

MINUTES of the meeting of the **ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS BOARD** held at 10.30 am on 21 October 2015 at Ashcombe, County Hall, Penrhyn Road, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 10 December 2015.

Elected Members:

- * Mr David Harmer (Chairman)
- * Mr Bob Gardner (Vice-Chairman)
- * Mrs Nikki Barton
- * Mr Mike Bennison
- * Mrs Natalie Bramhall
- * Mr Stephen Cooksey
- * Mr Steve Cosser
- * Mrs Pat Frost
- * Mr David Goodwin
- * Dr Zully Grant-Duff
- * Mr Ken Gulati
- * Mr Peter Hickman
- * Mr George Johnson, Substituted by Mr Daniel Jenkins
- * Mr Richard Wilson
- * Mrs Victoria Young, Substituted by Mr Michael Gosling

Ex officio Members:

Co-opted Members:

Substitute Members:

- Mr George Johnson, Substituted by Mr Daniel Jenkins
- Mrs Victoria Young, Substituted by Mr Michael Gosling

In attendance

1/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies had been received from Victoria Young and George Johnson.

Michael Gosling substituted for Victoria Young and Daniel Jenkins substituted for George Johnson.

2/15 MINUTES OF THE PREVIOUS MEETING: 9 SEPTEMBER 2015 [Item 2]

The minutes were agreed as a true record of the meeting.

3/15 DECLARATIONS OF INTEREST [Item 3]

None.

4/15 QUESTIONS AND PETITIONS [Item 4]

Key points raised during the discussion:

1. A member question had been received from Cllr Nikki Barton and a response was tabled. The response tabled at the meeting is attached to the minutes.
2. A question around staffing levels within Highways was raised. Highways recognise that there are issues around staffing levels within the service and are taking steps to address these. The Highways service has implemented a recruitment drive to reduce its reliance on agency and consultancy staff.
3. A question regarding the delay to roadwork schemes was raised citing frustrations at issues within supply chains and quotation delays. In response, the Assistant Director for Highways assured Members that the service was doing all that they could to resolve the faults in Surrey's roads and that a review on progress and processes is being completed with Kier.
It was suggested for the Local Committees Chairman's group to discuss longer term solutions to issues with Project Horizon.

Actions: None.

Cllr Daniel Jenkins arrived at the meeting at 10.35am.

5/15 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 5]

Key points raised during the discussion:

1. The Board noted that the recommendation tracker was complete.
2. The Board agreed to add Superfast Broadband to the forward work programme for January and March 2016.

3. The Chairman explained that he had received low level of responses to an email he had sent to the board around items to be included on the forward work programme. The Chairman asked for Members of the Board to email him with possible items and topics they would like to scrutinise next year.

Actions: None

6/15 UPDATES FROM MEMBER REFERENCE GROUPS AND TASK GROUPS [Item 6]

Key points raised during the discussion:

1. The Chairman gave a verbal update from the recent meeting of the Performance and Finance sub-group at which Members discussed potential future savings opportunities for Highways and concerns around staffing issues.

Members raised concerns around the number of recent staffing restructures Highways has undertaken in recent years and suggested that the frequent review of the service could be damaging to employee morale and a distraction to their work, whilst also not being very cost effective and leading to short-term vacancies, often filled by temporary and agency staff with potentially less local area knowledge at a higher cost than permanent staff.

Members requested that Highways conduct fewer staffing restructures in the future and for the Chairman to raise this issue at the next Council Overview Board meeting.

2. The Chairman agreed to send the board the most recent update report from the performance and finance sub group. It was further explained that the Members on the sub group represented the wider geographical area of Surrey.
3. Cllr Richard Wilson gave a short update on the work of the Customer Service Excellence member reference group. The Chairman explained that the Basingstoke Canal task group would be reporting back to the board in the New Year. Cllr Pat Frost stated that the Local Transport Review Member Reference Group would be restarting meetings in the New Year.

Actions:

- For the Scrutiny Officer to send the board the latest Performance and Finance sub group report.
- For the Chairman to speak with David Munro, Chairman of the Council Overview Board about staff restructuring and possibly including this as an item on the Council Overview Board forward work programme.

7/15 THE AGREEMENT BETWEEN SURREY COUNTY COUNCIL AND SURREY WILDLIFE TRUST TO MANAGE THE COUNTRYSIDE ESTATE [Item 7]

Key points raised during the discussion:

The Chairman withdrew this item from the agenda. The item may return to the next Board meeting; or alternatively, emergency special Board meeting may be called solely for the discussion of this document.

