

RECOMMENDATION TO APPROVE THE 2017/2018 PROGRAMME OF WORKS FOR DROUGHT DAMAGED ROADS
COUNCILLOR PETER HILLER, CABINET MEMBER FOR GROWTH, PLANNING, HOUSING AND ECONOMIC DEVELOPMENT
OCTOBER 2017
Deadline date: October 2017

Cabinet portfolio holder:	Councillor Peter Hiller, Cabinet Member for Growth, Planning, Housing and Economic Development
Responsible Director:	Simon Machen, Corporate Director Growth and Regeneration
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/02OCT17/02
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	Once approved a programme will be created on Verto to monitor delivery of the work programme

RECOMMENDATIONS
The Cabinet Member is recommended to authorise the issue of a work package to Skanska Construction UK Limited (“Skanska”) under the Council’s existing Peterborough Highway Services Contract (the “Contract”) for the Council to undertake a programme of works on drought damaged roads in Peterborough (the “scheme”). The total value of the work package will be £1.69m

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks approval from the Cabinet Member for Growth, Planning, Housing and Economic Development for:
- The programme of works for drought damaged roads in Peterborough (the “Scheme”)
 - The award of a work package to Skanska Construction UK Limited (“Skanska”) up to a value of £1.69m to undertake the Scheme.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Growth, Planning, Housing and Economic Development to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b).

3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
---	-----------	---	------------

4. **DETAILS OF DECISION REQUIRED**

- 4.1 In January 2017 the Department for Transport (DfT) made available £75m of Government investment (titled Highway Maintenance Challenge Fund) for essential highway maintenance which would make improvements for highway users. On 31 March 2017, Peterborough City Council, in partnership with Cambridgeshire County Council, submitted a joint bid (Tranche 2A) for the DfT Highway Maintenance Challenge Fund. The joint bid sought funding to use innovative methods to repair 65.61km of fen roads, split across each local authority area, and in doing so enhance the resilience of the rural road network against future weather events.
- 4.2 The DfT announced on 1 August 2017 that 19 schemes across the country (including the Council's joint bid) had successfully received a share of the funding. The joint bid was awarded £3.5m (of the £5m requested) of which £1.19m was for Peterborough. As part of the bid, the Council committed to contributing a further £500k to the scheme from capital reserves, resulting in a package of works totalling £1.69m. As this is lower than the total amount originally bid for the volume of roads treated will be proportionally adjusted.
- 4.3 The Council intends to award a package of work under its existing contract with Skanska.

5. **CONSULTATION**

- 5.1 Thorough consultation with stakeholders and partners will be undertaken before issuing the work package to Skanska for completion of the programme of work of drought damaged roads in Peterborough.
- 5.2 Information will be added to the Council website providing details about the funding awarded by the DfT. Further to this, letters will be sent out to residents, councillors and Parish Councils advising of the works planned. Also a submission will be made for Temporary Traffic Regulation Order's (TTRO's) and Road Space Bookings prior to the works commencing.

6. **ANTICIPATED OUTCOMES**

- 6.1 Delivery of the drought damaged roads programme of works in 2017/18 will contribute to the transportation aims of both the Council and the Government by supporting the city's growth agenda; improving accessibility to key services, providing safer roads and reducing congestion.

7. **REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION**

- 7.1 Many of the drought damaged roads in rural areas have soil conditions that contain substantial quantities of peat and other water susceptible sub-strata. Traffic restrictions that are in place due to the poor condition of the roads adversely affect local businesses and communities, restricting access to premises and employment opportunities. Both authorities have allocated additional funding to help mitigate the damage experienced on the network. However, there are still a large number of A and B roads suffering from drought damage which cannot be addressed through conventional highway maintenance

funding, as deterioration would continue to outpace the renewal. The scheme will provide the foundation for preventative long term asset management for the affected highway network and will minimise costly short term reactive repairs.

7.2 The Peterborough Long Term Transport Strategy (2011-2026) and the fourth Peterborough Local Transport Plan (2016-2021) were developed in consultation with a wide range of key stakeholders. The Council considered a range of transport interventions to best address local problems, meet the growth aspirations of the city and integrate the Government's transport priorities agreed nationally by the Local Government Association and the DfT. The assessment and appraisal of options involved included the following:

- Policy Fit (meets objectives of the strategy)
- Cost Benefit Analysis (value for money)
- Key Performance Indicator Assessment
- Network Improvement Impact Assessment
- Equality Impact Assessment (EIA)
- Strategic Environmental Assessment (SEA)
- Habitats Regulation Assessment (HRA)

In the future there will be a new Local Transport Plan prepared by the Combined Authority.

7.3 The Highway Asset Management Policy and Strategy provides a clear position on how the Council will maintain the highway network to ensure that it is adequate to support the growth of the city and specifically to meet the Council's Strategic Priorities.

