

**HERTFORDSHIRE COUNTY COUNCIL  
ENVIRONMENT SCRUTINY COMMITTEE**

Agenda Item  
Number:

**1c**

**TUESDAY 21 OCTOBER 2003 AT 10.00 A.M.**

**HIGHWAY SCHEMES DEVELOPMENT, PROGRAMMING &  
IMPLEMENTATION**

*Report of the Director of Environment*

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**1. Purpose of Report**

To enable the Committee to scrutinise the process by which Hertfordshire Highways' schemes are developed, programmed and implemented.

**2. Summary**

**2.1** The increased quantity of scheme delivery in recent years and the adoption of the asset management approach were drivers in the formation of Hertfordshire Highways and the new way of working. The aim has been to develop a continuous rolling programme of scheme development and construction, in which financial, design and construction resources are smoothed out and balanced together with road space availability.

**2.2** The Transport Panel reviewed the Integrated Highway Works Programme Process in July 2003. It recognised that substantial progress had been made in developing the IWP processes and methodologies, but recognised that improvements are required if the IWP process is to deliver to its full potential.

**2.3** A key element of scheme development is public consultation and engagement. Recently, concerns have been expressed about the adopted levels of consultation and engagement (too much / too little) and the impact on scheme costs and programme.

**3. Conclusion**

The Committee is invited to consider whether, or not to scrutinise some, or all of the issues around scheme development and implementation process. If so, it should consider how to undertake the scrutiny and whether to make any recommendations to the Council, Cabinet or Chief Officers.

## **4. Background**

- 4.1** The Local Transport Plan (LTP) settlement for transport schemes (excluding major projects) has risen from £6.6m in 1999-2000 to £22m in 2003-04. The County Council has increased scheme investment from approximately £6m to £16m over the same period, predominantly to address the highway maintenance backlog.
- 4.2** Schemes are identified through the asset management approach to deliver the objectives of the Asset Management Plan and the LTP. Volume 3 of the LTP Annual Progress Report sets out how each scheme contributes to the LTP objectives and reports the progress against indicators developed to measure performance.

## **5. The New Way of Working**

- 5.1** The new way of working seeks to develop a continuous rolling programme of scheme development and construction, in which financial, design and construction resources are smoothed out and balanced together with road space availability.
- 5.2** Hertfordshire Highways was conceived to not only remove barriers within the supply chain, but also to remove barriers between functions. By minimising the erstwhile “silo” approach, different types of works can now be packaged up for implementation for efficiency and to reduce congestion and disruption to the community.
- 5.3** Traditionally, the annual cycle contained severe peaks and troughs in resource demand. A key objective therefore has been to remove the January to March surge, which traditionally could result in increased contract costs of up to 20%. This, of course, has introduced the concept of “work in progress” spanning the financial years. This overall approach has enabled substantial volumes of works to be undertaken in the April to June period, which was traditionally the “dead period” for highway works, even though it is one of the most suitable seasons for such work.
- 5.4** The new way of working requires a systematic approach and a two-year development and implementation programme.

## **6. Integrated Highway Works Programme**

- 6.1** At the centre of the systematic approach to scheme delivery is the Integrated Highway Works Programme (IWP). The annual publication of the IWP is a statement of intent to progress towards and programme scheme construction or implementation. All schemes will be completed, or firmly programmed by the end of the financial year unless there are specific reasons for delay.

## 6.2 The annual IWP process has been introduced to give:

- A formal mechanism for giving the required notice of significant key decisions, which the County Council is obliged to publish as part of cabinet style Government;
- Enhanced opportunity to pre-programme multiple activities on a particular section of road, or geographical locality, in order to minimise disruption to the travelling public and affected communities, whilst at the same time maximising the effectiveness of resources in achieving the various policy, or service objectives;
- A ready means of monitoring and demonstrating the effectiveness of the way in which the County Council is using its financial resources in order to meet its strategic objectives.
- A formal mechanism through which the County Council can declare, in its answers to land search enquiries, the new requirement to provide details of any planned proposals for minor road improvements in proximity to a property under purchase.

