involved. The volume of work is particularly noticeable with regard to street lighting: by autumn 2011 over 10,000 street lights have been replaced since June 2010, compared to the 1,200 that were done in an extended programme by the City Council in the year prior to the contract.
- 6.3.3 Therefore, whilst there had been mistakes, given the volume of the programme these were proportionally low. Most importantly however, Amey have shown willingness to rectify issues when requested to do so. Sometimes Councillor enquiries have not been responded to in a timely fashion, but Amey have investigated issues that we have raised with them.
- 6.3.4 We welcomed Amey's participation in the Considerate Contractor Streetworks Scheme (and the City Council's intention to continue to promote the scheme). On the whole, safety was not an issue, and Amey has robust procedures in place and continues to monitor this.

Working with the Public

- 6.3.5 As we have emphasised throughout this report, the arrangement with Amey is not a traditional contractor relationship. This necessitates a different approach to working within the community. Amey has put in some measures to achieve this: for example its Highway Stewards are in place as links to the local community.
- 6.3.6 Both Amey and City Council officers have expressed a wish to promote this understanding of the different nature of the partnership. Part of this is about building trust in community as Amey will be working within our communities for 25 years.
- 6.3.7 The first step in establishing that trust is getting the communication right, and there have been a couple of false starts here. Amey provides information to people affected by works through a range of communication channels including web site, local media, street signs and hand delivered letter. Letters to residents notifying them of work to be undertaken in their road have been improved, but could be further improved. For example, the letters relating to work on trees now include information on what will happen and why. The same needs to happen for road and footway resurfacing (e.g. to give details of the material to be used for footways). Another issue had been that timescales were sometimes unclear, and this has been exacerbated when programmes (sometimes understandably) were changed without notification.
- 6.3.8 Two particular issues stood out in our evidence gathering: potholes and footway crossings.
- 6.3.9 A risk based approach to dealing with potholes (and other highway defects) is now in place, which is a sensible approach to efficiently managing resources. However, residents saw potholes in the road being circled and no action taken to repair them. The new approach had not been well communicated to either residents or Councillors.



- 6.3.10 The second issue related to footway crossings. Amey are offering an additional benefit to residents, in that if work is being undertaken on a footway in a street, those residents would be offered the opportunity (where this meets the necessary criteria) to have a dropped kerb put in at a discount. However, sufficient notification was not always given to allow residents to take advantage of this offer in all cases. We were informed that, now the contract was well underway, Amey is aiming to give longer notification periods.
- 6.3.11 There are three stages to the notification of work: firstly the publication of the annual programme of works; secondly a revised programme published quarterly (which is made available to Constituency Engineers), and finally notification to residents and Councillors ahead of the work taking place.
- 6.3.12 A critical means of communicating with residents is through their local Councillors and Amey could use this to much better effect. Keeping Councillors better informed of when work is to take place, and when that changes, will help reduce concern and confusion.

	Recommendation	Responsibility	Completion Date
R02	That the Cabinet Member for Transport, Environment and Regeneration works with Amey to further improve notification letters to residents by including information on <ul style="list-style-type: none"> • The types of work to be completed on the road or footway (e.g. surfacing, patching or full reconstruction); • The types of material to be used (where this is proposed to be changed). 	Cabinet Member for Transport, Environment and Regeneration	March 2012
R03	That the Cabinet Member for Transport, Environment and Regeneration works with Amey to implement improved notification periods to residents and Councillors of a minimum of 4 weeks notice before works commence. The quarterly revised programme should be shared with Councillors by Constituency Engineers. Councillors will be kept informed if any notified work is rescheduled.	Cabinet Member for Transport, Environment and Regeneration	June 2012

- 6.3.13 The second step to establishing trust is meaningful consultation. We heard, during our evidence gathering, that Councillors were expected to consult with members of the public on the five year capital programme. The City Council has never declared a five year programme of highway work before and this is to be welcomed. However, the role Councillors were expected to play was not clear, and certainly not enough time was given for this to happen properly. We suggest that future consultations should allow more time to be meaningful and that the parameters are clarified.



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- 6.3.14 Amey does undertake local consultation at a community level through its Highway Stewards who engage directly with communities and give the opportunity for members of the public to comment on works proposals and works delivery. This is done on a 'street by street' basis once works are due to start on street.
- 6.3.15 Amey should also consider direct consultation with members of the public to build up a strong relationship. However, there is currently no means of direct input into the capital programme. The programmes are currently taken to Constituency Committee meetings for discussion; however these are not always well attended by members of the public. In some cases, Ward Committees would be a better option, though we accept that this would require considerable additional resource from Amey. Local exhibitions may also be considered as a way of getting the message out to residents. This is not to suggest that public consultation replaces the current process of developing the highways programmes, rather that this should be another source of information for Amey in determining the best way forward, as well as a means of publicising what's happening and building relationships.

