

ECONOMY, TRANSPORT AND ENVIRONMENT SCRUTINY COMMITTEE

MINUTES of a meeting of the Economy, Transport and Environment Scrutiny Committee held at Committee Room, County Hall, Lewes on 15 March 2017.

PRESENT Councillors Richard Stogdon (Chair), Mike Pursglove (Vice Chair), Pat Rodohan, Judy Rogers, Rosalyn St. Pierre and Barry Taylor

LEAD MEMBERS Councillors Chris Dowling, Carl Maynard and Rupert Simmons

ALSO PRESENT Rupert Clubb, Director of Communities, Economy and Transport
Nick Skelton, Assistant Director Communities
Karl Taylor, Assistant Director Operations
Katy Thomas, Team Manager Economic Development
Andy Arnold, Team Manager, Environmental Advice
Dale Poore, Contracts Manager (Head of Service - Highways)
Hannah Cawley, Contract Performance and Compliance Manager

31 MINUTES OF THE MEETING HELD ON 9 NOVEMBER 2016

31.1 The Committee RESOLVED to agree as a correct record the minutes of the meeting held on 9 November 2016.

32 APOLOGIES FOR ABSENCE

32.1 Apologies for absence were received from Councillor Claire Dowling and James Harris, Assistant Director, Economy.

33 DISCLOSURES OF INTERESTS

33.1 There were no disclosures of interests.

34 URGENT ITEMS

34.1 There were none.

35 SCRUTINY REVIEW OF SUPERFAST BROADBAND

35.1 The Chair of the Review Board introduced the report and asked Officers for their views on the recommendations of the Review Board. The Director of Communities, Economy and Transport (CET) and the Team Manager, Economic Development welcomed report and did not foresee any problems with implementing recommendations which will help convey clear messages about the Broadband Project.

35.2 The Committee RESOLVED to agree the report of the Review Board and to make recommendations to Cabinet for comment and the County Council for approval.

36 REVIEW OF EAST SUSSEX COUNTY COUNCIL'S DUTCH ELM DISEASE STRATEGY

36.1 The Team Manager, Environmental Advice introduced the report and outlined the background to Dutch Elm Disease (DED), which is a fungus spread by beetles which feed and breed in Elm trees. The County Council took part in a protection scheme in early 1970's and adopted a sanitation programme. The remaining Elm tree population now forms the largest collection of mature English Elm trees in the world.

36.2 The Cambridge study examined whether it would be better to stop the sanitation programme or take targeted action to remove diseased trees. In the short term (around 20 years) the study concluded that it was both cheaper to continue the sanitation programme, as it reduces disease spread and therefore the number of trees that need felling, and it maintains a larger population of healthy trees.

36.3 The data (see graph on page 46) shows that there has been a significant reduction in the number of trees felled since 2012, which is broadly in line with what the Cambridge model predicted and has enabled a reduction in the DED budget of 11%. Therefore, there is now more robust evidence that the sanitation programme is having the desired effect and it is anticipated that the number of trees that need felling will continue to fall until a lower, more sustainable level of felling is reached.

36.4 The Committee asked if there had been any new research into Dutch Elm Disease. The Team Manager, Environmental Advice explained that there had been a lot of interest initially in research when the disease re-emerged in the 1970's, but there has been little new research more recently. Authorities in Amsterdam have a detailed Dutch Elm Disease control strategy and have an annual vaccination programme in place. The East Sussex County Council (ESCC) Team would like to trial the vaccine on the Eastbourne street trees.

36.5 The Team Manager, Environmental Advice confirmed that Dutch Elm Disease does not affect young Elm trees present in hedgerows. The infection by beetles depends on the size and condition of the tree. It is thought that if the wood is too wet, the beetles have difficulty burrowing into the tree and therefore do not attack the tree. The beetles have no known natural predators.

36.6 The Committee discussed the best timescale for a future review of the Dutch Elm Disease Strategy. The Committee concluded that it would like to have another update report in two years time and to invite the author of the Cambridge study to give evidence to the Committee. The Committee agreed to continue to support the Dutch Elm Disease sanitation programme.

36.7 The Committee RESOLVED to:

- 1) Continue to support the Dutch Elm Disease sanitation programme; and
- 2) Request an update report in two years time and invite the author of the Cambridge study to give evidence to the Committee.