## 7. Transport Panel and IWP Review

7.1 At its meeting of 1<sup>st</sup> July 2003 the Transport Panel reviewed the Integrated Highway Works Programme Process. It recognised that substantial progress had been made in developing the IWP processes and methodologies, but recognised that improvements are required if the IWP process is to deliver to its full potential. Improvement actions were identified for:

- Programming;
- Communication;
- Monitoring;
- The interaction with Joint Member Panels (JMP's).

These are outlined in more detail in Appendix A.

## 8. IWP 2002/03

8.1 During 2002/03 the following number of packaged schemes were completed, or in progress:

<b>Scheme Type</b>	<b>Number</b>
Principle Road Refurbishment	77*
Local Road Refurbishment	53
Footways	26
Drainage	27
Bridge Refurbishment	23
Transport Improvement	77
Accident Reduction	52

\* This equates to 25km of carriageway refurbishment.

## 9. IWP 2003/04

9.1 This year 1376 activities have been packaged up into 955 schemes for delivery by early summer 2004.

Scheme Type	Number	Road Length (km)
Principle Road Refurbishment	39	32
Local Road Refurbishment	187	202
Footways Refurbishment	166	71
Drainage	197	
Bridge Refurbishment	28	
Transport Improvement (including T&E , Discretionary schemes)	214	
Accident Reduction	100	
Other	24	

## 10. Scheme Progress 2003/04

10.1 The scheme monitor for mid August indicates that 205 schemes have started construction. Of these:

- 48% were on programme
- 17% were completed earlier than programme
- 35% were completed later than programme

10.2 Delays can be as a result of one or more reasons. There are eleven categories, for which the most common cited are:

- Lighting delays – 25%      These delays are often a result of either delays in electrical connections from EDF (24/7) or equipment not being delivered on time.
- Design Team delays – 28%      These could be due to TRO's not being confirmed in time, last minute hitches with consultation leading to design changes, or staff shortages
- Works Team delays – 25%      These could be a result of inadequate resourcing, an underestimate of job complexity, unavailability of specialist sub-contractors, the knock on effects from a delay on another job.

## **11. Progress against Performance Indicators**

**11.1** The APR indicates that providing adequate funding levels are maintained, the strategy for maintaining the condition of principal roads is on target. The recent revision of the calculation methodology for indicators for local road condition means that there is no trend data to monitor rate of progress. The step change in the reported results depict an apparent decline in condition,

BVPI 97 a from 25.6% in 2001/2 to 45.70% in 2002/03  
BVPI 97 b from 13.67% in 2001/2 to 68.76% in 2002.03

but this better demonstrates the clear need for further investment in local road maintenance that the County Council has been campaigning for in recent years.

**11.2** Improvement schemes continue to contribute positively to the range of transportation objectives including accident reduction. However, the Transportation Panel of September 2003 discussed under performance against the following indicators:

- Number of cycling trips
- Traffic closures on traffic sensitive roads
- Bus Stops meeting DDA standards
- Number of journeys made by foot
- Level of HGV traffic on roads

The nature and priority of schemes influence performance against these targets.

**11.3** The scrutiny committee is also due to consider a more detailed report on progress against performance indicators on this agenda.

## **12. Role of Joint Member Panels**

**12.1** The ten JMP's are in various stages of mobilisation. Through systematic consultation each JMP has the opportunity to influence:

- Transport policies through the development of LTP2 (process yet to start)
- Scheme priorities and programmes through IWP consultation
- Content and design of the more substantial / complex schemes
- The determination of controversial, local Traffic Regulation Orders

In particular, each JMP is responsible for setting an £80k programme funded by a discretionary budget.