Actions: None

8/15 SHAPING SURREY'S COMMUNITY RECYCLING CENTRES [Item 8]

Declaration of Interests:

None.

Witnesses:

Richard Parkinson, Waste Group Manager

Ian Boast, Assistant Director for Environment

Mike Goodman, Cabinet Member for Environment and Planning

Justin Foster, Waste Contract Manager

Key points raised during the discussion:

1. A presentation was shown to the Board outlining key results from a public consultation around potential changes to Surrey's Community Recycling Centres (CRCs). The presentation explained that Surrey's residents valued Community Recycling Centres very highly, and that their biggest concern was that if Centres were to close there would be an increase in fly-tipping. It was suggested that savings could be made from the following options:
 - a. Reducing site opening hours
 - b. Closing sites per day per week instead of a full closure
 - c. Charging residents for certain kinds of household wastes
 - d. Adding further support to re-use schemes at CRC sites.

2. It was explained that five kinds of non-household waste had potential to become chargeable items, these were:
 - a. Soil and rubble, a saving could be made from lowering the current personal allowance cap, after which a charge is applicable.
 - b. Asbestos, however charges would see little return and asbestos is expensive to clean up when fly-tipped, so it would be preferable to not add any charges for its legal disposal.
 - c. Plasterboard, however setting charging limits would be difficult to police. Large amounts should be charged for but smaller amounts may be accepted for free.
 - d. The quantity of tyres brought to CRCs has increased recently. Adding a charge similar to that of motor trade companies could cover their disposal.
 - e. Gas bottles should be returned to their supplier for re-use. Adding a charge could encourage this or cover the cost for this process.

3. Officers outlined some projected saving possibilities around general efficiencies, re-use schemes, charging models for certain non-household wastes, reducing opening hours and site closure options (in general terms, there were no discussions around particular site closures).
4. A discussion around the approach of the public consultation confirmed that respondents were able to give their preferences to the savings measures listed above. It was explained that further information on the consultation responses would be made available to Members.
5. Members suggested that as Surrey residents appreciate and value the CRCs so highly, any full site closures would be a very unpopular.. Therefore, if any changes to opening hours or site operations were to be made in the future, these would need to be effectively communicated with residents and users of the CRC sites.
6. Concerns were raised over the negative impact changes may have on customers and their DIY disposal methods. It was mentioned that fly-tipping continues to be a nuisance and expensive for the Council to clean up. However most fly-tipped material is non-household waste and businesses need to be targeted to reduce this practice. The Cabinet Member explained that he had met with the Police and Crime Commissioner of Surrey to discuss issues around fly tipping. The service would be working with partners to produce a county wide fly tipping strategy.
7. Ideas for the promotion and encouragement of re-use were discussed. The possibility for on-site re-use “shops” was discussed as well as ways of encouraging voluntary or charitable re-use organisations. A suggestion for the latter was to add extra signage next to site opening times with details of such organisations. Officers explained that work on re-use shops had been accelerated with a focus on the Earlswood re-use shop.
8. Other potential efficiencies were discussed. These included changes to staffing levels and introducing clear waste sacks.
9. The Assistant Director for Environment stated that he would provide the board with response numbers to the consultation including response numbers to each of the options offered.
10. Officers reiterated that £1.8M worth of savings needed to be made. Some Members recognised that financial challenges meant that service changes were necessary. If charging was to be introduced it was vital to communicate this with the public.
11. Some members felt that charging for the disposal of rubbish was more acceptable than closing CRC sites. A change of hours to CRC sites was recognised as the preferable option as long as this was communicated clearly with residents. Members gave examples of how they had visited some CRC sites and had been the only person using the site at that specific time. It was suggested that changing opening hours was a valid option and residents would adjust their behaviours accordingly.

12. A member stated that CRC sites should be charging for the disposal of tyres.
13. There was a short discussion around the possibility of having a second consultation. The Cabinet Member explained that the service was currently seeking advice on this. Members agreed that local committees should be consulted on the details of any possible changes to CRCs in their respective areas.
14. The Assistant Director for Environment thanked the board for their comments and feedback and stated these would all be taken into consideration.

Recommendations:

The Board noted the proposals being put forward to Cabinet and provided feedback as required.

Actions:

- For environment officers to provide the board with response numbers from the CRC consultation, including response numbers for each of the options offered in the consultation.'

Pat Frost left the meeting at 12.45pm.

