

Notice of Meeting

Environment and Transport Select Committee



Date & time
Thursday 12
January 2012 at
10.00am

Place
Ashcombe Suite
County Hall,
Kingston upon
Thames
Surrey, KT1 2DN

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Chief Executive
David McNulty

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ben Craddock on 020 8541 7198.

Members

Steve Renshaw (Chairman), Mark Brett-Warburton (Vice Chairman), Mike Bennison, Stephen Cooksey, Will Forster, Chris Frost, Pat Frost, John Furey, David Goodwin, Simon Gimson, Frances King, Geoff Marlow, Chris Norman, Tom Phelps-Penry and Michael Sydney.

Ex Officio Members

Mrs Lavinia Sealy (Chairman of the Council)
Mr David Munro (Vice-Chairman of the Council)

TERMS OF REFERENCE OF THE COMMITTEE

The Select Committee is responsible for the following service areas:

Environment

- Strategic Planning
- Countryside
- Waste
- Economic Development & the Rural Economy
- Housing
- Minerals
- Flood Prevention

Transport

- Transport Service Infrastructure
- Aviation
- Highway Maintenance
- Community Transport

- Local Transport Plan
- Road Safety
- Concessionary Travel

SUPPLEMENTARY AGENDA

7 **Performance of Newly Appointed Highways
Maintenance Contractors:**

Green

Surrey Highways – May Gurney Interim Report

Purpose of the report: Scrutiny of Services

This interim report provides an overview of how Surrey Highways main contractor May Gurney has performed against contract targets and expectations in the first six months of operation.

**David McNulty
Chief Executive**

06/01/2012

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Environment & Transport Select Committee
12th January 2012

**Performance of Newly Appointed Highways Maintenance
Contractors:
Surrey Highways – May Gurney Interim Report**

Purpose of the report: Scrutiny of Services

This interim report provides an overview of how Surrey Highways main contractor May Gurney has performed against contract targets and expectations in the first six months of operation.

INTRODUCTION

1. In April 2011 Surrey Highways appointed five new highway contractors:
 - May Gurney Core Maintenance Contract delivering critical emergency, reactive and planned maintenance to highway network
 - Tarmac Plc Delivering major planned road maintenance to Surrey's strategic road network
 - Wilson Scott Road Marking and Stud replacement
 - Glendale Tree Maintenance
 - ACL Drainage & Gully Maintenance
2. This report will provide an interim performance update of delivery of the Core Maintenance Contract by May Gurney from the period 27th April – 30th November.
3. The Core Maintenance Contract is required to deliver 8 key contract activities:

Ref	Activity	Description
1	Emergency Repair	Respond and make safe emergency repairs (as defined by SCC matrix) to carriageway within 2 hours of notification. Permanently repair defect with 28 days .
2	Reactive Repair	Respond and make safe safety repairs (as defined by SCC matrix) within 24 hours of notification. Permanently repair defect with 28 days
3	Planned Repair	Undertake planned repair to network as determined by annual maintenance programme, e.g. carriageway resurfacing.
4	Highway Infrastructure Improvements	Install assets or undertake carriageway changes to improve road safety, traffic flow and/or reduce congestion, e.g. installation of new pelican crossing or roundabout.
5	Drainage Infrastructure Improvements	Replace damaged pipes or install new infrastructure to remove standing water and/or mitigate flooding risk
6	Winter Maintenance	Provide preventative service by gritting road network as determined by Winter Maintenance Plan and providing reactive service to clear snow in the event of severe weather.
7	Bridge Maintenance	Maintain bridge stock (including footbridges and traffic bridges) in safe and accessible condition
8	Communication & Customer Service	Ensure all residents, members and officers are aware of activities on network and improve overall customer satisfaction
9	Programme Co-Ordination	Ensure all highway activities undertaken on the Surrey network are co-ordinated to mitigate traffic disruption and deliver value for money. This includes co-ordinating of utility works; other contractors work (e.g. Skanska, Tarmac) and works delivered by districts and boroughs
10	Sustainability Improvements & Community Engagement	Reduce Surrey Highways carbon footprint; amount of waste sent to landfill and actively improve highways profile within community through supporting local economy and job market.

