



Report to Policy Committee

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Report of: Ajman Ali, Executive Director of Operational Services
Report to: Waste and Street Scene Policy Committee
Date of Decision: 21st December 2022
Subject: Amey Performance Report

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
<i>Appendix 2 is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).</i>				

Purpose of Report:

To provide an overview of the performance of Amey, including any current challenges and improvement plans.

To seek approval for improvement plan(s) and the new street scene and waste customer charter.

Recommendations:

The Waste and Street Scene Policy Committee is recommended to:

1. Note the details of the performance update
2. Note the new street scene and waste customer charter improving information to our customers on Amey and Veolia service delivery
3. Agree the actions set out in the Report including tracking the delivery of the improvement plan against contract compliance
4. Receive a further update on Amey Performance in six months-time

Background Papers:

Department for Transport, Technical Note: Road Condition and Maintenance data, published 10.11.2021

Department for Transport, Official Statistics: Road conditions in England to March 2022.

<https://www.gov.uk/government/statistical-data-sets/road-condition-statistics-data-tables-rdc#table-rdc0120>

- RDC0122: Road Condition Indicator scores for surveyed local authority classified principal roads, by LA in England
- RDC0130: Percentage of unclassified roads where maintenance should be considered, by local authority in England

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Jane Wilby, Head of Accounting
	Legal: Sarah Bennett, Assistant Director of Legal and Governance
	Equalities & Consultation: Ed Sexton, Equalities Officer
	Climate: Kathryn Warrington, Sustainability Officer
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	SLB member who approved submission:
	Ajman Ali, Executive Director Operational Services
3	Committee Chair consulted:
	Cllr Joe Otten, Chair of the Waste & Street Scene Policy Committee
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Gillian Charters
	Job Title: Head of Waste Management & Highway Maintenance

Date: *14th December 2022*

1. PROPOSAL

1.1 Background

- 1.1.1 All aspects of Highways Maintenance (from surfacing of footways and roads, litter and fly tipping removal, street lighting and street signs, gritting and environmental maintenance such as tree care and planting, flower beds and shrubs and grass cutting) is undertaken by Amey on behalf of the Council as part of a Private Finance Initiative (PFI) contract to 2037.
- 1.1.2 PFI contract arrangements were promoted by the Government, where the private sector finances (holds the debt), to build and operate public sector infrastructure and then offsets this investment with the ongoing revenue of long-term management contracts. It provided a mechanism to bring a significant capital injection without increasing Government/ public sector borrowing.
- 1.1.3 The scale and scope of the contract for Sheffield is significant. It includes day to day management of our highway streetscene as well as capital investment in improving our roads and highway infrastructure:
- Core Investment Programme to bring roads & footpath surfaces up to standard and replacement of ageing street lights & traffic signals
 - Ongoing maintenance of assets (roads, footpaths, street lighting, traffic signals, street trees, bridges/ structures, verges)
 - Responsible for clearance of litter and fly tipping & grass cutting on highway network
 - Winter maintenance (gritting priority routes and provision of grit bins)
- 1.1.4 The Council contract is with Amey Hallam Highways. This is special purpose vehicle company, established solely for the Sheffield contract. This company holds the debt from the project which it off-sets against the payment received from the council for the contract.
- 1.1.5 Amey Hallam Highways sub-contract the delivery of the output including the investment works and day to day operations to Amey LG. Amey is a significant player in the infrastructure sector, holding contracts with other local authorities, Highways England and Network Rail.
(note: Amey is currently being sold by it's parent company Ferrovial to a private equity consortium of One Equity Partners and Buckthorn Partners).
- 1.1.6 Further information about PFI and an illustration of the metrics for the Sheffield contract is included in Appendix 1.

1.2 Amey Performance

- 1.2.1 Amey delivery for Sheffield is a combination of scheduled and cyclical works and reactive works to requests and complaints. The output specification is set out in ten schedules of Service Standards for Core Service with approximately 650 performance measures across these. Performance requirements range from annual submissions for scheduled works to response times of hours to incidents on the highway network.