6.4 Cross Partnership Issues

- 6.4.1 Some of the issues raised during the Review related to both parties. Three issues were prominent in our evidence gathering: the promotion of the benefits of the contract, working with local Councillors and the use of the City Council's Contact Centre.

Benefits

- 6.4.2 Some of the benefits resulting from these new arrangements are well advertised, others not so well, and we suggest that more promotion of some ancillary benefits could be advantageous.
- 6.4.3 The partnership has brought wider benefits to the city: better roads mean increased safety and the increase in activity has seen an increase in employment. There are also important advancements being made, such as in the use of LED lighting, which can be managed and monitored remotely. Birmingham is one of the first local authorities in the country to install these lights, which will both save money and reduce our carbon footprint.
- 6.4.4 The ability to manage and monitor these lights remotely is a key advantage (particularly in the ability to maintain the output of lights as they age). However, it is not yet clear how this ability will be used for other purposes, for example in tackling crime. We therefore ask the Cabinet Member to produce some guidance on this, including on how other agencies such as the Police can influence this.
- 6.4.5 We were pleasantly surprised to hear about the range of recycling activity, in particular the footway waste materials. Members heard how Amey is working towards 'zero landfill' targets when dealing with waste streams arising from its highway works. Very few people know about this so this could be better publicised. Amey undertook to publicise more widely the good work that is



being done to reach very high levels of material re-cycling and re-use and we believe this should be supported.

6.4.6 This will assist not only Amey in promoting its work, but also allows the City Council to demonstrate to others what can be achieved in terms of carbon reduction. We would suggest that a report is submitted to the Cabinet Committee (Climate Change) on the impact on the carbon profile resulting from the project.

	Recommendation	Responsibility	Completion Date
R04	That the Cabinet Member for Transport, Environment and Regeneration work with Amey to publicise the environmental benefits of the work they undertake, in particular the recycling of footway waste materials.	Cabinet Member for Transport, Environment and Regeneration	March 2012
R05	That the Cabinet Member for Transport, Environment and Regeneration, working with Amey, provide all Councillors with clear guidance on the ability to dim/increase brightness of street lighting, in particular: <ul style="list-style-type: none"> • How this will be utilised; • Who will make the decision and who can request it (and how); • How other agencies, in particular the Police, will be involved to assist in other priorities such as crime prevention. 	Cabinet Member for Transport, Environment and Regeneration	March 2012

Working with Councillors

6.4.7 The 2004 Scrutiny Review of the Highways PFI raised questions regarding the impact of a PFI contract on the ability of local Councillors and residents to influence services. As we have outlined in Chapter 5, there are processes in place for Councillors to have a say but these worked imperfectly in the first year. We accept that the first year was not typical, particularly given the shortened mobilisation period. However, more time and clearer information is needed for this consultation to be more meaningful (as discussed in the section above).

6.4.8 Councillors raised concerns about the response to consultation comments. Amey has responded on all consultation comments provided and have told us that around 700 changes were made to the 2011/12 programme as a result of Councillors' comments. However, Councillors did not always feel they had been listened to. There were some concerns about communication between different parts of the Amey operation. One Councillor successfully argued that one street should be removed from the highway capital programme as the area was due for demolition, only to find that same street appeared in the lighting capital programme – and the Councillor had to go through the same process again.



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- 6.4.9 Also as discussed above, Ward Councillors play an important role in keeping residents informed and answering residents' queries about work on the highway. For this reason, it is important and beneficial to keep Councillors informed about any proposed work or changes to the programme. We accept that changes to the programme will happen and that changes must go through a process of "contract change" and be approved by the City Council. However, it puts Councillors in a difficult position if they inform residents of work which does not materialise. Councillors in particular should be kept informed on a regular basis. Amey provides updates, usually on a weekly basis, to the City Council in the form of a change log. This is posted on the City Council website – not weekly – but on a frequent but irregular basis.¹⁵ Members should have access to this information on a weekly basis.
- 6.4.10 Equally important in ensuring Councillors are appropriately involved is to ensure they are fully aware of progress, e.g. performance monitoring and customer satisfaction. Clearer mechanisms to share appropriate information with Councillors should be considered.
- 6.4.11 The key link is with Highway Stewards and Constituency Engineers, who should be aware of changes on an on-going basis. Members of the Review Group were told that Constituency Engineers have direct access to Amey's programmes and Councillors should be able to rely on their Constituency Engineer and Amey Highway Steward to inform them as to where Amey is working.

