

## **Appendix 1**

### **Economy, Transport and Environment Scrutiny Committee RPPR Board**

#### **Overview and Scrutiny: Reconciling Policy, Performance and Resources (RPPR) Boards – 2015/16**

This is a summary of the outcomes, observations and findings of the scrutiny RPPR Board held in December 2015.

All the scrutiny boards considered draft Portfolio Plans and savings plans and attempted to assess the impact of both any significant budget cuts facing the County Council over the coming years and activities where savings were not necessarily being proposed but which accounted for significant use of resources.

Scrutiny boards commented on the plans being put in place and the means being proposed to protect front line services as far as practicable.

### **Economy, Transport and Environment Scrutiny Committee RPPR Board – 21 December 2015**

Present: Councillors Richard Stogdon, Mike Pursglove, Pat Rodohan, Rosalyn St. Pierre, Barry Taylor and Trevor Webb (substituting for Councillor John Hodges).

Lead Members: Councillors Carl Maynard, Rupert Simmons and Chris Dowling

#### **Consultation results**

##### Pothole Repairs

The Board raised the issue of poor quality patching repairs and asked if this is something that will improve under the new contract. The Board questioned whether the current policy (intervention when potholes reach 40mm or over in depth) achieves best value in the long term, or whether it is better to intervene earlier. Earlier intervention may also reduce the number of successful insurance claims made against ESCC for pothole related damage.

While officers maintained that the Department's performance on pothole repairs is good with 95% of potholes (meeting the current intervention criteria) being repaired within 28 days and those on main roads being repaired within 5 days, this perception does not appear to be shared by Members and residents, bringing into question the validity of the current intervention criteria. The same applies in regard to the suggestion that the number of complaints received by the contact centre has reduced and the backlog of repairs is small.

The Board recommended that the value for money impact of the current pothole repair policy is evaluated in conjunction with the enhanced provisions of the new highways contract. The Board considered that account should be taken of the long term engineering implications of not properly curing damaged road (and pavement) surfaces at an earlier stage, and the cost implications of the current policy arising from successful claims on the County Council. The Board specifically requested costing information relevant to a change of the current policy, and will examine this issue through the future work of the Scrutiny Committee.

The Director and Assistant Director of Communities, Economy and Transport responded:

- It is important to bear in mind the scale of the problem and the number of complaints ESCC receives compared with the size of the asset ESCC maintains. The current policy is

to repair potholes that are greater than 40mm in depth, but if Members wished to change the intervention policy, then more resources will be required in the revenue budget to carry out the work. The change in emphasis to planned maintenance via capital investment in the road network, has improved road condition, and has started to address legacy issues from previous under investment. The department does make temporary repairs where roads are in a dangerous condition, until permanent repairs can be made.

- The Assistant Director, Operations added that the policies are linked to resources and are financially sustainable. It is possible for the Lead Member to agree a change in the policy, but this will have resource implications. The current revenue budget provision for repairing potholes is approximately £2m a year. The capital budget for patching repairs is between £1.5m to £2m per year, and £15m for resurfacing. Both budgets are used in a prioritised approach to get the best results from pothole repairs, patching, and resurfacing.
- Highway Stewards do have the discretion to order repairs for potholes that are not quite at the intervention level where it makes sense to do so.
- Utility companies can legally make temporary reinstatement of the highway and have up to six months to carry out a permanent reinstatement. The permanent repair is guaranteed for one year and the department closely monitors all repairs through the permit scheme.
- While it was reported that the department's performance on pothole repairs is good with approximately 95% of potholes (that meet the intervention criteria) are repaired within 28 days and those on main roads are repaired within 5 days and the number of complaints received by the contact centre is not high and the backlog of repairs is low please see also the Board's comments above.
- The quality of repairs is carefully monitored. Each repair is photographed and supervisors inspect a sample of repairs. The new Client Team will also check the quality of repairs. The Assistant Director, Operations agreed to examine examples provided by Cllr Stogdon, where resurfacing work has failed.
- There is evidence that resurfacing roads as part of the planned maintenance programme does reduce the need for pothole repairs. The asset management approach ensures that resurfacing investment is targeted at roads where it will provide the best value for money and minimum whole life cost.
- Lowering the intervention standard would lead to disproportionate increase in costs. The department could try and estimate what the increase might be, but it does not retain records of potholes that do not meet the current intervention standard.
- Since 2010 the Highways revenue budget has been reduced by £5.5m. Consequently there are some legacy issues that have affected road condition. Road condition is now improving through the asset management approach and planned capital investment.
- The new Highways Contract has the provision to repair 30,000 potholes annually with a lump sum payment of £1.5m. This is judged to be sufficient to meet current policy standards. The new contractor will also be incentivised to ensure timely and good quality repairs as it will be liable for claims management. The intent of the new contract is to get the best condition of the road network for the investment available.

