

In response to the interim recommendations from the work group my initial response, to inform the final report, is as follows:-

## **Interim Recommendations**

- 5.1 As part of the Highway Maintenance and Management Plan, options be explored as to the potential to include percentage targets for the condition to be achieved for each type of highway in the Borough, utilising the SCANNER green/amber/red ratings as the principle driver for determining the resources required for highway maintenance each year, in recognition of the need for a structured, comprehensive and adequately resourced maintenance programme for a highly important and necessary community asset;

### **Response**

**This suggestion will be considered as part of the current development and production of an Asset Management Plan. By presenting the data in a clear and easy to understand way such as this it is hoped that the future planning and budget planning needs will be more transparent to the public. In so doing it is hoped that all will better be able to understand how, where and why the money has been targeted. The Asset Management Plan will include a long-term (20 -25 years) maintenance strategy, based on whole-life costing and levels of service.**

- 5.2 In the event that the Council's available resources do not permit full funding of the highway maintenance programme requirement each year:
- the costs and benefits of alternative funding opportunities, such as borrowing external funds, be explored in recognition of the current low interest rates, the average annual increase of 7% in highway construction costs and the adage 'a stitch in time saves nine';
  - budget consultation papers provide a clear exposition of the impact of under-funding the highway maintenance programme;

### **Response**

**Whilst the current rate of interest is low this might not always be the case. The Council receives funding from Government and in addition to its own funds is investing a substantial sum of money in the network each year. Future funding needs and options such as this may well have to be a consideration in the future but in doing so we will always be mindful of our ability to repay any loans. Once we have better detail as to the condition of the highway network we will be better able to make strategic funding decisions.**

- 5.3 The tackling of the restraints on borrowing and capital expenditure in the current accounting rules and other barriers be explored and include asking the Government to reconsider the current accounting regime referred to in paragraph 4.4 e.g. with a view to allowing borrowing to finance revenue expenditure and spending capital for highway maintenance purposes;

## **Response**

**As comment above. We need to understand fully the cost and needs before we can make informed decisions as to how best to seek to meet the need.**

- 5.4 Full use be made of the 2011/12 highway maintenance allocation of £1.867m together with any other Government monies provided for maintenance purposes to sustain investment in maintenance to avoid deterioration leading to escalation of future maintenance costs and the risk of increased public liability exposure and associated higher insurance premiums;

## **Response**

**The Council has made full use of the highway maintenance allocation of £1.867 in the current year. No money has been diverted for other purposes.**

- 5.5 The Council's new administration review its allocation priorities as part of the LTP process to ensure that such funding is allocated according to greatest need;

## **Response**

**The opportunity for such a review will arise with the review of the LTP**

- 5.6 The process by which the spending of Section 106 monies is formulated be amended to allow for the early involvement of Ward Members and Town and Parish Councillors. This would enable greater transparency in the process of the formulation and prioritisation of local highway schemes prior to the agreement of the LTP by the Executive;

## **Response**

How the Council consults on S106 schemes or the LTP schemes was discussed at the Environment, Culture and Communities Overview and Scrutiny Panel on 23<sup>rd</sup> June 2009 and subsequently agreed by myself and Cllr McCracken. That clearly defines a role for Ward Members and if they choose, an opportunity to consult with Town and Parish Councils but this is not a requirement of the scheme.

- 5.7 Priority be given to reinstating the surface dressing programme as it represents a relatively inexpensive way of prolonging the life of a deteriorating asset;

## **Response**

**Whilst the budget has not been reinstated the additional funding in the LTP over and above that which we had expected has enabled the use of money for techniques such as this. The officers will continue to have discretion to use their professional judgement as to which type of treatment is best used in any given situation**

- 5.8 Current practices are reviewed as part of the ongoing budget review process to test the merits of contracting additional highway maintenance services, for example design and build, through the current contract with Ringway. Related contractual changes be made should the review establish that such measures will achieve economies without giving rise to unacceptable levels of risk;

**Response**

**The contract with Ringway is due for renewal in 2014. The options available for the delivery of services will be considered as part of that process prior to tendering.**

- 5.9 The practice of securing early contractor involvement to identify cost saving technical solutions and to mitigate any potential problems be continued and developed wherever possible;

**Response**

**Agreed**

- 5.10 The benefits of making greater contractual use of Ringway to provide additional services which complement highway maintenance, such as provision and maintenance of street lighting and traffic signals, be reviewed with a view to identifying economies and to ensuring that the contract provides for the best overall fiscal advantage to the Council and includes sufficient flexibility to allow for the continually changing financial environment;

**Response**

**In the last 12 months or so it has been necessary to extend the use of Ringway not yet as illustrated above but to bring in additional capacity and expertise in a number of areas where it has been prudent to do so. They have also been used to create the new depot in the lorry park.**

- 5.11 All existing and potential opportunities for achieving savings in both client and service costs be explored as part of the contract renewal process. The potential scope, length and method of delivery should be examined through the scrutiny process with a view to helping ensure that the contract as tendered best fits the needs of the community;

**Response**

**Agreed**

- 5.12 Officers should review the current arrangements with Ringway upon completion of the depot and salt barn works and the transfer of the contractor's offices to ensure that the Council maximises the opportunities that arise both in the context of fiscal and value added service delivery; and

## **Response**

**Agreed. The changes have already given rise to direct savings by way of reductions in Ringways overheads that are recharged to the Council. They have also given rise to further savings direct and indirect as they have undertaken the works to the depot and the lorry park without recharging their overheads. Opportunities such as this will continue to be explored and developed where possible/appropriate.**

- 5.13 The existing management arrangements in relation to the split of the highway engineering functions are reviewed in the interests of cost effectiveness and collaboration between the two services to avoid conflicting objectives and to ensure that improvements are designed to take account of future maintenance requirements.

## **Response**

**Every effort is already made to ensure good collaboration and the avoidance of conflicting objectives whether now or in the future. There is a similar need in relation to the potential impact upon other service areas both in the context of what and how work is done but also how it's designed. This 'need' extends to the suitability to adopt land and taking it into maintenance. The Council has recently adopted a new Design Guide with this need very much in mind. As the future of the Council continues to develop all options will need to be kept under review to ensure the most effect methods are used to deliver services within tight budgets and high levels of public expectation. The retendering of the Ringway contract will provide the opportunity to look at issues such as this to ensure that the 'client' function is as efficient and effective as it needs to be.**