4. This report will specifically review May Gurney's first six-month performance in road maintenance (emergency, reactive and planned) to deliver activities 1-3.
5. The remaining activities will be reviewed in separate scrutiny reports and as part of existing Task Groups, e.g. Winter Task Group. Timing of reports will be agreed as part of the Select Committee Forward Programme.

MOBILISATION

6. During the period November 2010 to April 2011, May Gurney mobilised their property, staff and equipment required to deliver the Core Maintenance Contract. A summary of this activity is provided in Appendix A.

EMERGENCY REPAIRS

7. Responding to Emergency defects on the Surrey highway network has been one of May Gurney's strengths in the first six months of operation.
8. Between April and November May Gurney responded to 2657 emergency calls. The service is delivered under a fixed price, meaning regardless of volume and amount of materials used, SCC will not pay any costs over pre-agreed contract price. Emergency Response will only be carried out if the defect poses a significant safety risk to public or are creating road closures.
9. On average between April to October May Gurney made safe to the public **94%** of all emergency defects within 2 hours, see appendix B for detailed breakdown of October results by district. This success has been delivered via May Gurney implementing several critical improvements:
 - I. **Dedicated Emergency Crews** – 3 Dedicated Emergency gangs are now tasked with responding to emergencies, under previous contract service was delivered from a generic resource pool.
 - II. **Improved equipment** – Emergency Crews now retain tree cutting and additional equipment. Fallen Trees represent over 60% of call outs and thus access to chain saws enable quick response, under SHiP contract, service was delivered via Carillion sub-contractors which delayed response
 - III. **New Control Hub** – previously emergency calls were handled by external call centre and passed to Ringway/Carillion depending upon area, who then allocated to gangs. The new Control Hub enables calls to be directly received by May Gurney and passed to emergency crews.
10. Issues however have been identified in delivering the follow up permanent repair within the stipulated 28 days.

11. Over the six month period, after making site safe, May Gurney have only permanently repaired on average 70% of emergency defects within the stipulated 28 days, with the remaining defects % repaired within 90 days. Two specific performance issues have been identified:
 - I. **3rd Party Damage** – where an asset is damaged through accidental collision, e.g. street bollard, May Gurney is awaiting confirmation of insurance recovery costs before repair, leading to long delays. Officers are working with May Gurney to identify solution whereby repairs will be undertaken regardless of insurance position.
 - II. **Stock Control** – although stock has improved, certain items (such as man hole covers) are not always available within the 28 days. MG are reviewing stock levels to determine optimum position
12. A weekly meeting has now been instigated and a Performance Action Plan is currently being agreed to ensure May Gurney achieve their agreed performance target of 98%.
13. Due to the performance failure of permanent 28-day repair, as per contract conditions, May Gurney monthly profit levels have been reduced, providing further incentive to both parties to achieve contract targets.
14. In conclusion May Gurney have improved Surrey County Council's response to emergency calls and protecting the public within the 2 hours timescale, however, further improvements are required to ensure that the defect is permanently repaired in timescale and thus reducing further disruption to local community.

SAFETY REPAIRS

Contract Objectives

15. Safety Repairs are one of residents' key areas of concern, with repairing pot holes continually highlighted as residents' number one priority. A considerable amount of investment and effort has thus been undertaken by all parties to improve this key area.
16. Under the contract agreement May Gurney agreed a fixed price to repair all safety defects. This involves first time permanent repair where possible for 24hrs hours (high risk) and 28 day (low risk) safety defects, all safety defects repaired under fixed price must comply with SCC Safety Matrix, available via SCC external website.
17. As part of the contract negotiations May Gurney assumed they would repair 30,000 defects per annum with majority relating to potholes, any defects above the 30,000 defects would be at May Gurney's expense. The fixed price also incentivises May Gurney to permanently repair defect on the 1st visit, as SCC only paid for one visit per defect, thus

every repeat visit (in labour and fuel cost) would be at May Gurney's expense.

