

From: Matthew Balfour Cabinet Member for Transportation and Environment

Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: Environment and Transport Cabinet Committee – 4 May 2016

**Subject: Members Highways Grant**

Classification: Unrestricted

Past Pathway of Paper: Cabinet in 2014

Future Pathway of Paper:

Electoral Division: All

**Summary:** This paper reviews the cost effectiveness of the Highway element of the Combined Member Fund since the amalgamation of Member Grants, and makes recommendations to deliver a simpler highways scheme. It proposes a single point of contact and a way to identify opportunities where other funding may be available through better methods of delivery, whilst keeping County Members firmly in control of the process.

**Recommendation(s):**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways, Transportation and Waste on the recommendations included in this report.

**Recommendation A:** District Managers take the lead in working with County Members to identify highway projects under the Combined Members Grant. District Managers will provide support in identifying priorities within the context of the wider area, maximising wider community benefits and ensuring that good solutions are identified which can deliver the desired outcomes.

This support would be part of the core duties of the District Managers who are already funded and therefore the site visit / advice cost would be scrapped. As providing District support to County Members is a core function of the District Manager role, there is less opportunity for the staff to be moved to other duties providing a more reliable longer term contact.

**Recommendation B:** An annual list of schemes is compiled to demonstrate wider community benefit and good outcomes in terms of the identified community need for each District. This list can be compiled from all areas of Highways, Transportation and Waste and be recommended to the County Member for consideration.

The County Member can work with the District Manager to identify schemes which they may be interested in full or partially funding. Additional schemes of their own can also be added and jointly prioritised.

The programme of works will be communicated through the District Manager at the Joint Transportation Board for each District.

Members do reserve the right not to fund highway schemes through their Combined Members Grant.

**Recommendation C:** District Managers can advise Members how they can continue to support schemes which are related to the highway but are not generally within the core duties of the Highway Authority, through a contribution to 3<sup>rd</sup> parties such as Borough / District Councils, Parish Councils and residents groups. These applications will go through the Community Grant process and delivery organised locally. It is proposed that a list of scheme types which cannot be delivered through Community or Highway routes is compiled to advise County Members.

**Recommendation D:** For 2016/2017 highway schemes delivered through the Schemes Delivery Team, the works cost will include a 15% fee to cover officer costs.

Some works may attract an upfront fee such as traffic surveys, this will be advised to the County Member as required.

A £500 up front fee is required for more than two scheme applications so that a bespoke quote can be obtained for scheme design.

## **1. Introduction**

1.1 A paper was presented to the Environment, Highways and Waste Cabinet Committee in January 2014, finalising proposals to amalgamate the existing Member discretionary funds into a Combined Fund of £25k per Member which can be spent on both community and highway projects. The Combined Member Grant has been in operation for nearly 2 years. This paper looks to identify amendments to promote additional efficiency and savings in the highways element of the scheme through improved performance.

1.2 These recommendations do not constitute any formal changes to the Combined Members Grant and only affect the delivery model for highway projects. The governance, regulation and core principles of the combined schemes and previous decisions remain in place.

## **2. 2014/2015 Combined Member Grant Highway Projects**

### **2.1 Applications**

In 2014/15 under the new Combined Member Grant, 326 highway project applications were received.

- 57 of those applications were cancelled by the County Member (17%)

- 60 applications were Fixed Price schemes from the fixed price menu (18%)

The remaining schemes were:

- 14% Applications for trees
- 14% Applications for parking
- 8% Signing schemes
- 7% Pedestrian Crossing schemes
- 6% Bus services
- 6% Speed limit changes
- 4% Interactive signs
- 4% Footpath schemes
- 4% surfacing schemes

Of the 326 Highway applications only 116 (36%) specifically targeted road safety or accessibility concerns. 44 applications (14%) specifically targeted street, environmental and aesthetical improvements.

## 2.2 Performance of the Scheme

In 2014, the average time taken to hand over a scheme for delivery from the date of the initial application was 23 weeks.

