

MINUTES of the meeting of the **ENVIRONMENT & TRANSPORT SELECT COMMITTEE** held at 10.00 am on 7 February 2013 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 6 March 2013.

Elected Members:

- * Mr Steve Renshaw (Chairman)
- * Mr Mark Brett-Warburton (Vice-Chairman)
- * Mr Victor Agarwal
- * Mr Mike Bennison
- * Mr Stephen Cooksey
- * Will Forster
- * Mr Chris Frost
- * Mrs Pat Frost
- Simon Gimson
- * Mr David Goodwin
- * Mr Geoff Marlow
- * Mr Chris Norman
- * Mr Tom Phelps-Penry
- Mr Michael Sydney
- * Mr Alan Young
- * Mr David Harmer

Ex officio Members:

Mrs Lavinia Sealy, Chairman of the County Council
Mr David Munro, Vice Chairman of the County Council

Substitute Members:

- * Mr David Harmer

In attendance

John Furey, Cabinet Member for Transport and Environment

10/13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Simon Gimson and Michael Sydney.

David Harmer acted as a substitute for Simon Gimson.

11/13 DECLARATIONS OF INTEREST [Item 2]

There were no declarations of interest.

12/13 QUESTIONS AND PETITIONS [Item 3]

Declarations of interest: None.

Witnesses:

Jason Russell, Assistant Director, Highways)
Mark Borland , Projects and Contracts Group Manager
Jim Harker, General Manager for Surrey, May Gurney

Key points raised during the discussion:

1. The following question was received from Mr. Renny Snell:

“Having considered the evidence of premature breakup of two examples of recent street resurfacing in Haslemere, can the Committee confirm that they are totally convinced the Highways Department is fully aware of this issue, has taken urgent steps to prevent its reoccurrence and will strenuously avoid the expenditure of any Council funds in effecting associated remedial work (in these or any other examples?)”.

2. The Chairman shared the following response:

““This year the County Council has undertaken an extensive programme of major maintenance (carriageway resurfacing). The vast majority of this has passed without incident and highway users are now benefitting from greatly improved road surfaces.

For a small number of schemes the end product is not to a satisfactory standard. Officers are aware of these problems and our main Contractor (May Gurney) and their sub-contractors accept this and are committed to establishing why it happened. A small task group consisting of County Council Officers, the County highway material laboratory and engineers from May Gurney has been established to investigate the failures and learn from them to minimise the likelihood of any future repetition. Initial findings indicate most problems are associated with schemes installed in late November / December 2012. The reasons are to be confirmed but it is likely to be substandard material and / or poor working practises. This group will advise the most appropriate remedial action.

All costs for any remedial work will be met by May Gurney or their sub-contractors, no costs will be borne by the County Council.”

Steve Renshaw**Chairman of the Environment & Transport Select Committee**

3. The Committee discussed the question and raised concerns with the General Manager for Surrey, May Gurney that there was a discrepancy between performance data and the public perception of highways works being undertaken.
4. It was acknowledged by Officers that there had been problems with approximately 20 jobs under the Local Structural Repair (LSR) programme. It was clarified that these had been a result of sub-structure failures after the repairs had been made.
5. Officers outlined that the materials in question had been laid at the wrong temperature and that this had led to the sub-structure failures. This issue had been a localised one, and compounded by the fact that the repairs had been undertaken within a short period of time. A

design flaw in the work scheme and a training issue had been identified and addressed. Each of these instances had been investigated by May Gurney, and the County Council had not been required to pay for the work. It was clarified that the work would be replaced by the end of the financial year.

6. The Committee recognised the significant improvements that had been made by May Gurney over the last 18 months or so and hence was concerned about the reputational impact to the Council and May Gurney, and commented that public perception was not governed by reported performance data. Further concern was also raised that the errors in this and similar works had occurred as a result of gangs 'rushing' jobs in order to hit numerical targets, whereas the real target was that of public perception.
7. The Officer from May Gurney apologised for the matter and commented that although the incidents were isolated, May Gurney were making efforts to learn from them.

Recommendations:

None.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

13/13 SURREY HIGHWAYS - MAY GURNEY MID YEAR REPORT [Item 4]

Declarations of interest: None.

Witnesses:

Jason Russell, Assistant Director, Highways
Mark Borland , Projects and Contracts Group Manager
Jim Harker, General Manager for Surrey, May Gurney

John Furey, Cabinet Member for Environment & Transport

Key points raised during the discussion:

1. The Committee was presented with a report on the performance of May Gurney in the year to date. Officers outlined that the report focused on the performance of the reactive aspects of the May Gurney. A report on the performance for planned works would be provided for the Committee by July 2013.
2. The Committee was informed that there were identified issues within this performance issues with planned works, and an action plan was being developed. There would be a root cause analysis to identify

which business processes and systems could be developed to address these performance issues.