9/15 INTERNAL AUDIT REPORT ON THE REVIEW OF WASTE MANAGEMENT AND MINIMISATION [Item 9]

Declaration of interest:

None.

Witnesses:

Siva Sanmugarajah, Lead Auditor
Simon White, Audit Performance Manager
Ian Boast, Assistant Director for Environment

Key points raised in the discussion:

1. The audit report was noted and a Management Action Plan had been agreed with the service.
2. It was confirmed that the audit report had been completed before the revised Eco Park business case was finalised.
3. No items of the report are deemed to require special attention.

Recommendations:

The board reviewed the audit report and management action plan and made no recommendations.

Actions: None

10/15 DATE OF NEXT MEETING: 10 DECEMBER 2015 [Item 10]

The next public meeting of the Board will be held on 10 December 2015 at 10.30am in the Ashcombe, County Hall.

Meeting ended at: 12.55 pm

Chairman

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Economic Prosperity, Environment and Highways Board- 21 October 2015

Item 4: Members questions

Submitted by: Cllr Nikki Barton

1. At a recent meeting of the Waverley Local Committee it was reported that there are some highway improvement schemes that have been sitting in pricing with Kier since June 2015, some of which have been carried over from last year. It was reported that this was widespread across the county. I would like to ask the board for some more information regarding this issue.

In particular I would like to understand what is causing this log jam within Kier, and the steps that are being taken to resolve these issues. I understand that Kier's pricing schedules are highly complex and that the costing is high relative to other counties. I would like to request a full explanation of Kier's pricing rates for highways schemes, and how these compare/benchmark with other county councils.

Furthermore I understand that Kier, unable to deliver the schemes with their own workforce is subcontracting work out, with significant cost implications for the county. I would also like to request a full breakdown of both how much work Kier is contracting out annually (in terms of manpower and costs) and the marginal increase in costs added to any highways scheme as a result of this subcontracting.

Response:

1. In response to this question, attached is a report detailing performance and progress of this years ITS programme. This provides an overview of works to date of the £4m 15/16 ITS programme, and confirms good progress with over 54% of schemes already constructed. However, it also identifies areas for improvement including how schemes are commissioned and delivered and improving efficiency within the Transport Infrastructure team.

The report also provides details of Kier's resources and pricing. In summary all of the ITS programme is delivered via a range of ten specialist sub-contractors and there are currently no issues with resource availability. Sub-contracting is the normal practice for ITS works, as it requires a degree of specialism and the resource requirement varies from month to month. To ensure value for money, the majority of schemes are priced using a fixed "Price List" The price list was tendered on the open market and Kier proved to be best value when compared to their national competitors. The fixed "price list" must be used by all of Kier's specialist supply chain and can only be adjusted each year by inflation, with no additional cost permitted. We are currently undertaking a detailed value for money exercise of the Kier contract, which will be reported to the December EPEH Board, however, if you have any concerns about scheme costs please share with the Area Highway Manager and we will include this cost data with our own value for money exercises.

We recognise that the delivery of ITS schemes remains an area of concern with members, and would be keen to work with the Local Committee Chairs to see how these can be delivered more effectively in the future.

David Harmer
Chairman of the Economic Prosperity, Environment and Highways Board

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Overview of Delivery of Integrated Transport Schemes (including Developer Funded Schemes)