18. As part of the contract, the methodology required a permanent quality of repair to safety defects, for example, defective areas of road cut away and replaced with specific asphalt. This ensured all parties understood repair expectations, SCC also confirmed to carry out a minimum of 5% random audits of all repairs, increasing if audits identified large number of failures.
19. To ensure they could meet the challenging contract response times and quality standards, May Gurney invested in the following activities to drive productivity:
 - I. **Mobile Technology** – Highway Inspectors and May Gurney Crews would be provided with new mobile devices to enable measurements and locations of defects to be transmitted directly from inspector to gang in real time.
 - II. **New Scheduling software** – to ensure work was allocated to the gang in the most efficient manner,
 - III. **New online reporting tool** – to enable public to report defects directly to May Gurney rather than delaying process by double handling via SCC
 - IV. **Dedicated Crews** – MG provided 13 dedicated Safety Crews to repair potholes
 - V. **Dedicated Training** – all crews were put through intensive training course to ensure defects were repaired to contract quality standard
 - VI. **New Mobile Hot Box** – MG trucks were provided with mobile hot boxes to keep materials warm, saving crews returning to depots to re-load material

Performance Results (Apr – Oct)

20. In the first six months of the contract May Gurney has repaired over 20,000 safety defects and on average made safe 85% within 24 hours, below the 98% contract standard.
21. Due to contract mobilisation and transition of contracts May Gurney was not expected to achieve full performance in first 3 months of operation and this lower performance level was built into strategic planning. However, several key issues prevented May Gurney achieving the productivity required to deliver the contract response timescales:
 - I. **IT Implementation** – The new mobile devices continually failed in live testing, while new software (360 Scheduler and defect management) created continual errors and prevented upload.
 - II. **SHiP Backlog**- SHiP transferred backlog of defects repairs, which had to be immediately addressed. The road condition was further compounded by the severe winter conditions.

- III. **Duplicated Defects** – SCC Inspectors mobile devices created duplication errors, which reported the same defect twice. Inspectors were also still adapting to new Highway Matrix resulting in some misclassification of defects, consequently May Gurney reported a large number of aborted “jobs”.
22. After initial 6 weeks, it was evident May Gurney was failing to achieve agreed response timescales, a Performance Action Plan was therefore implemented, see summary of actions below:
- *Resource* - An additional 7 Safety Crews were appointed from May Gurney supply chain, this increased overall service to 20 gangs, all additional costs for gangs were paid by May Gurney.
 - *May Gurney IT* - new Project Manager and team was appointed and mobile devices recalled for diagnosing and paper based contingency plan put in place.
 - *SCC Inspectors* – dedicated project team created to review Inspector Mobile Device and determine root causes for wrong duplicated orders and misclassification
 - *Performance* - a 1630 daily evening performance meeting was instigated to enable SCC to review daily output and monitor trends, in tandem MG supervisors held a 0730 performance review with gangs to review previous days productivity with output reported to senior management
23. The Performance Action Plan led to significant increase in performance in Quarter 2, with October’s performance confirming 94% of defects repaired within 24 hours, see Appendix B to view results by volume and district.
24. The issues detailed above also had a negative impact on permanent repairing defects within **28 days**, with performance target not achieved. However, following stabilisation in delivering 24 hour response times and the further improvement actions detailed below, it expected that performance will significantly improve:
- *Mobile Devices* – partially re-introduced to contract in mid-December, to date all testing has proved successful, with no duplications or failures
 - *Scheduling Software* – anticipated to be fully implemented by end of January 2012 this will drive improved efficiency of gang allocation & productivity
 - *Supervisor Training* –gang productivity will be improved through increased capability of MG middle management team
25. The combined actions of the Performance Action Plan, additional steps above and recent October performance data, provides assurance that

MG will shortly be able to be achieve the required productivity levels to meet the contract response targets.