	Recommendation	Responsibility	Completion Date
R06	That the Cabinet Member for Transport, Environment and Regeneration works with Amey to commence consultation with Constituency Committees annually in November of each year (with effect from November 2012) for programmes effective from the following June. Amey should carry out direct consultation with members of the public (e.g. Ward Committees, local exhibitions).	Cabinet Member for Transport, Environment and Regeneration	November 2012
R07	That the Cabinet Member for Transport, Environment and Regeneration work with Amey to ensure that Ward Councillors are kept informed of changes to the programme on a monthly basis.	Cabinet Member for Transport, Environment and Regeneration	June 2012
R08	That the Cabinet Member for Transport, Environment and Regeneration explores ways in which continued improvement can be made to communication with Councillors. This includes: <ul style="list-style-type: none">• Appropriate performance information;• Results of customer satisfaction surveys.	Cabinet Member for Transport, Environment and Regeneration	September 2012

¹⁵ For example, the log on the website on 4th November was dated 19th October.



Trees

6.4.12 Issues around trees related to the clarity of information provided. Whilst this has improved during the course of the contract, with regard to better information through notices and letters, there still needs to be clarity about when and where re-planting takes place. Councillors are not currently informed of where replacement trees are planted though Amey are developing a process to do this.

	Recommendation	Responsibility	Completion Date
R09	That the Cabinet Member for Transport, Environment and Regeneration work with Amey to extend and embed processes relating to notifying both residents and Councillors about: <ul style="list-style-type: none">• Tree removals;• Tree replacements (including location) as part of the 2012-13 Tree Maintenance Programme	Cabinet Member for Transport, Environment and Regeneration	June 2012

The Contact Centre

6.4.13 A number of issues relating to the reporting of faults were raised. In the case of Highways, the transfer of many highway services to the Contact Centre happened at a similar time to the start of the Amey contract. The early days did not go as well as either party would have liked, and a number of issues have already been resolved. There are still, however, some outstanding.

6.4.14 It is important to get this right: both in financial terms (to ensure money is not being wasted) and in terms of improving the customer experience. The original aims of the revised Full Business Case for Customer First (published April 2008) set out eight outcomes which included, *inter alia*:

- Simple and convenient access to all Council services across a choice of methods;
- Consistent and improved standards of customer handling;
- Customers dealt with by proactive, knowledgeable customer focused staff, empowered to put the customer first;
- Increased customer and staff satisfaction.

6.4.15 These are not yet being delivered across the board on Highways issues.

6.4.16 There is a corporate requirement to utilise the Contact Centre to take calls from the public and indeed the independent report by Grant Thornton confirmed that:

A strategic and corporate approach to the management of the Customer Services and Contact Centre functions is an appropriate one.

6.4.17 However they also said that:



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The Customer Services function, service areas and the Contact Centre are not working together effectively enough to deliver services to citizens in Birmingham.

- 6.4.18 A corporate response to these issues is being prepared (at the time of writing). Both Highways and Amey have expressed a willingness to attend joint meetings and resolve these issues at a service level. There are regular meetings chaired by the Strategic Director of Environment and Culture to keep this agenda top priority – and progress is being made.
- 6.4.19 However, in particular with regard to Highways, all sides need to understand the consequences of the transfer of risk: Amey bear the risk of the consequences of activity on the highway. They would therefore, understandably, prefer as much direct contact with customers as they can, in order to manage this risk directly.
- 6.4.20 The key is that both the Contact Centre and partnership with Amey have received considerable public investment in order to improve services and the customer experience. Where this is not happening, where efficiencies could be improved, all options should be considered.

	Recommendation	Responsibility	Completion Date
R10	That the Cabinet Member for Transport, Environment and Regeneration and Deputy Leader expedite the resolution of outstanding issues relating to highway reporting through the Contact Centre (and website) in recognition of the particular circumstances of the Highways Maintenance and Management contract. This should include exploring giving Amey more direct contact with the customer.	Cabinet Member for Transport, Environment and Regeneration; and Deputy Leader	September 2012

6.5 Progress with Implementation

- 6.5.1 To keep the Transport, Environment and Regeneration O&S Committee informed of progress in implementing the recommendations within this report, the Cabinet Member for Transport, Environment and Regeneration is recommended to report back on progress periodically. This will be carried out through the established tracking process.