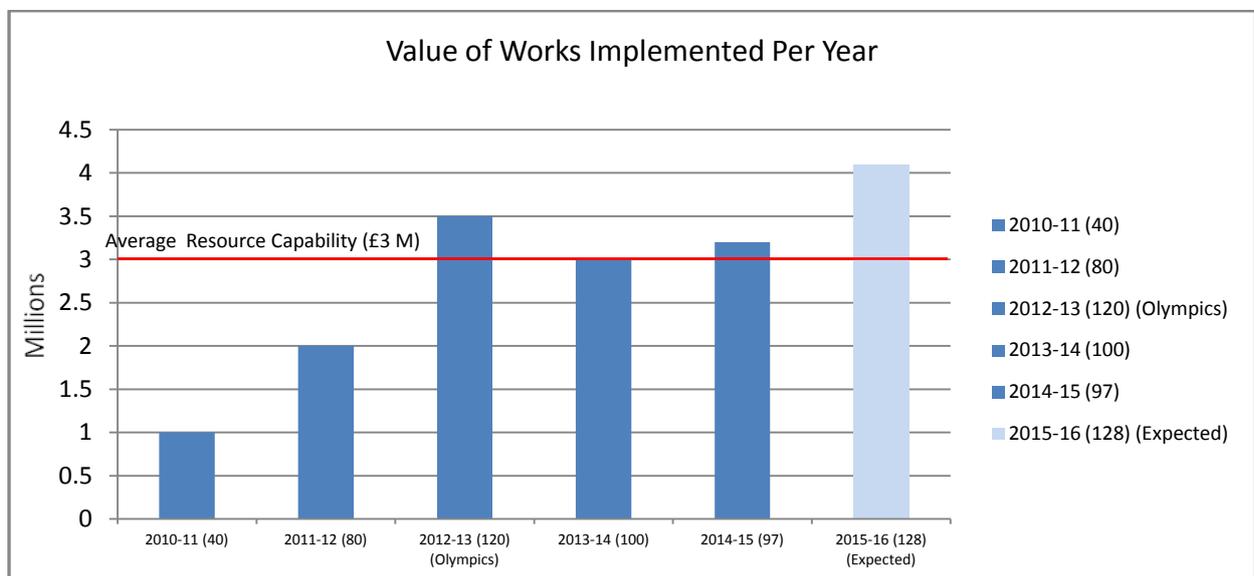
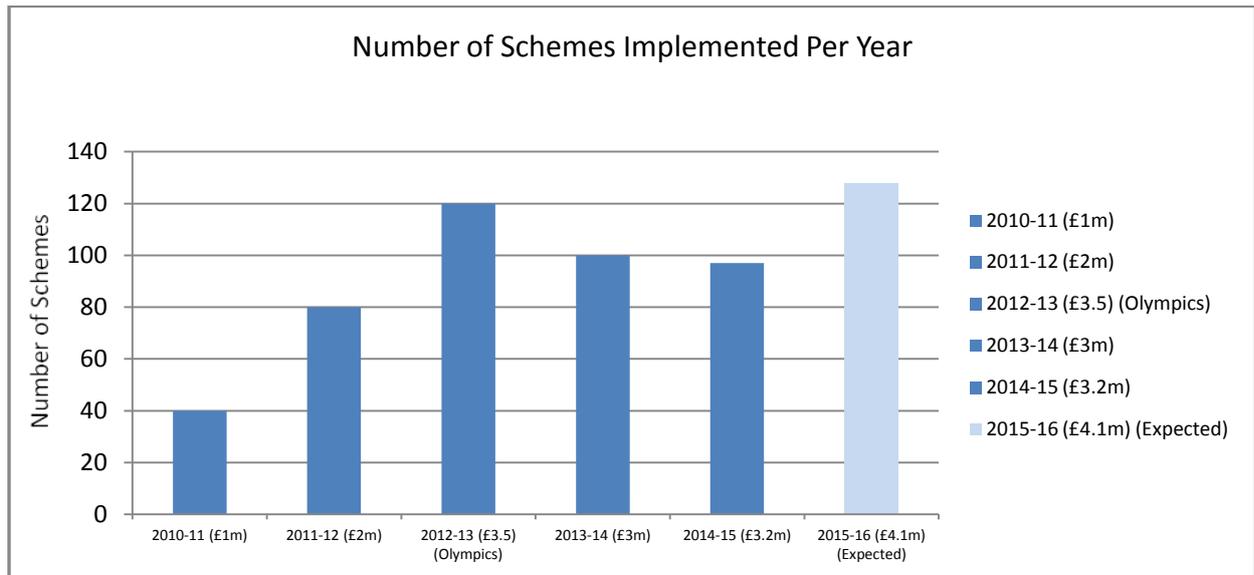
SURREY
COUNTY COUNCIL
Surrey County Council

10/14/2015

COUNTY WIDE OVERVIEW 2015/16

The Transport Infrastructure Division, along with their delivery partners Kier and Skanska, are responsible for designing and building new transport schemes on behalf of Local Committees and/or Developers.

The graph below demonstrates the historical data in respect of the number of schemes completed in Surrey per year by the overall Project team (SCC/Kier/Skanska). Table 2 shows the schemes in terms of value of works on the ground.