26. In addition the further steps below will further drive performance levels:
 - I. From November 2011, May Gurney's profit level and overhead is reduced each month the safety response times are not achieved
 - II. The additional 7 gangs (paid for by MG) will not be removed from contract until SCC Officers are satisfied in-house resource can meet agreed targets
 - III. The percentage of defects repaired within 24hrs and 28 days will be published monthly on SCC external website. Defects will be broken down by district/borough allowing full transparency to residents, councillors and competitors regarding May Gurney performance levels
27. A final area of performance concern related to on-line reporting tool for safety defects. Feedback confirmed that although defects were being correctly passed to May Gurney, the confirmation email to residents advising when the defect had been repaired was not being transmitted back to users in a timely manner. A new software upgrade is planned for early February 2012, to correct website fault.

Successes

28. Although May Gurney have not yet fully achieved the stretching contract targets, the performance to date is a tangible improvement on the previous SHiP contract, October's results of 94% and 79% is an improvement from the previous SHiP contract, for example, under half of repairs in the previous contract were permanent, with the temporary repairs creating continual revisits to defects at SCC expense.
29. The revised contract specification has driven the expected improvement in quality. Quality audits and resident feedback confirms greatly improved satisfaction, with repairs now carried out to high standard and minimal material failure.
30. The new contract (following the initial 3 months embedding) is now supporting the defence of insurance claims more effectively, with defects being responded to in time; a dedicated insurance report generated specifically to provide the legal team with facts to defend cases and the logging of before and after photographs to support this process even further.
31. May Gurney have also made good progress in right first time repairs, with over 50% of defects permanently repaired on the first visit, removing the need for any subsequent visits, reducing traffic disruption and improving public perception.
32. There is also an improved work ethic and processes within May Gurney road crews, impacting not only their job satisfaction but visible in their

pride in work. In tandem May Gurney has also been proactive in dismissing and removing under-performing staff, a continual criticism of Carillion and Ringway.

Conclusion

33. Achieving the productivity levels required to meet the response times has proved challenging to May Gurney, however, significant progress has been achieved in a short period of time, including tangible improvements in quality; work ethic and culture.
34. The key performance issue was May Gurney's ability to deliver the software and mobile devices necessary to support the contract productivity expectations. However, following change in personnel and renewed focus from May Gurney Board (e.g. weekly conference call was held with MG Managing Director) there has been a marked improvement in IT implementation since August 2012.
35. Meeting contract response timescales (24hr / 28 day) remains challenging, however, the 2nd quarter results confirms upward trend, with the key focus now on delivering permanent repairs within the 28 days.

PLANNED REPAIRS

36. Planned Highway Maintenance Repair is segmented into three distinct areas and each will be reviewed in turn:
 - Minor Works Repairs – includes hand patching schemes and minor works to repair highway condition defects.
 - Surface Protection – provides an additional layer to existing road surface to prevent water penetration (& hence pot holes) and increases road life. Two treatments are applied, *Surface Dressing* uses a layer of asphalt mixed with stones and is used for majority of road network; *micro-asphalt* is used for more specific types of carriageways. Due to the seasonal nature of the treatment type works can only be delivered April – October.
 - Surface Reconstruction – when a road reaches the end of its life, the road surface is replaced, activity can be delivered throughout the year and includes footway reconstruction.

Minor Works

37. Reduced costs have enabled a significant 2011/12 Minor Works Programme. To date officers have been satisfied with quality of workmanship and May Gurney has met contract specification. However, two issues have been identified as opportunities for improvement:

- I. **Programming of works** – May Gurney feedback of completed and delayed work activity could be improved to ensure that officers are more fully aware of network activity;
- II. **Lean Process** – the process for identifying and ordering work has been agreed by both parties as cumbersome and creating unnecessary delays, a process review will therefore be undertaken in the new-year to remove waste and improve end to end process.