#### Insurance Claims

The Board highlighted that the cost of successful claims also needs to be taken into account when evaluating the long term implications of pothole repair policy.

- The County Council repudiates approximately 70%-80% of insurance claims where ESCC can demonstrate that inspections and repairs have been carried out within the timescales in ESCC's highways maintenance policy (statutory defence under section 58 of the Highways Act). The two main reasons for the 20% of claims that are successful are where ESCC cannot provide evidence that repairs have been carried out within the timescales and where data has not been kept to record when repairs have been carried out (this will be addressed in the new contract through the use of hand held devices to record repairs in the field).

### Volunteers

The Board asked if there were more opportunities to use volunteers to undertake highway maintenance work and whether making owners' responsibilities clearer would help increase self-help and volunteering.

- The Director of CET outlined the current use of volunteers and the community match schemes that are in operation. Some Parish Councils are very proactive and the 'Social Value' element of the new contract may provide further opportunities for community involvement. Both the Director of CET and the Assistant Director, Operations highlighted the need to comply with health and safety requirements when volunteers work on or next to the highway as there are very clear legal responsibilities associated with working in the public highway. There are further possibilities, but it is important to select appropriate tasks for volunteers bearing in mind the health and safety issues.

### Land Disposal

The Board asked if there were any opportunities generate income or capital receipts from land disposal.

- The Director of CET replied that the department does not own much land, (which tends to be small 'slithers' acquired for road improvement schemes) so there is not much opportunity for further income generation. The Rights of Way and Countryside Sites commissioning strategy may offer some opportunities for different types of land management, or disposal to other organisations which may be better placed to manage countryside sites.
- The Lead Member for Resources commented that the CET property portfolio was small and most land has been disposed of previously when it was declared surplus. Work under the Spaces Programme and Property Strategy will seek to maximise the income from ESCC land and property

### Bexhill to Hastings Link Road BHLR and Infrastructure Improvements

The Board referred to the comment that ESCC should avoid 'vanity projects' like the BHLR.

- The Lead Member for Economy commented that the Link Road (Combe Valley Way) was now open and will lead to £1billion in value added benefits to the local economy. For example Glovers House has been built which has provided much need expansion space for an East Sussex business which might otherwise have moved out of the county. The Queensway Gateway road and the north Bexhill access road will unlock land for housing and employment.

- The Lead Member for Transport and Environment added that some of the environmental benefits, such as the greenways, will be delivered next year and reminded the Board of the development of the Combe Valley Countryside Park.

### Council Tax Increase

The Board observed that there were comments throughout the public consultation in support of an increase in Council Tax.

- The Director of CET informed the Board that the impact of the CSR announcement was still being assessed and the cap on Council Tax increase was still in place. A 2% increase in Council tax would produce approximately £4.5m in additional income.

### **Draft Portfolio Plans**

### **Transport & Environment**

#### Supported Bus Network

The Board asked if the reformulated supported bus network took into account the work to increase tourism and the new housing schemes.

- The Director confirmed that the commissioning priorities took these issues into account when the network was reformulated, and housing developers are required to take into account the need for bus access. The Libraries' Strategy will also take into account bus transport access issues for libraries.

### **Strategic Management and Economic Development**

#### Newhaven Port Access Road

- The Director of CET explained the details of the scheme and the additional Department for Transport funding that has been secured to deliver the road to unlock land for business development. The Lead Member for Economy added that Newhaven had been granted Enterprise Zone status and that £10m had been secured from the Local Economic Partnership and the Department of Environment for the harbour flood defence scheme.

#### Cultural Tourism

- This work is in the Economic Development portfolio which aims to broaden and increase the impact of visitor expenditure in the local economy.

#### Broadband Project

The Board asked if the £15m investment by ESCC in the Broadband project had delivered the benefits ESCC had hoped for, as it seems that broadband speeds in urban areas are good, but in rural areas this is not the case.