The average turnaround by scheme type in 2014 was:

<b>Scheme Type</b>	<b>Average Turnaround (weeks)</b>	<b>Comments</b>
Bollards	24 weeks	Often requests are for bespoke bollards which need to be ordered specially.
Drainage	6 weeks	
Dropped Kerbs	18 weeks	
Footway	8 weeks	
Gang hire	27 weeks	Often planned for a specific time of year.
Interactive signs	29 weeks	
Investigation	34 weeks	This may include investigation of various options including design, consultation and costings for each option.
Large Scheme	37 weeks	
Lining	10 weeks	
Other	10 weeks	
Parking	29 weeks	This function is normally carried out by the District or Borough Councils and is often subject to objections which take a long time to resolve.

<b>Scheme Type</b>	<b>Average Turnaround (weeks)</b>	<b>Comments</b>
PROW	26 weeks	
Salt bins	9 weeks	
Signs	21 weeks	
Small Schemes	27 weeks	
Speed limits	27 weeks	Including the Traffic Regulation Order process.
Streetscene improvements	15 weeks	
Surfacing	21 weeks	
Trees	20 weeks	
Other vegetation	9 weeks	

### 2.3 **Cost Effectiveness**

The average scheme spend per application was £1,655.

In 2014/15, £497,231 was spent on works costs and £198,051 was spent on fees and other charges (such as traffic surveys and other investigations).

For highways schemes delivered through the Combined Members Grant, every £1 spent on staff costs delivers £3 of works on the ground. This compares to £7 works on the ground for programmed schemes.

In 2014/15 £600k remained uncommitted at the end of the financial year.

### 3.0 **Proposed Changes**

#### **Delivery of the Combined Member Grant Highways Element**

- 3.1 The current Combined Member Grant Team (Former Member Highway Fund) is not funded. Therefore, the amalgamation of the fund in April 2014 meant that a fee would need to be added to each application to cover in-house staff costs. In order to ensure that demand for the service does not exceed the available resources, additional fees apply in the event of a Member submitting more than 2 applications, if they are not from the fixed price list.
- 3.2 Feedback from County Members has highlighted that the fee structure is generally disliked, especially the fee for a “one-off” site visits of £150.
- 3.3 Members generally welcome advice from area officers in terms of ideas for schemes, especially understanding the likely community benefits and ensuring the delivery of robust schemes which deliver the desired outcomes. Feedback suggests that County Members would welcome changes which may reduce the cost of general advice in identifying and prioritising schemes for delivery through the Combined Members Grant.
- 3.4 The current scheme is led through an engineering delivery team who are broadly area based and whilst skilled in scheme delivery and outcomes, are not always best placed to advise on priorities within an area or advising on

other disciplines within highways such as maintenance, resurfacing, drainage, street lighting etc. Due to the various demands on the current team, internal changes can be common, which is also unpopular with Members.

#### **Recommendation A**

**District Managers take the lead in working with County Members to identify highway projects under the Combined Members Grant. District Managers will provide support in identifying priorities within the context of the wider area, maximising wider community benefits and ensuring that good solutions are identified which can deliver the desired outcomes.**

**This support would be part of the core duties of the District Managers who are already funded and therefore the site visit / advice cost would be scrapped. As providing District support to County Members is a core function of the District Manager role, there is less opportunity for the staff to be moved to other duties providing a more reliable longer term contact.**

#### **Annual List of Suggested Highway Schemes**

- 3.5 With a high number of schemes delivered in 2014/2015 aimed at streetscape improvements and aesthetics, the use of the Combined Members Grant to deliver schemes that work towards the strategic ambitions and aims of Kent County Council Highways, Transportation and Waste has not been realised.
- 3.6 The aim of the original scheme launched in 2009 was to fund schemes which address local issues and concerns, but do not meet the criteria for funding from core HT&W budgets. Highways, Transportation and Waste receives nearly 400 requests each month, generally in response to perceived safety issues. It is well published that road casualties increased in Kent in 2014 to 2015. In order to meet the medium term aims of improving outcomes and increasing opportunities, it is important that County Member Grant funded highway schemes can deliver these aims, gaining maximum benefit on the ground for every penny spent.
- 3.7 Schemes are unable to be efficiently programmed due to their ad hoc nature. Therefore, unplanned peaks in workload results in staff often experiencing pressure in terms of delivering schemes to the expectations of the County Members. Staff retention has been a huge challenge, which has resulted in a number of staff changes. If staff resources can be more accurately planned, this can deliver cost efficiency savings as we do not need to fund additional support for the team.
- 3.8 The peak in work also places a pressure on our contractor to deliver a higher volume of schemes. This reduces reliability in terms of advising the County Members and their residents of likely delivery dates and can effect quality.