- 1.2.2 In total the contract extends to 134 documents. We have published 125 of these on our website, 30% of those released have no redactions and just over half (55%) are only partially redacted.
- 1.2.3 Amey delivery is reported through a number of mechanisms:
- Annual Newsletter (see appendix 3 for the 2021/22 version)
 - Monthly Report to each Local Area Committee relating to delivery in the area (see appendix 4 for the September 2022 version)
 - Quarterly Strategic Board KPI Dashboard (see appendix 5 for the 2022/23 Quarter 2 version)
 - Regular newsletter to elected Members (see appendix 7)
- 1.2.4 These reports convey the breadth of services the contract cover for the council and the scale of the deployment on a daily and monthly basis across the city.
- 1.2.5 The new waste and street scene customer charter provides an overview of performance by Amey to requests received on a range of key services which have a visible impact on local communities. The charter has been drafted to try and improve customer's knowledge of what to expect from Amey (and also Veolia) and captures performance against this. The charter and the past 3 months of reporting (August – October) is shown in appendix 6.
- 1.2.6 These are all in addition to the contractual monthly management report Amey are required to submit to claim payment. The monthly payment to Amey is published as per the council's commitment to transparency and the Government recommendation for all spend over £250 to be published.
- 1.2.7 The contract requires Amey to declare all known performance failures as part of the monthly bill submission. The council has the joint resources of the Highways Maintenance client team and Commercial and Financial Services team verifying the claim each month and applying any further performance failures.
- 1.3 **Surfacing Requirements**
- 1.3.1 Schedule Two of the Contract details the specification and output for Carriageways (roads) and Footways. Surfaces are required to achieve a score, through various survey techniques, with each road being surveyed every 2 years. Failure to achieve score means the section of road or footpath is scheduled for maintenance.
- 1.3.2 Survey scores are compiled during quarter two each year. The sections which have failed are then compiled into a for surfacing plan for the year ahead which is submitted by Amey before the end of quarter three.
- 1.3.3 The surveying techniques used are industry standard, employed by local authorities across the country and not bespoke to the Sheffield contract. The scores are submitted to the Department for Transport (DfT) and a national data set is published each year (see background papers section for links to data below).
- 1.3.4 Sheffield performs well with 89% of our A roads (the most major roads in the city) and 80% of B and C roads rated as green for condition score. As such we are in the top 20 Local Authorities in England.

- 1.3.5 For unclassified roads, predominantly for Sheffield this means roads on local estates and some rural roads, 10% of these roads trigger a condition score where maintenance should be considered. Sheffield is one of just 25 local authorities at 10% or less.
- 1.3.6 The contract condition score relates to sections of roads, not its entire length. The length of a section is different across the different classifications on road from primary through to local estate roads. The Quarterly Strategic Board KPI Dashboard (see appendix 5) shows the condition scores for the different classifications of roads and footways across seven CAAs- these geographical areas broadly align to Local Area Committee areas. The graphs show the significant improvement in condition score since the start of the contract and consistently show score is below contract fail level (the blue horizontal line).
- 1.3.7 Through the initial core investment phase of the contract, more often the approach by Amey was to complete whole roads. This was because in many cases the adjoining sections whilst not currently hitting failure for scoring they were close to do so and rather than cause repeat disruption to road users, it was more efficient to deploy the surfacing resource one and treat more of the area.

1.4 **Current Performance Challenges**

- 1.4.1 Amey did not meet the contract requirements in relation to carriageway and footway surfacing last year last year and have been working to an improvement plan since April 2022 to achieve contract compliance. The implications of this are discussed in (closed) appendix 2.
- 1.4.2 Good progress is being made with compliance targeted for the end of this financial year (March 2023).
- 1.4.3 Through the development of the improvement plan for footway surfacing and achieving contract compliance, additional ongoing resources have been secured for the remainder of the contract. These are currently being deployed to improve cleansing standards across key routes into the city. Amey have also committed to increasing the standards delivered by their cleansing teams going forward and instigated a new programme of checks by supervisors and managers.
- 1.4.4 With the redeployment of resources from footways, the council has agreed contract compliance for this element of surfacing will be secured in quarter three of 2023/24.
- 1.4.5 A further area of concerns is performance relating to drainage. The Quarterly Strategic Board KPI Dashboard (see appendix 5) shows progress against the scheduled cleansing programme. There is a cumulative impact to this not being met. In addition, Amey are not meeting the timescales to put right any issues or faults found during the scheduled cleaning. The implications of this are discussed in (closed) appendix 2.

2. **HOW DOES THIS DECISION CONTRIBUTE ?**

- 2.1 Our Sheffield Delivery Plan 2022/23 details six strategic priorities for the Council, one of which is Strong and connected neighbourhoods, which people are happy to call home. Our Sheffield Delivery Plan identifies four stages to the Council realising

our strategic objectives, being: stabilise, embed, grow and flourish. The first phase, stabilise, includes addressing urgent performance challenges which the council is prioritising for improvement this year.

