

**Transport, Economy and Environment Overview and Scrutiny Committee**

**11 July 2022**

**Report of the Corporate Director - Business and Environmental Services**

**Annual report on the progress and performance of NY Highways**

**1.0 Purpose of Report**

- 1.1 To provide members with an update on the progress and performance to date of NY Highways, the County Council's company for the operational delivery of highway services.

**2.0 Key Background Information**

- 2.1 A highway delivery options exercise was undertaken in 2018/19 to determine the mechanism for the operational delivery of highways services. In April 2019 the Executive approved the implementation of a wholly owned "Teckal company" to deliver the highways operational services. A Teckal company was recommended as the preferred way forward as this would provide greater flexibility for NYCC. Future years capital budgets were unclear, it was clear that innovation and efficiency needed to be a main driver for a replacement Highway Maintenance Contract. Upon the approval of the Teckal company a 5 Year Plan was developed which contained the following goals:
- 2019/20 and 2020/21 Development of NY Highways (years 1 and 2)
  - 2021/22 Implementation of NY Highways (year 3)
  - 2022/23 and 2023/24 Review performance of NY Highways (years 4 and 5)
- 2.2 NY Highways is currently in Year 4 of the 5 Year Plan and has embarked on undertaking collaborative reviews with NYCC colleagues on current and future ways of working that promote innovation and efficiency throughout its services.

**Achievements to date**

- 2.3 A number of achievements have been recognised during 2021/22 notably:
- Seamless mobilisation of NY Highways
    - Smooth transition of 200+ staff across to NYH
    - Mobilisation during Covid 19 pandemic
    - Staff induction days across the county for TUPE staff
    - Public did not feel any drop in service standards
    - Delivering services from Day 1
    - Integration of brand new and Ringway purchased vehicles
  - Successful delivery of the winter service
    - The winter service is crucial for NYCC, it aims to ensure the public highway is safe and accessible through the winter periods.
  - Delivery of the Capital schemes programme
    - Capital schemes are delivered both in house and via the use of other contractors. The in-house delivered schemes have seen greater collaboration with the focus on achieving NYCC objectives and as they have been charged on a cost basis this drives efficiency and quality. Externally delivered schemes such as carriageway resurfacing have been delivered in works packages

through external contractors managed by NYH, these works packages are demonstrating value for money as they are competitively priced for each works package. Generally the works packages are delivered at a lower cost than the previous contract.

- Storm Arwen
  - Storm Arwen swept through the County in November 2021, NYH provided resource along with its sub-contract network to successfully attend and resolve the many incidents that occurred during the severe weather conditions.
- Introduced new methods of service delivery
  - Spray injection patching
  - Pothole pro
  - Maintenance free traffic signs
- Release of 5-year carbon plan which has been approved at NYH Board meetings.
- Off Grid Power
  - Installation of two wind turbines/solar arrays to store electricity for overnight charging of batteries that power portable tools/plant.
- Secured £15k Local Council Road Improvement Group (LCRIG) Innovation funding
  - Funding to develop NYH carbon reporting App
  - App will take data from the Asset Management system and calculate the carbon cost of the defect repair alongside the financial cost.
  - Aligned with the Future Highways Research Group's recommendations for carbon measurement which has been sponsored by Association of Directors of Environment, Economy, Planning and Transport (ADEPT).
- Roll-out of the Connected Safety Net (CSN) applications for Safety and Audit
  - A mobile device application to digitally record audits and inspections on site and in the depots.
  - A digital Incident recording tool (Accident book) that is GDPR compliant and track the incident through the investigation process and closure.
- Roll-out of a pilot scheme for Kaarbontech Gully solution
  - The new gully solution gives a risk based approach for gully cleaning based on previous year's data along with Environment Agency data to determine the number of gullies to be cleaned each year. The analysis of this data will ensure that the gully crews only need to attend gullies that require attention, therefore saving time and costs associated with gully maintenance.
  - During the NYH mobilisation period, five new state of the art gully tankers were purchased to complement the existing three tankers, these five new gully tankers cost £965,535 to purchase and were seen as a significant addition to the fleet to ensure delivery of the gully maintenance service. These five new vehicles have been plagued with issues, in person conversations between NYH Managing Director and the suppliers Directors have taken place to understand the issues and seek resolution. The downtime created by these new vehicles has hindered the delivery of the gully cleaning system, alternative hire vehicles were sought to replace the new vehicles, this was a challenge, vehicle hire during the Pandemic has been very challenging, and when vehicles could be sourced, they were substantially more expensive than pre-Pandemic rates (supply and demand, and the lack of new vehicles being manufactured). Although NYH has experienced these difficulties during the Pandemic and vehicle issues, it still managed to attend around 75% of the programmed gullies, which is comparable with the previous contractor's performance.
- Roll out of public satisfaction questionnaires via QR code
  - Developed a system that makes it easier for members of the public to give feedback on their experience of NYH's delivery. For each scheme or

