

Report to: The Economy, Arts, Sports, and Public Realm Policy and Accountability Committee

Date: 22/04/2024

Subject: Highways Contract Review

Report author: Ian Hawthorn, Assistant Director Highways

Responsible Director: Mark Raisbeck, Director of Environment

SUMMARY

This report outlines a review of the current Highways service delivery contract, focusing on contractor performance as well as highlighting future procurement requirements.

RECOMMENDATIONS

1. For the Committee to note and comment on the paper and presentation.
-

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Maintaining highway assets has an impact on residents, communities, and businesses. The proposed actions and mitigations seek to manage the disruption from defects and keep the asset ready for use.
Creating a compassionate council	Highways affects all especially disadvantaged groups the most, therefore any measures to better manage the highway conditions as well as any impact defects have been important for protecting the most disadvantaged.

<p>Doing things with local residents, not to them</p>	<p>All schemes will be developed, designed, and delivered with residents in mind. Residents are key to any successful maintenance and their feedback plays apart in how planned works are developed.</p>
<p>Being ruthlessly financially efficient</p>	<p>Whilst reducing the impact of climate change and deterioration the Highways team deploy a 'stitch in time' strategy to capture the worst defects before they escalate into larger issues. This saves time and money. This is in line with the Department of Transport best practice for highway maintenance.</p>
<p>Taking pride in H&F</p>	<p>Highways transform streets and neighbourhoods, through methods such as maintaining good standard assets and increasing green infrastructure. The process will allow residents to take an active part in shaping these plans, working with the Council to manage their space, fostering pride and shared equity in their borough.</p>
<p>Rising to the challenge of the climate and ecological emergency</p>	<p>Risk from adverse weather is increasing due to the impacts of climate change. Through better identification of those communities at risk and delivery of proposed highway maintenance and new measures, management of the risk will directly combat the negative effects of climate change and mitigate against the risks presented by extreme weather events.</p>

Background Papers Used in Preparing This Report

Well-managed highway infrastructure – a code of practice
H&F Highways Maintenance Management Plan
LoTAG's; State of London Annual Report

DETAILED ANALYSIS

Background on Highway assets maintenance and management in H&F

1. Hammersmith and Fulham council (H&F) as the Highway Authority has a statutory duty to maintain the highways that are maintainable at the public expense under Section 41 of the Highways Act 1980.
2. This duty is delivered by maintenance and renewal through a combination of Reactive, Cyclic and Planned Maintenance work undertaken by contractors managed by Council officers.
3. The highway network is the largest, most visible, and valuable asset of the Borough, helping to shape the character and quality of the local area. The Council recognises the contribution of highways towards its vision:
 - To protect and enhance the Borough’s residential and historic character and promoting pride in the borough.
 - To seek to continuously improve the Borough’s streetscape by undertaking major improvement projects, promoting good design, using high quality materials and workmanship, and removing street clutter.
 - Creating and maintaining well-designed, well-managed, clean, green and safe streets and open spaces.
 - Maintaining streets to a high standard, so that all highway users can move safely.
4. The performance of the highway network affects the lives of everyone who live in or visit our Borough. Being at the heart of London, the highway network and associated infrastructure is of local and national importance. The Council has a duty to ensure that its highway network is in a safe and in a serviceable condition and is committed to complying with the applicable legal and regulatory requirements and adopting national standards and best practice. ‘Safety and accessibility’ are key service drivers.
5. **The Highway Service and our asset.** The highway is made up of multiple assets with key ones listed in the table below.

Summary of highway assets in Hammersmith and Fulham (correct as of 01/09/2022)

Asset Type	Asset Group	Quantity	Total
Carriageways	A Road	26.7 km	223.8 km
	B, C & Unclassified Road	197.1 km	
Footways	Category 1, 1a	47.4 km	363.7 km
	Category 2,3,4a	316.3 km	
Highway Structures	All types	8 no.*	*Hammersmith Bridge
Street Lighting	Columns	8,594 no.	
Street Furniture	Pedestrian Guardrail	8.2 km.	
Drainage	Gullies	10,029 no.	
Street Trees	All types	9267 no.	
EV Charging	Lamp columns	2400 No.	