## **Recommendation B**

**An annual list of schemes is compiled to demonstrate wider community benefit and good outcomes in terms of the identified community need for each District. This list can be compiled from all areas of Highways, Transportation and Waste and be recommended to the County Member for consideration.**

**The County Member can work with the District Manager to identify schemes which they may be interested in full or partially funding. Additional schemes of their own can also be added and jointly prioritised.**

**The programme of works will be communicated through the District Manager at the Joint Transportation Board for each District.**

**Members do reserve the right not to fund highway schemes through their Combined Members Grant.**

### **Non-Core Highway Activities**

- 3.9 Since the launch of the Member Highway Fund scheme in 2009, the scope of highway schemes delivered through the team has varied considerably. As Members have delivered their core schemes there has been an increasing demand to deliver more streetscape improvements, soft landscaping and resident parking strategies.
- 3.10 These schemes generally sit outside the core activities of a Highway Authority, which means that they do not always fit the skillset of the delivery team.
- 3.11 In particular, parking schemes can be controversial locally, which often results in lots of additional work in terms of responding to objections, scheme redesigns to incorporate comments. Such schemes can ultimately be presented to Joint Transportation Boards for approval, at significant cost to the Member in terms of fees.
- 3.12 There is a possibility that this type of work can be carried out more cheaply locally by local contractors organised by community groups such as Parish Councils, or through Borough or District Council.

## **Recommendation C**

**District Managers can advise Members how they can continue to support schemes which are related to the highway but are not generally within the core duties of the Highway Authority, through a contribution to 3<sup>rd</sup> parties such as Borough / District Councils, Parish Councils and residents groups. These applications will go through the Community Grant process and delivery organised locally. It is proposed that a list of scheme types which cannot be delivered through Community or Highway routes is compiled to advise County Members.**

### **Fees for Scheme Design**

- 3.13 The Cabinet Member for Highways, Transportation and Waste has explored with Officers the issue of the officer costs for scheme works under the Combined Members Grant. A majority of Highways teams will be able to undertake works with no fee element, these include:
- Highway Operations (Maintenance)
  - Drainage
  - Streetlighting
  - Footway and Carriageway works - Resurfacing
  - Soft Landscaping works
- 3.14 As the budgets have been set for 2016/2017 and there is no funding scope to remove fee costs from the delivery of highway improvement schemes through the Schemes Delivery Team, this will be explored further for 2017/2018 operation of the grant.
- 3.15 The fees include design for schemes within the pre-approved list of the Members handbook, which will be revised in May to reflect current prices and delivery times. These schemes generally include speed limits, controlled pedestrian crossings, traffic calming schemes etc.
- 3.16 It is recognised that the fee structure implemented in 2014, after agreement from the Environment, Highways and Waste Cabinet Committee, has led to confusion about costs for scheme delivery.

The recommendations agreed in 2014 included:

- a) Members could submit an unlimited number of schemes (within their budget) from a new fixed price list of small works where Members simply picked the item and paid a one off charge for implementation,
- b) For larger more complex schemes, Members would have their first two schemes designed in house and pay an upfront fee for the investigation, design and costing of a project,
- c) For their third and subsequent scheme applications additional fees would be charged as additional resources from our consultants would be required to design the scheme.

- d) A cancellation fee of £300 was introduced if Members cancelled a scheme after design work had begun but the scheme was cancelled before implementation.
- 3.17 In order to make this simpler for schemes delivered in 2016/2017, it is proposed that the fee element is included as a percentage on the works cost.
- 3.18 There will still be a need for Members to pay up front costs for items such as traffic counts, which are required to progress a scheme design. This will be advised by Scheme Engineers as required.
- 3.19 Should County Members require more than two schemes to be designed, any further schemes will be subject to an up-front cost of £500 for us to obtain a quote from our consultants.

#### **Recommendation D**

**For 2016/2017 highway schemes delivered through the Schemes Delivery Team, the works cost will include a 15% fee to cover officer costs.**

**Some works may attract an upfront fee such as traffic surveys, this will be advised to the County Member as required.**

**A £500 up front fee is required for more than two scheme applications so that a bespoke quote can be obtained for scheme design.**

#### **4. Background Documents**

4.1 None.

#### **5. Contact details**

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