Key aspects of the Highway Asset Management Policy and Strategy include:

- Acknowledgement that effective asset management is critical to the delivery of its services and the realisation of the Council's long term vision and strategy;
- Asset management principles enable informed decisions to be made about investment and maintenance funding, assist in the targeting of resources to where they can be most effective, and enables the identification and management of the risks associated with statutory duties to manage and maintain public infrastructure;
- To promote a strategic and forward thinking approach to managing the highway network to give confidence to decision makers to take current and future planned maintenance decisions.

7.4 The contract for highway services has been delivered by Skanska since October 2013 with the establishment of Peterborough Highways Services (an informal collaborative "partnership" between PCC and Skanska to deliver highway related services across the unitary authority area) and award of the Highway Services Contract (the "Contract"). This process was ratified by a Cabinet Member's Decision Notice (AUG13/CMDN/068).

It is proposed that the programme of works for the drought damaged roads will be carried out by Skanska through the Professional Services element of the Highway Services Contract (2013-2023). This element is referred to within Schedule 5 of the Contract (Description of the Services). The award of these package of works is undertaken in accordance with clause Z44 and Schedule 2 of the Highway Services Contract.

Following evaluation of the alternative procurement mechanisms it is considered that the Highway Services Contract provides the most suitable delivery mechanism for the drought damage roads programme of works. The award of this new package of works under the existing Contract complies with Regulation 72(e) Public Contracts Regulations 2015. Utilising the existing Highway Services Contract will mean that the Council will realise the following benefits:

- Reduced procurement costs by using an existing framework contract.
- Improved project management and cost certainty through the utilisation of a target cost style of contract.
- Reduced construction costs through 'Early Contractor Involvement' (ECI) at the design stage to manage and mitigate more effectively any potential issues with the scheme.

Further details in relation to the contract award can be viewed under the web link stated in Section 14 Background Documents.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Not to deliver a programme of works: A do-nothing scenario has been ruled out, since the impact on the rural road network to communities and businesses would be intolerable, including many more advisory 20mph limits, diversions and road closures. The current do minimum option is not sustainable, costing over £0.5 million per annum on short term repairs.
- 8.2 Communities across the area affected will continue to see degradation to the network, with speed limits and diversions in place for many years to follow. The existing approach delivers less value for money, comprising reactive, unsustainable short term repairs that fail to provide a resilient network.
- 8.3 The funding award is only for 2017/18 financial year and must be spent before 31 March 2018. Therefore, there is no option to defer the programme until next year as the Council will not have the budget internally to contribute to the scheme and this will add pressure on other maintenance budgets. There is no guarantee that the Council may be successful should another opportunity become available in the future (as previously in 2015 the Council was unsuccessful with its bid for Tranche 1 Highways Maintenance Challenge Fund).

9. LEGAL IMPLICATIONS

- 9.1 The Highways Act 1980 prescribes that the highway authority is under a duty to maintain the highway. This requires that the highway has to be maintained so that it is reasonably passable by the ordinary traffic of the area. Failure to approve the programme of works for drought damaged roads and identification of a timely programme of works could result in a risk that the authority may neither meet its legal duty to maintain the highway, nor its strategic transport and highway priorities for Peterborough.
- 9.2 Approving the programme of works for drought damaged roads 2017/18 shall ensure that the highway network can be maintained thereby meeting the statutory duty to maintain the highway, and improvements can be carried out using grant funding from DfT, thereby meeting the Council's transport objectives.
- 9.3 The award of this new package of works for draught damaged roads under the existing Contract complies with Regulation 72(e) Public Contracts Regulations 2015 (PCR 2015), where the modifications, irrespective of their value, are not substantial within the meaning of Regulation 72(8) (PCR 2015). The new package of works may be awarded in accordance with clause Z44 of the Contract.

10. FINANCIAL IMPLICATIONS

- 10.1 Approving the recommendation will ensure that that the planned expenditure is consistent with the capital programme of works via the performance measurement and efficiency mechanisms built into the Highway Services Agreement.

10.2 By utilising the funding awarded the Council will be able to utilise maintenance funding on other parts of the road network. The existing approach delivers less value for money, comprising reactive, unsustainable short term repairs that fail to provide a resilient network. The scheme will provide the foundation for preventative long term asset management for the affected highway network and will minimise costly short term reactive repairs. Furthermore, Peterborough and Cambridgeshire will adopt an innovative approach to repairing these roads and plan to produce a best practice guide for others to use.

11. PROCUREMENT IMPLICATIONS

11.1 There are no procurement implications.

12. EQUALITY IMPLICATIONS

12.1 An Initial Equality Impact Assessment has been carried out and there are no detrimental effects associated with the scheme.

13. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

13.1 None

14. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

- Peterborough Local Transport Plan 4 (2016 – 2021)
<http://www.peterborough.gov.uk/ltp>
- Highway Asset Management Policy and Strategy (2016)
<https://www.peterborough.gov.uk/residents/transport-and-streets/highway-assetmanagement/#PolicyAndStrategy>
- Peterborough Highway Services contract (2013-2023)
Cabinet Member's Decision Notice (AUG13/CMDN/068)
<http://democracy.peterborough.gov.uk/documents/s17190/PHS%20CMDN%20V5%20Final%20pub.pdf>