37 HIGHWAYS INFRASTRUCTURE SERVICES CONTRACT - UPDATE REPORT

37.1 The Contracts Manager (Head of Service – Highways) introduced the report and outlined the background to the letting of the seven year Highways Infrastructure Services Contract awarded to Costain in a joint venture (JV) with CH2M. Under the contract model approved by

Cabinet, a new Contract Management Group has been established to manage the contract. The Contract Management Group includes teams dealing with:

- service development;
- contract performance & compliance;
- asset management; and
- commercial management.

37.2 Work on the Highways Contract commenced on 6 January 2016 with the start of mobilisation process. The new contract started on 1 May 2016 and has involved the Transfer of Undertakings Protection of Employment (TUPE) transfer of 150 staff from ESCC and previous contractors. The early part of the contract has focussed on providing staff training and introducing new Information Technology (IT) systems and business processes. It is acknowledged there have been challenges in the delivery of the contract outcomes, but these issues have now largely been resolved and were related to combining staff, cultures, and the implementation of new processes.

37.3 The new contract has a robust commercial and performance management framework in place. This includes direct monitoring of contract performance to ensure ESCC is receiving value for money from the services delivered by the contract. The contract has performance incentives as well as penalties. There is good early evidence that the contract is now delivering the outcomes that the Scrutiny Committee consider are important.

37.4 The Contract Performance and Compliance Manager described the performance frameworks that her team works to, and outlined how the Service Performance Indicators (SPI's) are measured to assess the performance of the contract. The Contractor is required to complete returns on a monthly basis, together with evidence of performance. The Compliance Team look at all types of work under the contract, performance indicators and data collection.

37.5 It is fairly usual for not all the SPI's to be green at the start of a contract, particularly as ESCC has set challenging performance targets for the Contractor to achieve. If an SPI is not green, the Contractor has to submit a smart action plan to improve performance back to the expected level. If the performance falls below the expected level for two consecutive months, ESCC can instruct the Contractor to undertake a root cause analysis study. If an SPI is 10% below target, ESCC can carry out contractual service review to identify the actions necessary to improve performance. All contract performance measures are monitored at monthly Service Management Board meetings.

37.6 The Committee discussed the report and a summary of the points raised is given below.

Service Performance Indicators (SPI's)

37.7 The SPI's in Appendix 1 are grouped under the desired contract outcomes identified by the Scrutiny Committee and the overall score of the grouping is an average of the constituent SPI's. Some SPI's are calculated over a whole year, and therefore more accurate figures can be provided when a full year of data is available. The Committee stated that it would be helpful to have the individual SPI scores in future so they can identify where the performance issues are.

37.8 The Contract Performance and Compliance Team can provide more detailed information on the performance levels of all SPI's and those that are amber or red. It was suggested that more detailed data could be shared with the Committee through a Highways Reference Group meeting after the May elections. Officers can then format the data in whatever way that the Committee would prefer for regular monitoring reports.

Staffing and Contract Performance

37.9 The Contracts Manager explained that the introduction of new IT technology has allowed the collection of much better information from customers and stewards, which helps develop a clearer understanding of problem areas and issues. It has allowed the use of single systems linked to work programming and better end to end case management. ESCC is now more effective in responding to safety defects and recording inspections, enabling an increased number of third party insurance claims to be defended under Section 58 of the Highways Act. The safety defect repairs process now is almost fully automated with very little manual intervention between a defect being reported by a member of the public and the Contractor carrying out the repair.

37.10 The Contractor has amended and updated their business processes to meet the needs of the contract and there is a clear process for each category of work. In response to feedback from Scrutiny Committee Members, the Contractor undertook a restructure of customer service staff in January 2017. Consequently, ESCC may not have seen the maximum benefit yet from the new customer service team that has been put in place.

37.11 The Committee expressed concern about the high rate of Highway Steward staff turnover and asked if there were any underlying causes. The Contract Manager responded that the Contract Management Team is not aware of any significant issues with contractor staff dissatisfaction. There were some staff concerns initially, which dissipated once more information was made available by the Contractor and as changes settled in. There has been a period of adjustment after the start of the contract and there are very good working relationships between all East Sussex Highways staff.

37.12 The Assistant Director, Operations explained that some of the Highway Stewards have achieved promotion and have moved on to new roles within the organisation. The East Sussex Highways Team will ensure these contractor posts are back filled quickly and vacancies will be covered. The Contractor has reacted to the turnover in some groups of staff, and there is now a senior steward appointed for each of the three operational areas to provide service continuity.

37.13 The contract is being managed via the Executive Client model agreed by Cabinet. Moving to a Strategic Client model would involve transferring responsibility for asset management to the Contractor, and a further reduction in the size of the Client Team. Although the Contract Management Group is working very closely with the Contractor on an asset management approach, it is probably too close to the commencement of the contract to consider moving to a Strategic Client model.