substantial piece of work NYH notifies residents of the works and the timescales and this notification also now includes a QR code that the customer can scan and give instant feedback, this feedback is electronically recorded and stored by scheme which enables easily reviewable information to drive improvements and also recognise praise. The system has been relatively inexpensive to implement and saves on time and costs for delivering additional conventional feedback cards, postage, printing, time for manual recording & evaluation the returns.

- Development of AI Cameras to automate Near Miss recording
  - A trial is progressing using data from Cameras at Seamer Carr and Kirby Misperton depots.
  - The technology recognises when staff are working in a depot without the required PPE.
  - Development of the system is also looking to identify vehicles not following the one way systems and also when pedestrians come within 2m of a moving vehicle.
- Introduction of Depot Supervisors
  - These new roles have added value to the way NYH work as the supervisors organise and prepare materials for operatives, maintain depot material stock levels and control plant/equipment which results in less time spent in the depot for operatives.
- Delivery of Private external works
  - Street lighting for Private developers. Work has been won through both the Design and build packages offered by NYCC and private installation work through tender.
- Accreditation for Highway Electrical Association membership
  - The Street Lighting Dept are working towards full membership of the HEA (Highway Electrical Association). This is a pre-requisite to getting ICP (Independent Connection Provider) status which will reduce the current reliance on the District Network Operator for power connections with benefits in terms of more efficient scheme delivery
- Power BI reporting suite
  - Creating management information to drive improvements in efficiency, quality and customer care
  - Easy access to data held on the Symology Asset management software
  - Visual reporting for big data such as Vehicle usage and Defect repairs.
- Agreement with NYCC of outcome based performance indicators
  - Development of the indicators is ongoing with the definition documents in draft for each one.
- Recruitment of 7 apprentices across the business
- TUPE transfer of NYCC staff
  - Commercial Services Team have successfully TUPE transferred in to NYH to enhance the contract management and performance of the services delivered via NYH. The NYH commercial team have an SLA with the County Councils Highways and Transportation Service Unit to provide commercial advice/services back to the council when required.

## 2.4 **Current position**

NYH is currently working on a number of initiatives that will add value to its business:

- NYCC budget savings
  - Delivery of £350k of efficiency savings in revenue activities during 2022/23.

- Employing Apprentices
  - Actively seeking to employ and develop more apprentices within the business, currently looking to employ 14+ apprentices within 2022/23.
- Increase the operational staff
  - Actively seeking to increase the workforce base by 10% per year to ensure continuity of service with a current workforce with a high age profile. Also increasing our staff base and resilience will reduce our need for sub-contractors, which in turn will reduce our overall operational costs. The increase in operational staff will also help with the provision of winter services where we are experiencing staff shortages and heavily reliant on sub-contractors, fixed term employees, casual employees, etc. The increase in operational staff numbers has been budgeted for within the current financial year.
- Develop staff
  - Continue to develop staff across the business to reach their full potential. NYH is also developing a “fast track” programme of training for new employees that are new to our industry. Due to an industry shortage of construction/highway operatives, NYH will aim to attract employees from other industries and re-train/up-skill them in order to meet its staffing requirements.
- “lunch n learn” events
  - Actively promote lunch n learn events for NYH, NYCC, WSP & APP to increase staff awareness of products and services available within the market place, this may also contribute to employees CPD.
- Trial innovative and new ways of working
  - Continue to trial innovative and new ways of working to increase efficiency, reduce costs and increase customer satisfaction. By attending “lunch n learn” sessions, reading industry literature and attending national events. NYH will seek out new opportunities to deliver NYCC services to better standards, better quality, demonstrate better whole of life costs, increased efficiency, improved customer satisfaction, etc. The driver now being about ensuring NYCC achieves the best results for every penny it spends.
- Staff restructure
  - NYH is about to embark on a full restructure of its business, the restructure aims to streamline the way NYH delivers its services for NYCC. The restructure will focus on task based specialisms rather than District boundaries, this new method will ensure consistent county wide service delivery within the focused task based specialisms, which will generate greater efficiency and ensure county wide standardisation of processes, quality, etc.
- ISO accreditation
  - Seek to gain ISO 9001, 14001 & 45001 accreditation for the company, gaining these accreditations will create more tendering opportunities for NYH.
- Review Schedule of rates (SoRs)
  - Continue to undertake cost/value reporting to enhance the accuracy of the cost base and drive out further efficiencies.