3. Officers commented that an area of success for the prior six months had been May Gurney's response to emergency repairs. The Committee was informed that the majority of emergency defects were made safe within two hours of being reported. Officers highlighted that there had been 4547 emergency calls since April and December 2012.
4. It was acknowledged by Officers that there was a weakness in the follow-up of permanent repairs following an emergency. However, steps had been identified to address this and would be included in the Highways Improvement Plan submitted to Cabinet in February 2013.
5. The Committee was informed that severe weather such as flooding had led to an increase in demand. There had been issues identified in how May Gurney responded, and it was acknowledged that communication between Emergency Planning and May Gurney had been difficult. Officers commented that extra resources and processes were being put in place to address these issues.
6. Members raised a question as to the inconsistency encountered between different work schemes. Officers acknowledged this, and commented that they were working closely with Human Resources to identify where there may be particular training needs.
7. The Committee asked how often monitoring was conducted on the work schemes undertaken. Officers clarified that Highways met with the Surrey Audit team on a monthly basis and examined 5% of the visual inspections, 5% of the paperwork and 5% of photographic evidence undertaken during the previous month. Officers outlined that the performance measure was agreed based on this data. If this measure was amber then an action plan was put in place, and if it was red the issue was referred to the Assistant Director of Highways. It was clarified that these performance results were made publicly available.
8. The Committee commented on the delay between ordering and replacing standardized signs. Officers identified that there were issues with the processes in place and would follow up on these.
9. The Committee held a discussion as to its role in providing scrutiny and ensuring that that the Council was receiving the best value for money from the May Gurney contract. Officers highlighted that the financial risk sits primarily with May Gurney, and that they bore the cost of works being completed to an unsatisfactory standard.
10. The Committee commented that there were significant problems with how public perception was being managed, and that an unrealistic level of expectation had been set in the process of publicising the May Gurney contract. It was highlighted that the road-shows undertaken in 2012 had been inadequate in ensuring Member involvement and contribution, and had gone further to raise this expectation. The view was expressed that there was seen to be a credibility gap between the statistical performance being reported and what residents

encountered. It was acknowledged by officers that there was a need to close the credibility gap between expectation and performance.

11. Officers commented that two key areas of improvement in relation to the May Gurney contract, that there was better cost and quality control. It was also highlighted that £7 million savings had been achieved, with £3 million of those being invested back into the highways network. The Committee was informed that there had been a transfer of a significant amount of risk in securing the May Gurney contract, and that it was felt that the contract was one that was comparable with other local authorities.
12. The Committee raised a question as to the process for identifying and reporting Low Risk Defects (LRD). Officers confirmed that the statistics included in the report had been taken from the online reporting system. Members commented that residents had said that communication after reporting a LRD had been poor. Officers confirmed that there was a fault with the email system that informed residents too early in the process that repairs had been carried out.
13. It was recognised by officers that there were issues with communication. The Committee was told that LRD were not repaired when a work scheme was planned within the next 6 months; however, this was not always communicated to the person who had reported the LRD.
14. Officers commented that condition defects were not considered a priority when they did not pose a risk. This decision was made on the basis that it would not be cost-effective. It was recognised that there was a greater need to manage expectation with regards to the prioritisation of LRD.
15. Members reported encountering difficulties with the Members' Hotline. Officers informed the Committee that it had been identified that there were too many individuals involved in the current communications processes and there was work being undertaken to reduce the number of steps involved in this.
16. Officers expressed the view that the May Gurney contract was excellent with regards to its reactive elements, as well as the value for money it offered. However, it was identified that there needed to be work to address the volume of works outstanding, and that this could be better managed through developing a long term strategic plan. Officers informed the Committee that this had been one of the principal intentions of the forthcoming Cabinet paper.
17. Officers commented that some of the issues identified would require longer term analysis, but also highlighted that changes were already being proposed in some cases. The Committee acknowledged that there had been a number of significant developments in Highways & Infrastructure in the previous few years, and that the current contract with May Gurney was a significant improvement over the Council's previous highways contract. However, it was stressed that finding the appropriate balance between cost-effective performance and improving public perceptions, through managing realistic levels of

expectations would be crucial. Members thanked the officers for the openness of the discussion and recognition of the areas for improvement and were hence reassured that the service would only continue to improve.

Recommendations:

None.

Actions/further information to be provided:

Officers will share the quarterly RAG statuses for the May Gurney contract with the Chairman and Vice-Chairman.

Committee Next Steps:

None.

14/13 DATE OF NEXT MEETING [Item 5]

It was noted that the next meeting of the Committee would be at 10am on 6 March 2013.

Meeting ended at: 11.32 am

Chairman