Communications and Customer Service

37.14 The report highlights the early customer service challenges and the steps taken to overcome them. The Committee asked if there were any remaining challenges. The Contracts Manager outlined that some of the new work process were not fully embedded so further training and workshops are being undertaken. The customer management system technology is very good and has won an award for its use in this category of work, but ESCC may not be exploiting its full capabilities.

37.15 The Committee were advised that the customer service standard set for responding to correspondence was 10 working days (as per the corporate standard). This is monitored through part of Service Performance Indicator 20.

Fix My Street (FMS)

37.16 Some Committee members have been told that the Fix My Street (FMS) mobile phone and tablet application does not work with new customer management system. The Contracts Manager explained that if a fault or service request is logged on FMS then it comes into the highways system as an email, which then has to be manually input into the Contractor's work system. This is not unique to ESCC and many other authorities such as Surrey and West Sussex also have to re-input data from FMS as there is no common data format amongst highway authorities. There is a subscription charge involved in using FMS and it does not provide data in right format to transfer reports directly into the East Sussex customer management system. The Highways Team would prefer people to use the East Sussex website to report potholes and other issues, as this system provides email action updates and streamlines the repair or service request process making it more efficient.

37.17 The Committee asked how ESCC is going to communicate to East Sussex residents that they should be using the East Sussex Highways website and not FMS. The Assistant Director, Operations acknowledged that communicating with residents about using the East Sussex Highways web site is a challenge but the Highways Team has held a number of Parish Council roadshows promoting the use of the East Sussex Highways web site. The Contracts Manager added that the number of reports coming through FMS has declined and many people continue to report problems over the telephone.

37.18 The Committee highlighted the problem of residents using FMS to report faults and not getting a quick response as there was a delay in updating FMS (e.g. FMS report number 978007 requesting action on damaged crash barrier - the Committee requested an update on this report after the meeting). The delay leads residents to think they have reported a problem, but ESCC is not responding. The Committee also asked if a clear message could be put on the ESCC web site outlining the benefits of using the East Sussex Highways web site to report faults and requesting people not to use FMS. The Assistant Director, Operations replied that the Team may not be able to discourage people using a third party application, but can continue to encourage people to use the East Sussex Highways website.

East Sussex Highways Web site

37.19 The Committee also raised the issue of the transparency of information on the East Sussex Highways web site so that it includes what action will be taken, estimated time for resolution, status updates, and notification when work/resolution has been completed. It also asked what 'being monitored' meant in relation to reported highway defects. The Contracts Manager responded that the Team does not get many complaints about East Sussex Highways web site. Where the status of a report states it is 'being monitored' it means the defect does not meet the County Council's intervention criteria, but the Steward will monitor the condition of defect when doing routine inspections and will report it for repair when it reaches the intervention criteria.

37.20 The Committee reported that some ESCC Councillors had tried to use the Members area of the web site, but had found it too difficult and had reverted to reporting problems via telephone and email. The Assistant Director, Operations responded that the Team were happy to investigate ways to make the Members area of the web site easier for ESCC Councillors to use.

Pothole Intervention Criteria

37.21 The Committee expressed concern that not all potholes in a cluster are repaired in the same visit and that often only one pothole, that meets the intervention criteria, will be repaired and those not meeting the criteria are left. The Committee observed that public do not understand this policy as it does not seem to make sense, when looked at in isolation.

37.22 The Assistant Director, Operations explained that the County Council has a maintenance policy approved by the Lead Member for Transport and Environment that defines specific intervention criteria. The cost of repairing all potholes is prohibitively expensive. The County Council Maintenance Policy also describes the timescales within which potholes are to be repaired. If additional work is carried out by the repair teams (i.e. repairing adjacent potholes that do not meet the intervention criteria), then it is unlikely they will meet the target repair times and the County Council would be unable to defend third party claims for damages. The Contracts Manager added that the Highway Stewards do have the flexibility to request larger scale patch repairs if they think potholes, or the road condition, will deteriorate into defects. This is reported to the Client Team who then build it into the work programme.

37.23 The Assistant Director, Operations highlighted that whilst it would be possible to review the intervention standard, it would inevitably have an impact on the County Council's highway maintenance budget. The 40mm minimum standard is commonly used by other highway authorities across country as the intervention criteria for road defects. The repair of potholes is the simplest form of highway maintenance. The Highway Stewards will also note the general condition of the section of road. The Client Asset Management Team will then use this data to draw up larger programmes of work depending on the road condition. Separate programmes of work are compiled for patching, surface dressing and carriageway resurfacing.