6. Compared to other central London Boroughs, H&F have a Highway that is generally in good repair with regards to certain assets such as the carriageway, as shown by the comparisons in the table below. However, other areas such as footways, where there has been investment in planned maintenance programmes in recent years, we are bringing up to the London average. Lamp column condition has been a challenge for many boroughs in London with an increased number of attachments reducing asset sustainability; so we are reviewing our renewal programme to gradually improve the overall condition of this key asset.

Benchmarks against London Borough average – Roads, Footways and Street Lights			
H&F Good Condition		Benchmark Good Condition	
Principle Road	Secondary Roads	Principle Roads	Secondary Roads
93%	96%	81%	80%
Principle Footways	Secondary Footways	Principle Footways	Secondary Footways
81%	57%	80%	79%
H&F Lamp Columns		London Average	
72%		80%	

7. We currently use the RBKC Highways Works Framework contract with FM Conway winning most of the contract Lots in 2017 on an assessment of cost and quality. The contract was extended last year for a further 3 years ending on 1st April 2026 and cannot be extended further so a new procurement process is required.

8. The contract consists of six Lots:

- (1) Paving (FM Conway),
- (2) Asphalt resurfacing (FM Conway),
- (3) Lighting and electricals (FM Conway),
- (4) Projects (FM Conway),
- (5) Structures (FM Conway) and
- (6) Drainage repairs (Cappagh), Drainage Cleansing (FM Conway).

The tables below describe the type of work carried out in each Lot.

(1) Paving Contract – FM Conway

Maintenance Work Type	Maintenance Activity
Reactive	The repair and making safe of footways and paved areas as required on an emergency basis, including provision of 24hr standby
Planned	The repair and reconstruction of footways and paved areas under planned maintenance programmes (generally Bituminous, Concrete Flags but some Natural Stone)

(2) Asphalt Resurfacing – FM Conway

Maintenance Type	Activity
Reactive	The repair and making safe of carriageways as required on an emergency basis, including provision of 24hr standby
Winter Gritting	Provide x2 gritters during winter months to grit borough roads
Planned	The resurfacing or reconstruction of carriageways under planned maintenance programme
	The line marking of new carriageways and new highways works as required
	The alteration and/or removal of existing carriageway line marking

(3) Lighting and electrical works – FM Conway

Maintenance Work Type	Maintenance Activity
Reactive	Response to customer complaints and safety defects
Cyclic	Structural testing by deflection and ultrasonic techniques to inform condition of lighting column and future replacement programmes
	Electrical testing of units' safety
Planned	Phased replacement of life expired light columns
	Replacement of other electrical street furniture: EV, Bollards, WBP, CIBs

(4) Projects – FM Conway

Maintenance Work Type	Activity
Planned Projects	The construction of new highway works such as continuous footways carriageways and public realm improvements
	The design and delivery of major projects including traffic schemes, cycle lanes and junction improvement

(5) Structures – FM Conway

Maintenance Work Type	Activity
Reactive	Response to safety defects
Cyclic	Serviceability Inspections
Planned	Structural – work required to maintain the integrity and load carrying capacity of the structure, such as repairs to bearings, abutments, parapets and walls, strengthening works

(6) Drainage including Gully repairs – Cappagh; Cleansing – FM Conway

Maintenance Type	Activity
Reactive (Cappagh)	Response to surface water flooding and drainage defects
Cyclic (FM Conway)	The cyclic cleansing and jetting of all gullies and gully connections
Planned (Cappagh)	The repair and / or replacement of new and existing gully pots, grates and frames, pipes and manholes

9. The contract has a governance process that requires FM Conway and Cappagh to attend regular performance review meetings with officers although the nature of the contract means there is daily contact with officers on work delivery matters. Examples of performance review meetings include:

- **Strategic Board** (Quarterly) that considers overall contract performance, new initiatives such as carbon reduction, change in board membership, discussion on client core values, future programmes and development of innovation programmes.
- **Operational Board** (Monthly), that consider performance across the work areas, health and safety and future programmes.
- **Task Order Working Groups** (weekly) to review progress with key service delivery areas like street lighting, footway and carriageway maintenance works, projects etc.
- **Innovation Board** is held 2/3 times a year to review best practice and to meet other London Boroughs who have FM Conway as their contractor. This has resulted in changes to service delivery such as use of sustainable materials, sharing best practice from their other contracts such as new techniques and equipment i.e., use of electric diggers; co production training; mental health awareness and effective education initiatives like the Highway Academy. The innovation board also challenges costs and discuss efficiencies which has resulted in increased value such as a reduction in delivery of carriageway resurfacing and increased recycling.