## 2.5 Forward look

Looking forward the NYH Business Plan describes the future aspirations of NYH, the main points being:

- NYCC/NYH working together to create efficiencies and encourage innovation/ new ways of working in order to meet the £1m savings targets within the MTFS.

- Continue to deliver the 5-year carbon plan, with the main focus being to Eliminate, Reduce, Substitute & Compensate for carbon wherever possible. The carbon plan outlines numerous initiatives that will lower the carbon outputs of the highway service via a targeted and specific 5 year programme.

### **3.0 Conclusion**

3.1 NYH in its first year has met and exceeded the expectations of a business start-up running road maintenance of the biggest geographical highways network in the UK. The main success criterion was that the customer, the public, noticed no discernible difference between the mature contract of Ringway Infrastructure Services and the new business start-up of NYH and this target was met. There have of course been challenges in the first year, especially internal systems and setup, but the foundations of a sustainable and profitable business, which will continue to deliver on its reputational commitment to its personnel and the communities in which it operates, are now in place ensuring delivery of the remainder of 5-year business plan.

### **4.0 Recommendation**

4.1 Committee Members are requested to note the information within the report and offer comments or suggestions where necessary.

Author: Andrew Binner, Commercial Manager, NY Highways

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Ross Bullerwell, Managing Director - NY Highways

Date: 24 June 2022

For further information contact the author of the report

### **5.0 Key Implications**

#### Financial

5.1 There are no financial implications arising directly from this report as it provides an update on progress.

#### Equalities

5.2 An initial equalities impact assessment form was completed and is included as Appendix A. The assessment of this report concluded that there is no impact on people with protected characteristics.

#### Environmental Impacts/Benefits including Climate Change Impact Assessment:

5.3 The 5-year Carbon Plan positively contributes towards the reduction in carbon used when delivering the highways services.

Initial equality impact assessment screening form			
<p>This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.</p>			
<b>Directorate</b>	Business and Environmental Services		
<b>Service area</b>	Highways and Transportation		
<b>Proposal being screened</b>	Annual report on the progress and performance of NY Highways		
<b>Officer(s) carrying out screening</b>	Andrew Binner – NY Highways		
<b>What are you proposing to do?</b>	To provide members with an update on the progress and performance to date of NY Highways, the County Council's company for the operational delivery of highway services.		
<b>Why are you proposing this? What are the desired outcomes?</b>	This report is an update for members on the progress of NYHighways for the 2021/22 financial year. There are no outcomes other than ensuring that members are aware of how the Teckal company has performed.		
<b>Does the proposal involve a significant commitment or removal of resources? Please give details.</b>	<b>No</b>		
<p><b>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics</b></p> <p>As part of this assessment, please consider the following questions:</p> <ul style="list-style-type: none"> <li>To what extent is this service used by particular groups of people with protected characteristics?</li> <li>Does the proposal relate to functions that previous consultation has identified as important?</li> <li>Do different groups have different needs or experiences in the area the proposal relates to?</li> </ul> <p><b>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your <a href="#">Equality rep</a> for advice if you are in any doubt.</b></p>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		✓	
Disability		✓	
Sex		✓	
Race		✓	
Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
<b>NYCC additional characteristics</b>			
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	

<b>Does the proposal relate to an area where there are known inequalities/probable impacts</b> (e.g. disabled people's access to public transport)? Please give details.	This is a members report on the performance of NYHighways. There are no proposals that would impact on people with protected characteristics		
<b>Will the proposal have a significant effect on how other organisations operate?</b> (e.g. partners, funding criteria, etc.). <b>Do any of these organisations support people with protected characteristics?</b> Please explain why you have reached this conclusion.	No		
<b>Decision (Please tick one option)</b>	EIA not relevant or proportionate:	<input type="checkbox"/>	Continue to full EIA:
Reason for decision	This is a report for information. There are no adverse impact on any of the protected characteristics.		
<b>Signed (Assistant Director or equivalent)</b>	Barrie Mason		
<b>Date</b>	30 June 2022		