37.24 The Committee stated that it could see the cost benefit in doing more substantial work. The Assistant Director, Operations reminded the Committee of the modelling work presented to Cabinet in 2013 that set out a number of investment scenarios to address the backlog in highway maintenance. Cabinet approved an increase in capital investment to stem the rate of deterioration and maintain the current condition of roads. This additional investment has enabled the condition of A and B roads to be maintained and has enabled the condition of rural roads (C and unclassified roads) to improve in line with the additional investment (for two years) agreed by Cabinet and County Council.

Drainage

37.25 The Committee asked what progress has been made in improving drainage asset knowledge. The Contracts Manager outlined that the location of all gullies is known and there is fairly good information about rural ditches. The location of all soakaways is not known and the area of least knowledge is the connecting drainage pipework. The Asset Team is currently digitising paper records where they exist and work is focussed on known flooding hotspots.

37.26 The Contracts Manager acknowledged that drainage asset knowledge had not significantly improved since the Scrutiny Committee last looked at this issue. However, now that Cabinet has approved an additional £1million of investment over the next 4 years, the Team will be able to put in place plans to address known flooding hotspots. Currently the Team are focussing on getting rural ditches back into operation and reviving soakaways where necessary. The intention is to get both these types of drainage asset back into regular maintenance.

37.27 The Committee requested a specific performance measure for the drainage asset information. The Contract Performance and Compliance Manager confirmed that it would be possible to develop a measure for drainage asset knowledge.

37.28 The Assistant Director, Operations outlined that a report on Highways drainage will be brought to the Scrutiny Committee in June 2017 setting out how and where the additional capital investment will be spent. The Assistant Director, Operations confirmed that ESCC does work in conjunction with Southern Water on highway drainage issues, and cited a high profile example in Eastbourne and that the Flooding Risk Management Team play a key role in ensuring new developments will not increase the burden on the highway drainage systems. ESCC does

receive proper drainage and Sustainable Urban Drainage Systems (SUDS) records when it adopts new highways from developers.

Sites left in Unsatisfactory Condition

37.29 The Committee commented that it was aware that road repairs left in an unsatisfactory condition were largely due to the actions of the Utility Companies. It asked who monitors this work, and whether ESCC knows work is being undertaken in the event of emergencies.

37.30 The Assistant Director, Operations explained that there is system in place to monitor repair works using a Department for Transport (DfT) approval Permit system. The ESCC Highways Contractor also takes random core samples to check the quality of repair work. Highway Stewards and Permit Inspectors also monitor at the standard of repair work. Under the Permit system, Utility Companies do not need to notify ESCC of emergency works beforehand, but have to notify the Council within 24 hours. It should also be borne in mind that the law allows Utility Companies to carry out a temporary re-instatement, but that a permanent reinstatement must be completed within 6 months.

37.31 The Contracts Manager added that where the Contractor has carried out work to an unsatisfactory standard, the Contractor is required to go back and repeat the work at their own cost. The Compliance Team also carry out site visits to check and monitor work. The Contracts Manager will inform the Chair when the A26 surfacing work will be re-done.

37.32 The Assistant Director, Operations offered to provide updated contract performance information, based on a full years performance, to the Committee at their meeting in September 2017. The Committee agreed that it would like to have a further report.

37.33 The Committee RESOLVED to:

- 1) Note the report; and
- 2) Request an update report on the Highways Contract Performance for the September 2017 Scrutiny Committee meeting.

38 CLIMATE CHANGE ADAPTATION

38.1 The Team Manager, Environmental Advice introduced report. There is a consensus in the scientific community that climate change is taking place, but there is not a consensus on that scale of change and when it will occur. Therefore, this makes it more difficult to plan which adaption measures should be put in place to ensure communities are resilient to the effects of climate change. A recent Government report noted that over the last century the United Kingdom (UK) has seen a 1^o degree increase in temperatures and about a 15-16 cm rise in sea levels. The main impacts of climate change in East Sussex are predicted to be more flooding, droughts and heat waves. The adaptations required will flow from these impacts.

38.2 Currently, ESCC is reasonably well adapted to the predicted effects of climate change over the short term, mainly due to the requirements of legislation such as the Civil Contingencies Act, and the Flood and Water Management Act. There is significant uncertainty on what additional measures may need to be undertaken in the longer term. Consequently, the report suggests that ESCC reviews climate change adaptation measures every 5 years, in line with the Government cycle of updating policy which is based on research.