- The Assistant Director Highways meets with the FM Conway's Managing Director (Board Member) and the Contract Manager once a month to discuss any issues or initiatives that need high priority.
10. Contract payments are based on agreed measurements of maintenance carried out and what materials have been used on site, after checks made by officers.

Social Value

11. Despite social value not being part of the contract there are social value initiatives being delivered from the contract. Examples include: -
- Hammersmith Bridge Education Programme - where classes are run in schools on building a suspension bridge, and the second part of the activity is for pupils to visit the bridge where engineers go through the work that is happening and its history. More detail can be seen in Appendix 3.
 - Landscaping works completed recently for Children Services young adult accommodation. FM Conway is revamped the garden space of local Council accommodation for young adults creating recreation and social space that transformed these areas for better use. Materials and labour were delivered free of charge. More detail can be seen in Appendix 2.
 - Support for events like the Civic Awards.
 - Supports Women into construction initiative through engagement with schools and the Job Centre.
 - Delivering female only work experience weeks. Working with schools to help break gender stereotyping when it comes to career choices.
 - FM Conway invites staff for joint training such as the mental health first aiders and co-production. They have also done several lunch and learn sessions for staff.

Environmental Sustainability

12. The contractors are required by the Council to observe good environmental practice and comply with the relevant statutes, codes of practice and industry guidance, as well as supporting the Councils Climate Change Agenda.
13. Following a successful trial of an electric 3.5 tonne pickup truck in the Borough, FM Conway introduced using this vehicle in the Borough and are gradually replacing their existing diesel trucks with the electric versions. They have also increased the recycling rate of materials they take out of the highway to 96% and are due to report an improvement on that recycling rate.

Communications

14. FM Conway and Cappagh as part of their work instruction must under legislation contact all frontages of works taking place. In addition, we work with the contractors to advise all Ward Councillors of upcoming works. For larger schemes like nightworks then an area letter drop will be carried out.

15. For planned works, letters are attached to lamp columns in and around the works area, so any highway users are aware of the works.
16. The contractors are required to maintain access to residential and business premises, so a lot of work goes into making sure we have the right contacts and there is a presence on site to deal with any issues.

Contract Performance

17. In the current contracts there are KPI's that are referenced as CMP (Contract Management Points) and in addition the six contracts are outlined with the performance ratings with both positive delivery and areas for improvement. Below is a schedule following failures on works delivery and then each contract performance rating.
18. The contractor's performance is assessed using key performance indicators which are described below with the current assessment of performance.

- **Site Health & Safety inspections** - requirement to sign and guard works and remove excess materials:
 - Performance is considered SATISFACTORY, because some small sites have been found with materials and signage left behind. The Contractor is working with its operatives to rectify this issue.
- **Site Health & Safety** – requirement to submit the monthly 'RIDDOR' report on time to the H&S Executive:
 - Performance is considered GOOD. The dashboard is produced monthly and site logs are readily available.
- **Predictability of Time** – requirement to commence works within the required time limit:
 - Performance is considered GOOD. This includes 100% compliance with attending urgent category 1 defects within 2 hours.
- **Predictability of Completion** – requirement to complete works within agreed programme and completion dates without due cause for delay:
 - Performance is considered GOOD.
- **Statutory Undertaker strikes** – requirement to conduct detection of underground services prior to starting work on site (except for carriageway resurfacing):
 - Performance is considered SATISFACTORY. There have been a small number of strikes on underground services. This is a challenge for all contractors partly due to poor Utility records and practices.
- **Respect the environment** – requirement to clear and clean the site immediately upon completion of works:
 - Performance is considered SATISFACTORY. Some smaller sites have not been cleaned quickly enough and this is part of the contractors improvement plan covered in regular feedback.