A report will be brought to the ETE Scrutiny Committee in March 2016 where there will be an opportunity to discuss this in more detail and consider broadband uptake data.

- The Director of CET disagreed that this was the case as there are examples of rural areas where broadband speeds have been greatly improved. To date 630km of fibre optic cable has been provided and 60,000 premises have fibre enablement. However, there are some areas where it is not viable to provide fibre access on value for money grounds, but these are not exclusively rural areas. The Government is now offering a satellite voucher scheme, which is a subsidy of around £300 against the cost of installation, to guarantee

minimum broadband access speeds of 2 mbps. This has some latency issues for 'streaming' applications.

- The Government's national targets for this scheme are to give 90% of the population access to 24mbps broadband, and the remaining 10% 2mbps broadband access. In East Sussex 96% of the population have access to 24mbps broadband speeds which will increase to 98% by the end of the second contract, leaving 2% who will have 2mbps access via the satellite scheme.
- It should also be borne in mind that:
  - Users can pay for superfast broadband services themselves.
  - BDUK have imposed a cap on the public subsidy per dwelling for fast/superfast broadband access.
  - The first contract will be completed in March 2016 and £6m has been secured for the second contract to in-fill provision in hard to reach areas (subject to value for money criteria).
  - Users can use the "Go East Sussex" web site to investigate broadband speeds and provision.
  - Users can specify the Internet Service Provider (ISP) and speed they require once fibre enabled.

### Increasing Inward Investment

The Board asked why the target specified only ten businesses.

- The Assistant Director, Economy explained that there was a time lag between creating new employment space and uptake by new businesses. It was hoped to increase this target through the work of Locate East Sussex and the possibility of doubling the investment available through a bid to the European Regional Development Fund in conjunction with the District and Borough Councils.

### Employability and Skills Strategy

The Lead Member for Economy highlighted the major investment in employability and skills that is taking place. Some businesses struggle to recruit the right staff locally and a Skills and Employability Board has been established to work with local colleges and universities to address this need, raise aspirations and influence the curriculum on offer.

### Community Services

#### Road Safety

- Public Health have made £1m available for a project to look at how ESCC and its partners can reduce KSI's. The joint ETE/ABVCS Scrutiny Board is due to meet early next year to examine the proposals for this project.

#### Libraries' Transformation Programme

- The Lead Member for Community Services outlined the proposal for the Libraries' Transformation Programme. This is a significant piece of work that aims not only to make a saving of £2m from a £6m budget, but also to create a sustainable, modern Library

Service for the future. This is a good opportunity to make positive changes to future library provision.

### Registration Service

The Board questioned whether there were increased opportunities in north Wealden for income generation as a result of Kent County Council's plans to reduce the number of registration offices.

- The Director of CET and the Lead Member for Community Services said they were aware of the situation, but constraints on how the income from Registration Services can be used, may make the business case for expanding ESCC services difficult to justify.

### **Proposed Savings Plans for 2016/17 – 2018/19**

The main factors contributing to the department's savings plan total are Parking, the Waste Reserve, and Libraries which total around £4.3m. Other smaller contributions come from Waste Operations, the Transport Hub, and the Rights of Way and Countryside Site commissioning strategy.

In response to the Board's request for further information, the following responses were provided:

### Trading Standards

The Board asked if service levels could be maintained with the proposed level of savings.

- The Director confirmed that service levels can be maintained with the savings coming from increased income generation and small changes to staffing.

### Planning and Development Control

- The Director of CET explained that this section currently recovers 95% of its costs through fees and charges. The savings proposal is to increase income so that 100% of costs are recovered. Some additional income will be generated by providing specialist advice to District and Borough Councils in areas such as ecology, archaeology, landscape etc.

### Waste Reserve

The Board asked if the saving proposal represented the maximum amount that the waste reserve could be reduced by.

- The Director of CET confirmed that the department had reviewed the reserve provision very carefully, and what is proposed is the right amount for the risks that remain.

### Conclusion

The majority of the Board endorsed the Communities, Environment and Transport (CET) Savings Plan for 2016/17 to 2018/19. Cllr Webb stated that the Labour Group were happy with the savings proposals in the Savings Plan as they stand, but could not support additional expenditure on highways pothole repairs in 2016/17 should there be a change in the intervention policy.