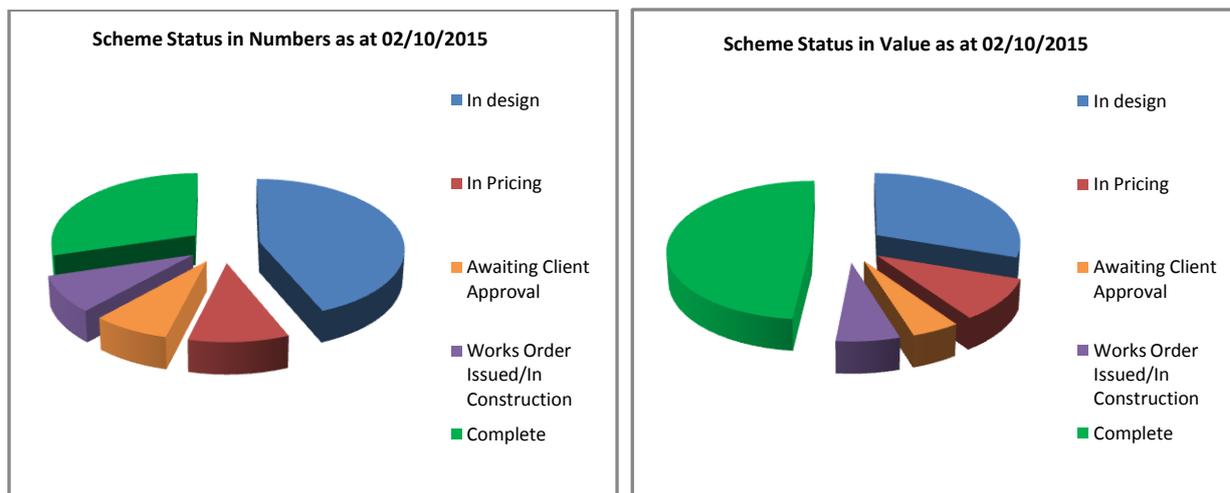
The graph demonstrates the Project Team have consistently delivered an increased programme value, from £1m of works in 2010 to over £3.5m of works in 2012 which was due to the number of schemes associated with the Olympics.

The Project Team are resourced to construct approximately £3m worth of works per year of schemes, across approximately 100 schemes. However, due to the increased demand from local committees, this current financial year looks set to be the most productive year yet in respect of

both scheme completion numbers and value of works. This continual growth means that there is an overall target in 2015/16 to deliver 120 schemes at an overall cost of £4m, with no increase in resources.

SCHEME STATUS OVERVIEW AS AT 2ND OCTOBER 2015

The chart below confirms current status of all schemes within the county as at the beginning of October 2015. Around half of the programme (in works value) has been delivered on the ground.



| | GRAND TOTAL (approx) | North West (Woking, Runnymede & Surrey Heath) | North East (Spelthorne, Elmbridge and Epsom & Ewell) | South West (Waverley and Guildford) | South East (Mole Valley, Reigate & Banstead and Tandridge) |
|--|---------------------------------|--|---|--|---|
| In design | £1,239,000 (56) | £213,000 (9) | £350,000 (12) | £413,000 (18) | £263,000 (17) |
| In Pricing | £412,500 (13) | £10,500 (2) | £105,000 (5) | £187,000 (4) | £110,000 (2) |
| Awaiting Client Approval | £199,500 (10) | £4,500 (1) | £15,000 (1) | £3,000 (4) | £177,000 (4) |
| Works order issued /In Construction | £265,000 (11) | £1,000 (1) | £6,000 (1) | £208,000 (7) | £50,000 (2) |
| Complete | £1,984,000 (38) | £534,000 (5) | £140,000 (7) | £560,000 (10) | £750,000 (16) |
| Total | £4,100,000 (128) | £763,000 (18) | £616,000(26) | £1,371,000 (43) | £1,350,000 (41) |

() = number of schemes

Overview

- By end of September, 54% (£2.27m) of the programme, totalling 49 schemes was either complete or in construction. Given that this is one of the largest programmes of ITS in recent years, this is significant progress.
- Processes Review Workshops have led to greater efficiencies to remove blockers and consider improved ways of working.
- Of the remaining schemes, approximately half (25% of the programme) are a low risk status of not being delivered and half (25% of the programme) have a high risk status.
- From the above data it can be seen that there is an ongoing disparity between areas, in the type of programmes requiring delivery. The southern areas of the county are wishing to progress over double the number of schemes that their northern counterparts wish to.