- **Lot 1 Paving Contract**
 - Performance is considered VERY GOOD because:
 - Planned maintenance programme completed in December 2023
 - Reactive works delivered (with 100% 2 hour response achieved)- Compliments received from residents

- **Lot 2 Asphalt Resurfacing Contract**
 - Performance is considered VERY GOOD
 - Planned maintenance programme completed in December 2023
 - Reactive works delivered (with a 100% 2-hour response achieved)
 - Compliments received on regularly basis
 - Winter gritting successfully delivered

- **Lot 3 Streetlighting and Electricals contract**
 - Performance is considered SATISFACTORY because:
 - Planned works not completed until March 2024
 - Structural testing delivered as scheduled.
 - Reactive works not hitting targets (Improvement Plan in Place). Inadequate resources to complete work so new team introduced to cover workload (early signs of improvement)

- **Lot 4 Projects Contract**
 - Performance is considered GOOD because:
 - Projects delivered to standard and improved delivery to programme.
 - Some Projects still delivered late, however involving the contractor in early stages of scheme development is seeing positive improvements.

- **Lot 5 Structures Contract**
 - Performance is considered GOOD because:
 - Response time met.
 - Structural works delivered to programme.
 - Inspections delivered within time scales.

- **Lot 6 Drainage and Gully Repairs**
 - Performance is considered VERY GOOD because:
 - Response time met.
 - Gully cleansing programme completed ahead of schedule.
 - Repair programme completed to schedule and within expected timeframes.

19. Several risks are associated with delivery of maintenance duties that often impact how and when works can be undertaken. Below are some examples:
- Public Utilities are a major asset occupier of highway above and below surface with numerous apparatus present in the highway all need maintenance and careful considerations.

- Working in a public space requires a high level of risk assessment and assurance.
- Weather conditions play a big factor in the works delivery and often dictating when and how they are delivered.
- Community factors play a key factor in works delivery especially the more vulnerable highway users. Disruption works are planned in school holidays for example.
- Highway space demand is on the increase and Highways works often are in direct competition with utility companies and other transport providers (i.e. Transport for London) on their renewals, installations and repairs.
- Events and development also impact when works can be undertaken.

H&F future Highways Works contract

20. The work has started to develop a new highway works contract that incorporates new challenges such as climate change, social value, sustainability, and adaptation. We have previously explored an option to work with Westminster City Council on a joint framework to reduce costs, but this did not prove practical, so we after further consideration have decided to develop our own works contract.
21. The scope of the contract will look at traditional and new service areas covering - Design and Build - Lighting - Safety Inspections - Winter Service - Drainage and Gully Cleansing. It will also consider whether it should be combined with the Parks Grounds Maintenance and Horticulture contract.
22. A number of workshops have taken place internally and discussions with other boroughs has been undertaken to gauge the market and the possibility of using other frameworks. These frameworks will enable us to compare costs and offer a fallback position on the procurement and an alternative option for more complex work that may sit outside the main contract.
23. The key findings on the current highway contract market in London are:
 - Limited number of contractors. The market has a decline in the number of contractors working in the local government area, with many now working for Utilities instead.
 - Costs have risen significantly due to escalating costs of materials and labour. Our current framework contract was let in 2017.
 - We are seeing longer contracts being offered in order to realise better value contracts by allowing the contractor more time to recover costs of establishing the contract / investment in machinery, depots etc. Most London Boroughs now have works contracts of 10 years across 2 term periods.
24. Key factors in the new contract will be **sustainability, adaptation, social value carbon reduction, ground maintenance** for the green agenda, **design capacity** including landscape gardening. The new works contract will be developed so its accessible by all departments so there can be a one contract

approach to the areas of civil engineering, lighting and electrical works, ground maintenance and design.

LIST OF APPENDICES

Appendix 1 – Social Value Example (Young Adults Accommodation)

Appendix 2 – Social Value Example (Hammersmith Education Programme Programme)