Surface Protection

38. The delivery of surface protection to road surfaces is one of the key areas where May Gurney is required to improve in 2012/13.
39. Although, the quality of workmanship and material for surface dressing and micro-asphalt achieved all contract standards, May Gurney did not achieve officer expectations in the following key areas:
 - i) **Resource Levels**
May Gurney did not have sufficient resource to meet programme demands. The £4m programme required delivery of 222 surface dressing and 150 micro-asphalt schemes, however, May Gurney were only able to provide resource for 40 micro-asphalt schemes. As schemes are weather dependent, 108 micro-asphalt programme had to be deferred to 12/13.
 - ii) **Road Marking** – May Gurney appointed a sole sub-contractor to replace road marking and stud replacement following application of new road surface. However, it became quickly evident that the sub-contractor could not cope with programme size. Under contract road marking must be replaced within 3 weeks of work, however, backlog resulted in an average 6 week completion rate. In addition there were on-going concerns over quality of workmanship. Following issue of SCC contract Early Warning, May Gurney terminated sub-contractor contract and appointed two alternative suppliers to complete programme.
 - iii) **Aftercare** – The type of treatment creates large amount of excess stones, which must be swept regularly over a 3 week period. SCC quality audits found numerous instances where carriageways or footways were not swept within agreed timescale.
 - iv) **Advance Customer Notices** – Under contract residents and local businesses must be issued with 1 weeks advance notice of any works in their road. However, due to constant changes in programme, letters to residents were issued late or far too early. This created a large number of resident complaints and some specific negative press, for example, works were carried out on the same week as a local car showroom's 25 year anniversary, creating unnecessary disruption to local community.

- v) **Communication** – Poor communication from May Gurney treatment arm resulted in officers unable to promptly answer Councillor queries, while frustration was also evident between May Gurney staff based at Surrey and staff based at head office.
40. There were three strategic actions which ultimately created the performance issues identified above:
- **Contract Management** – Surface Protection delivery arm was managed remotely from May Gurney head office. This removed flexibility in resolving on-site issues, for example, terminating lining sub-contractor at an earlier point or being more responsive to changing circumstances.
 - **SCC Programme** – Due to contract mobilisation, SCC did not confirm the 11/12 programme until March 2011. This prevented May Gurney from undertaking any effective pre-planning which would normally be undertaken January – March, with service commencement in April. In addition following SCC Cabinet's welcome decision to increase highway budget, the programme was increased by additional £1.5m at a very late stage, compounding planning issues.
 - **National Strategy** – Surface protection is a lower cost option for Highway Authorities to protect carriageways than full reconstruction. Thus following significant budget reductions caused by public sector contraction, the majority of highway authorities changed strategy from reconstruction to surface protection. This created a peak demand in the highway industry, with only 4 companies (including May Gurney) able to meet demand. In normal circumstances May Gurney would have thus sub-contracted some of the SCC programme to another competitor, however, due to market conditions competitors requested higher market rates, which proved unaffordable. May Gurney were thus fully reliant upon internal resource only.
41. On an operational level, Officers were also concerned at a lack of proactive management to resolve issues (e.g. terminate lining sub-contractor) and failure to improve communication.
42. At the end of October a formal Contract Performance Meeting was held with May Gurney senior management team to provide formal response and specific actions to give senior SCC officers confidence that service could be improved for the 2012 season. Following internal review May Gurney have therefore agreed to the following contract amendments:
- i) **Contract Management** – The May Gurney Contract Manager based at Merrow Depot will be given operational control of contract. New dedicated supervisor will be appointed to improve on-site supervision and management