### **13. Partnership working with District Councils**

**13.1** Whilst the withdrawal of the general highways agencies from the District Councils (DC's) has removed their mainstream operational function, many DC's have retained a keen interest and close working relationship with Hertfordshire Highways for transportation schemes.

**13.2** The DC's are important partners and, sometimes lead partners in parking, cycling, pedestrian, town centre and home zone schemes. DC officers sit on project steering groups and DC members sit on local Transportation Forums.

### **14. Public Consultation**

**14.1** Achieving an appropriate consultation strategy requires consideration of the following:

- Balancing the delivery of strategic policies to achieve stated targets versus local aspirations;
- The nature of the scheme
- The nature and size of the community
- Statutory obligations

For example, a Home Zone project will involve empowering the local community to help design and subsequently look after the scheme. In contrast, consultation on a scheme aimed at meeting the County Council's statutory obligation to reduce accidents may be limited to supplying information.

**14.** Recently, concerns have been expressed about the adopted levels of consultation and engagement (too much / too little) and the impact on scheme costs and programme.

### **15. Rural Implications**

**15.1** There are no specific rural implications.

### **16. Financial Implications**

**16.1** Whilst the term construction contract and attendant smoothing of resource demand protects the County Council from the traditional seasonal premiums, the County Council remains exposed to national construction cost inflation, which currently stands at an annual level of approximately 7%. As the first inflation adjustment in the Hertfordshire Highways contract is due in October 2003, (20 months post tender) an inflation level of 12% is expected for the second half of 2003/04. If it is not fully funded construction inflation clearly reduces the quantity of schemes that can be financed year on year.

**16.2** Scheme development (including consultation) and construction supervision costs can vary between 10% and 40% of the overall scheme cost depending on the nature and scale of the scheme. For transportation schemes the community engagement and customer service cost components can be substantial and in certain circumstances exceeds the technical design cost. Mechanisms are being introduced to monitor the individual cost components.

## **17. Conclusion**

**17.1** The new approach to scheme development and programming is already proving effective in making better use of resources and minimising the impact of works on the travelling public and local communities.

**17.2** The methodology to evaluate the extent of enhanced effectiveness achieved and the contribution that the new approach brings to congestion targets is being developed.

**17.3** The means of communicating the implementation of scheme programme needs to be improved to ensure clarity between those projects which are intended for construction in a given year against those for which only preparation work is intended.

**17.4** The Committee is invited to consider whether to scrutinise some, or all of the issues around scheme development and implementation process. If so, it should consider how to undertake the scrutiny and whether to make any recommendations to the Council, Cabinet or Chief Officers.



## Transport Panel Review of IWP Process

The following schedule sets out a number of issues associated with the IWP process. The schedule identifies the position before the advent of the IWP and Hertfordshire Highways, the position during the recent mobilisation phase, the target position for an “established” Hertfordshire Highways and outstanding actions required to achieve the desired position.

Pre Herts Highways	Herts Highways Mobilisation	Established Herts Highways	Action
<b>Programming</b>			
Individual project managers programme schemes. Programme conflicts begin to arise between HCC operations and with Statutory Undertakers. Individual work activities not packaged up into integrated schemes.	Programme management co-ordinated to avoid scheme conflicts and to package up works. Programmes did not adequately balance financial, design and construction resources and led to slippage. Value of highway activities doubled since 2000/01.	Financial, design and construction resources to be balanced together with road space availability.	Improvements within Herts Highways systems being implemented.