38.3 The Committee commented that it agreed with the analysis in the report and asked:

- what more ESCC could do to adapt to the impacts of climate change; and
- whether ESCC is in discussion and working with the utility companies on climate change adaption issues.

38.4 The Team Manager, Environmental Advice replied that ESCC has ongoing discussions with utilities and bodies such as the Environment Agency to co-ordinate work plans and investment. There are smaller issues that ESCC is also working on, such as looking into setting up a heat alert for vulnerable residents, to forewarn them of heat events through the Sussex Air partnership.

38.5 The Director of CET commented that there is evidence that we are locked into warming for a significant time. The report therefore looks at adaptation measures rather than mitigation measures and the implications for planning and delivering services in East Sussex.

38.6 The Committee RESOLVED to request an update report on the County Council's climate change adaptation plans in two years time.

39 RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR) 2017/18

39.1 The Chair introduced report and noted the response to the Committee's recommendations. The Committee did not suggest any improvements to the RPPR process and noted that there were items on the Committee's work programme related to areas of proposed savings in the Medium Term Financial Plan for 2018/19.

39.2 The Committee asked how much additional money had been allocated to East Sussex for pot hole repairs that was announced in the autumn statement. The Director of CET outlined that the County Council will receive around £2.2m from the National Productivity Investment Fund (NPIF) and a further sum for pothole repairs, which the Assistant Director, Operations will confirm following the meeting.

Following the meeting the Assistant Director Operations confirmed that ESCC will receive:

- a one-off grant from the Department for Transport (DfT) of £2,133,000 from its National Productivity Investment Fund. The Council is awaiting publication of the DfT guidelines for what this funding can be used for, but in the Budget the Chancellor said: "Transport – Autumn Statement 2016 announced £1.1 billion from the NPIF to support local transport and £220 million to address pinch points on the national road network, improving productivity by making it easier for people and goods to move within and between towns and cities". The County Council is required to publicise how it intends to spend this grant, which it will do so in due course.*
- a one-off grant of £846,000 from the DfT National Pothole Fund and ESCC will use this money to carry out preventative patching to prevent the formation of potholes, as we have in previous years. It is a DfT requirement that we publish on the ESCC website where this money is spent.*

40 SCRUTINY COMMITTEE FUTURE WORK PROGRAMME

40.1 The Committee discussed the future work programme and agreed to amend the programme as follows:

- Dutch Elm Disease - Request an update report be presented to the Committee in March 2019, and invite the author of the Cambridge study to give evidence to the Committee (paragraphs 36.6 and 36.7).
- Highway Contract - Receive an update report on the performance of the Highways Contract in September 2017 (paragraph 37.32 and 37.33).
- Climate Change Adaptation – To receive an update report in 2019 (paragraph 38.6).

Scrutiny Arrangements and support for Committee Members

40.2 As it was the last Scrutiny Committee meeting of the Council term, the Committee discussed how the scrutiny arrangements had worked, and any advice or support they thought would be helpful for new Scrutiny Committee members. During the discussion the following points were made:

- The Committee did not think joining up scrutiny committees into one scrutiny body would be beneficial. In Hastings Borough Council (HBC) the experience of combining the Resources Scrutiny Committee and the Services Scrutiny Committee resulted in fewer Members attending more meetings, and led to:
 - a reluctance to volunteer to be on the scrutiny committee;
 - a loss of specialist knowledge; and
 - not necessarily getting the best people on the scrutiny committee.
- The Committee considered it was important to brief new Councillors on the amount of work that is involved in committee work.
- The new Committee would benefit from a properly constructed Away Day, covering the work of Committee, and in particular Highways.

40.3 The Lead Member for Transport and Environment commented that there are lessons to be learnt from other Local Authorities and District and Borough Councils. The Scrutiny Review Boards have worked well, comprised of Members who are interested and knowledgeable in the subject. It could be beneficial to allow other non-Scrutiny Committee Councillors to take part in Review Boards, where they have relevant expertise to contribute and are interested in the subject area under review.

40.4 The Chair thanked all the Committee Members for the work on the Committee during the current Council term.

41 FORWARD PLAN

41.1 The Committee noted the Forward Plan.

42 ANY OTHER ITEMS PREVIOUSLY NOTIFIED UNDER AGENDA ITEM 4

42.1 There were none.

The meeting ended at 12.29 pm.

Councillor Richard Stogdon
Chair