- ii) **Lining Contractor** – Three new sub-contractors will be appointed to deliver lining work, this will enable work load to be more effectively managed
 - iii) **New Equipment** – To increase capacity May Gurney have purchased a new Micro-asphalt machine from Germany, this will be dedicated to SCC contract in April to ensure all deferred schemes from 2011 are completed
 - iv) **Advance Customer Notification** – Advance Notices will be managed directly by Control Hub and additional checks and balances in place to ensure more effective co-ordination
 - v) **Communication** – Improved notification of programme and activities which can be circulated to Councillors and local area teams
43. SCC has also been able to confirm its 2012 Surface Treatment programme in December 2011, this will enable May Gurney to fully resource and effectively plan all work prior to March 2012.
44. Surrey Highways will also undertake increased quality audits and reviews of surface treatment delivery to ensure service continues to improve.
45. However, despite issues detailed above, Surrey Highways has still delivered one of its largest ever surface treatment programmes. The reduced contract prices and additional budget has enabled Surrey Highways to protect an additional 300 miles of road from deterioration and ultimately, potholes. This compares to 100 miles completed under SHiP.

Surface Reconstruction

46. In direct contrast to the Surface Protection programme, there has been minimal performance issues identified with the surface reconstruction programme. All schemes have been delivered on time and on budget. Programme dates have been adhered to and customers adequately informed of works. In tandem reduced costs has enabled Surrey Highways to offer an increased programme of work to meet local demand.
47. Several areas have been identified for improvement for 2012/13, however, these areas represent continuous improvement rather than performance failure:
- **Improve Co-ordination** with Minor Works programme to maximise value, e.g. no minor patches on roads due for reconstruction
 - **Improve communication** of programme to Members and area teams. A website portal is being investigated which will allow Members and officers to self-service highway works programme in real time. Options are also being explored to advertise the programme to residents three months in advance.

- **New Materials/Techniques** – new standardised materials specifications are being explored as part of the SE7 project, new materials are anticipated to lead to reduced cost through bulk buying.

Conclusion

48. May Gurney has competently delivered the minor planned and highway reconstruction 11/12 programme, areas of improvement have been identified in process, communication and programme management, however, overall quality of work has met contract standards and scheme specification.
49. In contrast surface treatment has had numerous performance issues, strategic and operational, resulting in increased customer complaints and on-going frustration. Following meeting with Senior May Gurney leadership team, Surrey Highways have agreed to revised contract proposals for 2012/13. The service activity will be specifically monitored to ensure performance commitments are adhered to.

Conclusions:

50. May Gurney have successfully mobilised the new contract and managed an effective transition from the SHiP contract. With TUPE staff fully embedded in new structures and new equipment fully deployed.
51. The Core Maintenance Contract has driven an overall improvement in quality of service delivery. The contract specification detailing contract repair methodology has resulted in a direct improvement in quality of reactive repair and planned maintenance.
52. The quality of work has been further supported by May Gurney's commitment to right first time and pride in workmanship, which has driven a new culture within May Gurney crews, while further training to operatives and supervisors continues to improve workmanship.
53. The new contract's commercial model has operated as anticipated, with risk transfer warranting that May Gurney absorb cost overruns and manage risk in delivering emergency and safety repairs. SCC has been protected through a fixed price, while, profit reductions as a result of performance failures, has maintained May Gurney's focus and aligned work to SCC priorities.
54. The key area where May Gurney have not achieved the required expectations in the first six months is in delivering the high productivity levels committed as part of the original contract agreement.
55. Although some productivity issues can be attributed to late production of SCC programme and anticipated issues from mobilising new contract, poor productivity has also been primarily a result of May Gurney's inability to effectively implement new IT systems and hardware.

Consequently a large number of manual activity and paper-based systems has been deployed, preventing efficient management of reactive gangs.