Pre Herts Highways	Herts Highways Mobilisation	Established Herts Highways	Action
<b>Monitoring and communicating construction start dates</b>			
<p>Ad hoc communication from HCC project managers on most, but not all schemes. Communicated start dates usually based on contract start dates.</p> <p>District Agency schemes not always communicated to HCC.</p>	<p>Increased communication, but inconsistent dates and revised dates given by different individuals.</p>	<p>All programme issues managed by the Programme Managers and monthly communication bulletins prepared by the District contacts. Bulletins identify a fixed start date for schemes to be built over the following three months. Indicative time frame to be given for remaining schemes by allocating them to an appropriate quarter. Performance of start date achievement to be monitored and reported annually.</p>	<p>Improvements within Herts Highways systems being implemented.</p> <p>“Start date” for monitoring purposes to be defined as the date first entered as a fixed date within the published monthly bulletins.</p>
<b>Monitoring and communicating construction completion dates</b>			
<p>Completion defined by the issue of a certificate of substantial completion under the standard conditions of contract. Completion monitored by individual project managers, but not collated for reporting.</p> <p>District Agency schemes not always communicated to HCC.</p>	<p>Completion monitored, but inconsistent interpretation of the definition of “completion”.</p>	<p>Performance of completion date achievement to be monitored and reported annually.</p>	<p>“Completion date” for monitoring purposes to be defined as the date an approved “Notice of Completion” is issued. To qualify for approval all of the work on the Works Order must be completed prior to the Finish Date. This includes rectifying any Defects.</p>

<b>Pre Herts Highways</b>	<b>Herts Highways Mobilisation</b>	<b>Established Herts Highways</b>	<b>Action</b>
<b>Cost estimates and price fluctuations</b>			
Estimates based on recent tender returns for similar work. Cost increases of up to 20% during January to March surge. To compensate for cost increases the scheme in question, or a different planned scheme is reduced in scope, delayed until next financial year or abandoned.	Estimates produced inconsistently and without working experience of the Herts Highways method of measurement and rates.	Estimating exercises to be standardised. Estimating becomes much more accurate because Herts Highways rates are fixed for the year apart from an annual rise in October based on industry inflation indices. Performance of cost estimating is monitored and reported annually.	Estimating “crib sheets” being prepared by Quantity Surveyors.  “Cost estimate” for monitoring purposes to be defined as measurable works cost estimated at time scheme is given a fixed construction start date.
<b>Rollover Schemes</b>			
Some programmes subject to a “spend it, or lose it” regime. Some schemes deferred indefinitely, whilst some less considered initiatives rushed through to spend the budget.	IWP process provides a continuous rolling programme and each programme includes 14-15 months worth of schemes. Projects deferred from one financial year gains funding priority in the next. But not all deferred schemes or “works in progress” logged up in subsequent IWP. Such schemes have now been captured, but programme affected.	All schemes referenced and tracked. All schemes projected to rollover into the following year are systematically logged in the following year’s IWP.	Improvements within Herts Highways systems being implemented.

<b>Pre Herts Highways</b>	<b>Herts Highways Mobilisation</b>	<b>Established Herts Highways</b>	<b>Action</b>
<b>Annual carriageway condition modelling</b>			
Highway structural maintenance programme not formulated by condition modelling.	Results of modelling delayed from summer 2002 to Autumn 2002. Consequential late changes to draft IWP leading to concerns about changed priorities.	Arrangements for deterioration modelling firmly established. Outline structural maintenance programme identified by condition modelling to be refined by practitioners in area teams using local knowledge.	
<b>Local Joint Member Panels (LJMP's)</b>			
Six LJMP's in operation. Panels do not consider works programmes.	Ten LJMP's at various stages of mobilisation. Meeting dates do not mesh with Transport Panel dates and IWP programme. Understanding of the IWP varies around the LJMP's.	LJMP and Transport Panel meeting dates co-ordinated. Consistent, explicit briefings prepared for LJMP's.	LJMP and Transport Panel dates to be reviewed.  Consistent skeleton reports to be produced for all LJMP's
<b>Discretionary Budgets</b>			
Six LJMP's identify £480k of highway activity within their own time scales.	Ten LJMP's identify £800k of highway activity within their own time scales. Schemes not identified within IWP. Programme disrupted by late requests.	LJMP's identify Discretionary Budget priorities for following year at October meeting and identify specific schemes at January meeting.	Requirements to be communicated to LJMP's.