- 2.2 For Strong and connected neighbourhoods, which people are happy to call home, the Street and Neighbourhood Environment, urgent challenge has been identified as: Resident satisfaction with the roads is no longer improving and there are a number of challenges with good service standards across the city. From the LAC community engagement, it matters to residents across our localities about the environment of their neighbourhoods, importance of safe roads raised and effective transport
- 2.3 The improvement plans developed by Amey contribute to reducing the number of patches of failed road surface across the city. Progress against the improvement plan delivery and four of the customer charter measures (resolving complaints, flytipping removals, emptying full litter bins and repair of hazardous pot holes) are also part of our monitoring of progress of the Sheffield Delivery Plan 2022/23.
- 2.4 The new service charter together with the monthly reports Amey provide to each LAC raise the profile of the scale and scope of the delivery of the Amey contract in each LAC area and key performance measures achieved.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The council and Amey have subscribed to the National Highways and Transport (NHT) Network annual survey since the start of the contract in 2012. This is a national opt in survey covering highways maintenance and road use including public transport of around 1000 respondents in Sheffield. From this we have a good benchmark of perception of the condition of our highway network and maintenance works.
- 3.2 Sheffield performs well as shown in the graph which is included in the Quarterly Strategic Board KPI Dashboard, appendix 5. However, following year on year improvement, last years survey is the first in 10 years where results have plateaued.
- 3.3 The council has now established a new customer satisfaction solely for highways maintenance, using many of the highways maintenance questions from NHT survey. This means we can continue to benchmark our performance year on year but we can also add additional highways maintenance questions for response.
- 3.4 This survey launched in October and has over 500 respondents so far. It will close in February each year providing the opportunity to reflect any actions into the Amey Annual Newsletter and service plans for the year ahead.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 As this is a report on current performance and no changes are proposed to policy or service delivery, a full equality impact assessment has not completed.

4.1.2 It is noted, the improvement plan works by Amey mean increased works to sections of footways across the city. In the longer terms this will improve the condition of the footpaths for groups which may have limited or difficulty with mobility such as the protected groups of older people, people with a disability that impairs mobility and pregnancy/ using push chairs & prams. In the short term whilst this increased level of works is taking place there will be reduced space on footways to accommodate pushchairs, wheelchairs and other mobility aids. Alternative safe and accessible space is being designated during such works scenarios

4.2 Financial and Commercial Implications

4.2.1 The financial and commercial implications are considered in (closed) appendix 2.

4.2.2 As per paragraph 1.2.6 above, the monthly spend on the Amey contract is published.

4.3 Legal Implications

4.3.1 The Council entered into the Streets Ahead Highways Maintenance PFI Contract in 2012. The Contract is managed in accordance with its terms. Further details are set out above and in (closed) appendix 2.

4.4 Climate Implications

4.4.1 As this is a report on current performance and no changes are proposed to policy or service delivery, there are no new or additional climate impact implications arising from this report.

4.4.2 As part of the Council's pathway to net zero, Amey's fleet was included in the Council's carbon emissions baseline and as such, we'll be working with them to decarbonise their fleet and they will provide annual emissions reporting. In addition, the way in which we manage our land to increase carbon sequestration opportunities is a key priority and Amey are already collating data on the this which will be supplied as part of the Council's decarbonisation targets.

4.4.3 Headline carbon impact performance and fleet composition is included in the Quarterly Strategic Board KPI Dashboard, appendix 5.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 There are proposed actions set out in this Report, including tracking the delivery of the improvement plan against contract compliance. To the extent that there are alternative options available, these are set out in (closed) Appendix 2.

6. REASONS FOR RECOMMENDATIONS

6.1 The Waste and Street Scene Policy Committee are recommended to note the details of the report and the appendices of supporting performance information as these detail the scale and scope of the contract delivery for Sheffield.

- 6.2 In approving the new waste and street scene customer charter, the Committee are ensuring customers understand what to expect in terms of response by Amey to key service requests and Amey's performance against these.
- 6.3 The Waste and Street Scene Policy Committee are recommended to agree the actions noted in the report including the tracking the delivery of the improvement plans for surfacing, receiving a further update to committee on contract performance in six months' time as it is believed this will ensure contract compliance is maintained.

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