56. However, it is noted that, even though current level does not meet contract expectations, the level of performance is still an improvement from previous SHiP contract, with over 90% of emergency and safety defects made safe within timescales. While with the revised IT Project Team and senior May Gurney support, officers are confident that May Gurney can achieve expected productivity levels within quarter four.
57. The key exception to the performance delivery has been in the delivery of the surface dressing and micro asphalt programme. May Gurney have not been able to deliver in full the 2011/12 programme, while the delivery methodology has led to increased complaints and negative customer satisfaction. Following a formal contract review, a revised contract proposal has been agreed with senior management team for 2012/13, and May Gurney have been advised that failure to significantly improve will result in further action.
58. The initial six months of the Core Maintenance is therefore recognised as a success with staff effectively transitioned from the SHiP contract and a tangible increase in quality of material and workmanship. The key areas for improvement relate to productivity and surface treatment delivery and officers will report progress against targets in the annual report to be published June 2012.

Financial and value for money implications

59. The Core Maintenance Contract continues to deliver value for money, while a full cost benchmarking exercise will be completed in 2012 to ensure continual savings.

Equalities Implications

60. There are no impacts on equality and diversity.

Risk Management Implications

61. The Contract risk register continues to be updated and issues identified within report are reflected on register.

Implications for the Council's Priorities or Community Strategy

62. Improved delivery of highway maintenance will support the County Council's commitment to responding to residents priorities and concerns.

Recommendations:

63. The Select Committee is asked to consider and comment on the Interim Performance Report and progress made to date.

Next steps:

Assistant Director of Highways submits formal Annual Report in June 2012, providing overview of full financial year and agreed improvement actions.

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Environment & Transport Select Committee
12th January 2012

Surrey Highways – May Gurney Interim Report – Appendix A

Highways Contract Mobilisation Outturn Report

The mobilisation of the Core Maintenance, Surface Treatment and Flood Prevention contracts ran from 1 Dec 11 following Cabinet's awards to May Gurney completing on 31 October.

The mobilisation plan was broken into 3 stages: Preparation, Mobilisation and Stabilisation. The work within this was broken into 4 strands: Infrastructure, Personal Development, Programme Delivery and Operations Manual.

Running in parallel and at times, interlinked, the implementation of Surrey County Council's Making a Difference programme has also been managed as part of mobilisation.

Despite a number of challenges along the way, the vast majority of mobilisation activities have been completed and closed and as a representation of this, Mobilisation should be considered both closed and a success. The remaining activities are being managed through Business as Usual.

Key Achievements

- ⇒ Terminating existing contracts without any issue – specifically ensuring no financial claims after 31 December 10
- ⇒ Relatively smooth transfer of 120 staff from Ringway and Carillion under TUPE with no employment issues and all staff transferred to May Gurney terms & conditions
- ⇒ 4 day training courses provided to all 120 staff, including health & safety; induction and performance management
- ⇒ New May Gurney management team appointed, with responsibilities transferred from Carillion & Ringway

- ⇒ 2 vehicle fleets and 4 depots were also transferred from the outgoing contractors
- ⇒ Control Hub created and live for April 2012
- ⇒ Termination of TASK Services Contract
- ⇒ Supplier Day held in Guildford with over 100 suppliers in attendance, tenders issued and sub-contractors appointed to deliver services
- ⇒ Seamless transfer of emergency cover on Contract go live
- ⇒ Installation of 2 new buildings at Merrow Depot
- ⇒ Refurbishment of 5 buildings at 3 sites
- ⇒ Re-desking and installation of new flat screen monitors in all buildings
- ⇒ Relocation of 95%+ of SCC Operations, Highways and Countryside staff either within site or between sites
- ⇒ Purchase & transfer of all surplus stock and materials from Carillion & Ringway
- ⇒ 2nd tier supply chain mobilised and available from day 1
- ⇒ Governance Meetings actioned between SCC & all sub contractors

Challenges

The most notable challenge has been around the implementation of IT. Specific issues included:

Delays in delivery of Toughbooks – initial delays as a result of production issues in Japan were compounded by problems with SCC's Windows 7 build.