	Recommendation	Responsibility	Completion Date
R11	Progress towards achievement of these recommendations should be reported to the Transport, Environment and Regeneration Overview and Scrutiny Committee in July 2012. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented.	Cabinet Member for Transport, Environment and Regeneration	July 2012



Appendix A: Witnesses

The Committee is very grateful to the following for their assistance with this Review:

Amey	Mike Notman, Project Director John Sunderland, Business Director Frank Coldwell, Business Director Eddie Fellows, Network Manager Ann Drozdzik, Head of HR Debbie Poynton, Highway Stewards Team Leader Julie Basterfield, Team Assistant Richard Fryer, Account Director Jason Bickley, Highway Steward Dinesh Mistry, Highway Steward
City Council: Highways	John Blakmore, Director, Highways & Resilience Domenic de Bechi, PFI Contract Manager Paul O'Day, Street Services Manager Kamyar Tavassoli, Highway Infrastructure Manager, Highways Clive Betts, Highway Asset Manager, Highways Alison Malik, PFI Contract and Performance Manager, Highways
City Council: Constituencies:	Cllr Gurdial Atwal, Handsworth Wood Ward Cllr Bob Beauchamp, Erdington Ward Cllr Barbara Dring, Oscott Ward Cllr Roger Harmer, Acocks Green Ward Cllr Barbara Jackson, Stechford and Yardley North Ward Cllr Stewart Stacey, Acocks Green Ward Fiona Hughes, Yardley Constituency Director Mike Davis, Perry Barr Constituency Manager Yogesh Gupta, Senior Constituency Engineer Lewis Cashmore, Constituency Engineer Alan Woodcock, Constituency Engineer



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	Paul Wilkinson, Assistant Constituency Engineer Tony Webster, Ward Support Officer
Lay Assessors	Aubrey Longe Edward Roberts Joan Roberts

Written Evidence

- Cllr Daphne Gaved, South Yardley Ward
- Cllr Jon Hunt, Perry Barr Ward
- Irene Wright, Lay Assessor



Appendix B: Network Condition Indices

Carriageway

Network Condition	Surface Condition	Skid Resistance	Pavement Condition
Excellent	New or nearly new pavement. Free of cracks, patches or rutting	No readings below investigatory level & average reading more 10 points above investigatory levels	Section in excellent condition
Good	Few visible signs of surface deterioration	No readings below investigatory level & average reading 5 points to 10 points above investigatory levels	Section in good condition
Fair	Evidence of initial deterioration, including hairline cracks and minor rutting	No readings below investigatory level & average reading 0 points to 5 points above investigatory levels	Section in fair condition, but may need some light patching and / or surface dressing
Poor	Visible defects including moderate cracking, distortion and rutting. Some patching may be present	Between 0% to 15% of the lane length is below investigatory levels	Section in poor condition, but needs some heavy patching, an inlay and / or surface dressing
Critical	Extremely deteriorated pavements. Effects include severe cracking, distortion and rutting. Very extensive patching	Between 15% to 30% of the lane length is below investigatory levels	Section critical, reconstruction required
Failed	Pavement is completely deteriorated. No structural integrity.	More than 30% of the lane length is below investigatory levels	Section failed, reconstruction required

Footway

Condition	Description
Excellent	New or nearly new Footway. Free of cracks, patches, and settlement
Good	Few visible signs of surface deterioration
Fair	Evidence of initial deterioration, including cracking, fretting, local settlement, local displacement
Poor	Visible defects including moderate cracking, settlement, and longitudinal/transverse displacement
Failed	Deteriorated footways in need of rehabilitation, including severe cracking, distortion and rutting



Appendix C: Potholes Repair Matrices

Matrix for Pothole Classification

		Probability				
		Very	Low	Low	Medium	High
Impact	Negligible	1	2	3	4	5
	Low	2	4	6	8	10
	Noticeable	3	6	9	12	15
	High	4	8	12	16	20
	Very High	5	10	15	20	25

Category	Score	Time
Category 2e	(1 - 2)	No action at present; monitor
Category 2d	(3 - 4)	Programme repair in 6 to 12 months
Category 2c	(5 - 9)	Programme repair 3 to 6 months
Category 2b	(10 - 12)	Programme repair in 28 days
Category 2a	(15 -16)	Programme repair in 7 days
Category 1a	20	Programme for repair within 1 day
Category 1	25	Make Safe in 1 hour