Toughbooks now implemented and signed off by Community Highway's Officer community (Nov 11)

Problems with Inspectors PDAs which resulted in difficulties in being able to actually carry out inspections, data being transferred more than once raising duplicate defects. Another significant problem was the failure of the device to synchronise preventing any further defects being reported. The bugs were addressed, processes within the device were streamlined and optimised and breaks in connectivity were resolved resulting in an improved satisfaction level within the Inspections team (Oct 11). A service upgrade in November, which

wasn't properly tested reversed many of the improvements and the units were "rolled back".

Delays in the configuration of MG Connect's Works Ordering module resulted in testing and training being scheduled when development work was still being undertaken.

A lack of an effective Disaster Recovery and mitigation plan within MG's IT Infrastructure resulted in a significant service interruption when a broadband cable was cut. A resilient connection and data centre was implemented in June (more than 1 month after the contract commenced).

The way MG Connect's Works Ordering system is configured has resulted in challenges with the scheduling of work, reporting in performance and in some cases actually identifying work needed to be carried out. Hand held PDAs used by the gangs were replaced with a paper and telephone based system.

Other component parts of MG Connect were delayed including:

- ⇒ Cognos for Management Reporting – this was replaced by Good Data
- ⇒ 360 Scheduler – this is still awaiting implementation
- ⇒ Project Server – although Projects (Programmes) have been loaded, work is still in progress to enable user interfaces that make the data purposeful such as easy access to be able to filter by month, area, and scheme type
- ⇒ Mayrise (Streetworks) – replaced by Symology but presented numerous challenges. A workshop is taking place in December to agree a roadmap for the future including support, updates and developments

ITEM 7
Annex 2

How are Surrey Highways Performing? - October 2011

High safety risk defects	Total Number of High Risk Defects requiring a repair this month (A+B)	Reported via Website (A)	Identified by Highway Inspector (B)	No Repaired within 24 Hours* (D)	% Repaired Within Contract Timescale D/(A+B)
Elmbridge	123	70	53	117	95.12
Epsom & Ewell	55	13	42	50	90.91
Guildford	127	66	61	118	92.91
Mole Valley	111	41	70	108	97.30
Reigate & Banstead	257	92	165	242	94.16
Runnymede	23	8	15	22	95.65
Spelthorne	70	29	41	65	92.86
Surrey Heath	34	12	22	33	97.06
Tandridge	151	55	96	137	90.73
Waverley	157	67	90	149	94.90
Woking	31	10	21	30	96.77
Surrey total	1139	463	676	1071	94.03

*Repair can either be permanent or temporary repair. If temporary repair, a 2nd order will be created to permanently repair as low risk defect

**ITEM 7
Annex 2**

How are Surrey Highways Performing? - October 2011

Low safety risk defects	Total Number of Low Risk Defects requiring a repair this month (A+B+C)	Reported via Website (A)	Low Risk Defects Reported via Highway Inspector (B)	High Risk Defect requiring Permanent Repair* (C)	No Repaired within 28 Days (D)	% Repaired Within Contract Timescale D/(A+B+C)
Elmbridge	578	15	241	322	437	75.61
Epsom & Ewell	236	23	119	94	187	79.24
Guildford	383	13	157	213	289	75.46
Mole Valley	372	12	226	134	308	82.80
Reigate & Banstead	652	24	289	339	537	82.36
Runnymede	86	5	36	45	72	83.72
Spelthorne	164	26	15	123	119	72.56
Surrey Heath	169	21	78	70	140	82.84
Tandridge	772	20	436	316	585	75.78
Waverley	348	19	165	164	290	83.33
Woking	69	8	17	44	59	85.51
Surrey total	3829	186	1779	1864	3023	78.95

* Defects temporarily repaired within 24 hours of reporting but requiring permanent repair