RESOURCE MANAGEMENT

The newly formed Transport Infrastructure Division has a Design Programme Team, managed by Michelle Armstrong (Design Programme Manager). The Kier Asset Construction Manager is Darren O'Connor and these two key delivery teams progress the majority of the works:

1. SCC Design Team

Led by the Design Team Leader (Damian Hulse) the team is composed of:

- Senior Designer x 3
- Senior Designer* x 1
- Design Engineer* x 3
- Assistant Design Engineer* x 1
- Lead Designer x 1
- Asst Project Technician x 1

*Post currently vacant and filled by external contractor. Further vacancies also exist. The team also utilises the services of other specialists (e.g Traffic Signals Team)

2. Kier Compliance and Construction Team

The following lists the resource available to Kier to manage the delivery of the ITS committed works programme, including Early Contractor Involvement (ECI) and validation of schemes prior to GW3 (issuing of works order):

- Design and Compliance Manager
- Schemes Engineer
- Schemes Engineer
- Works Supervisor
- Quantity Surveyor
- The above are supported by a Technical Administrator, a Managing Quantity Surveyor and a Service Coordinator.

Due to the complexity of the ITS programme, the programme is resource intensive with Kier investing the equivalent of 13% of the total budget spend against the delivery overhead. The overarching commercial model of the contract is to assign the equivalent of 8% of total turnover to investable overhead. Thus Kier are currently investing in a greater than average overhead (c40% above average) to service the ITS programme.

3. Specialist Supply Chain

Due to the complexity of the ITS programme versus standard maintenance operations (e.g. responsive maintenance pothole repairs / handlay patching / drainage investigation and repairs / other cyclical maintenance activities) delivery of the programme relies on specialist intervention, thus the majority of the programme is delivered currently via specialist contractors. This is industry standard practice for large constructing firms delivering a wide spread of highway related work activities under a single contract.

The available supply chain resource has been increased in 2015/16 over that which was available in 2014/15. In 2014/15, Kier had 3 or 4 large sized specialist contractors at their disposal. In 2015/16 this has been increased to include small and medium local contractors.

The increased supply chain resource gives Kier flexibility to deliver multi-disciplined works in a controlled manner to an agreed annual works programme with scope to react and contract with peaks and troughs in workload. However as with any operational delivery function, the key to an efficient works programme is to have sustainable continuity of works with minimal peaks and troughs in works flow, to assist the supply chain in maximising efficiency of delivery.

| Specialist Company | Annual Turnover of Company |
|------------------------------------|-----------------------------------|
| Marshall Surfacing | c£15m |
| Rockhopper Infrastructure Services | c£10m |
| Harlequin Civil Engineering | c£10m |
| AR Cook and Sons | c£10m |
| Irvine Grenson | c£5m |
| CGR Ltd | c£5m |
| Associated Asphalt | c£5m |
| Svetofor Traffic Signals | c£5m |
| Keanes Maintenance | TBC |
| RTP | TBC |

VALUE FOR MONEY

Value for Money is secured for the Client using four control measures:

Agreed 'price list' – In 2010 SCC issued an agreed price list to the UK marketplace as part of the competitive tender process that led to the award of the Kier contract. Over 10 of the UKs largest transport construction firms submitted prices, with Kier costs evaluated to be the best value using rates and quality. Under the contract, Kier are not able to change these prices, with costs only allowed to increase by an annual inflation. All Kier scheme prices must be compiled using these rates, SCC therefore has cost certainty, regardless of how Kier deliver the programme, whether it be through direct labour resourcing, or through the supply chain. The risk of an inflated supply chain / subcontract cost therefore lies with Kier **not** SCC.

Tender of Specialist Rates – Any items not included in the agreed price list is tendered on the open market. SCC officers can be part of an evaluation panel to ensure returned rates represent best value. Tenders can also be targeted at specialist or local contractors.

Value Engineering – Opportunities are taken with all schemes during the design and construction to reduce unnecessary costs where possible.

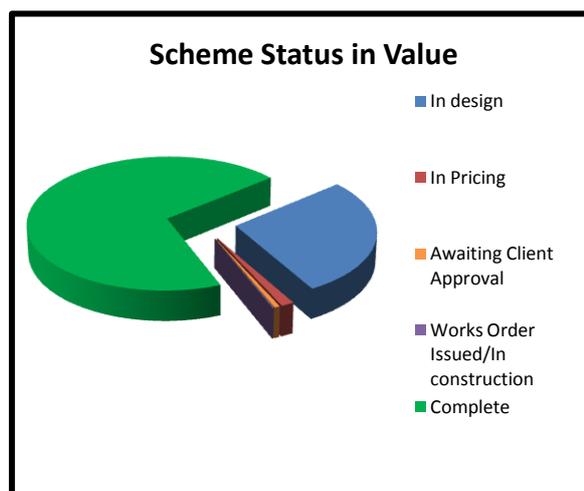
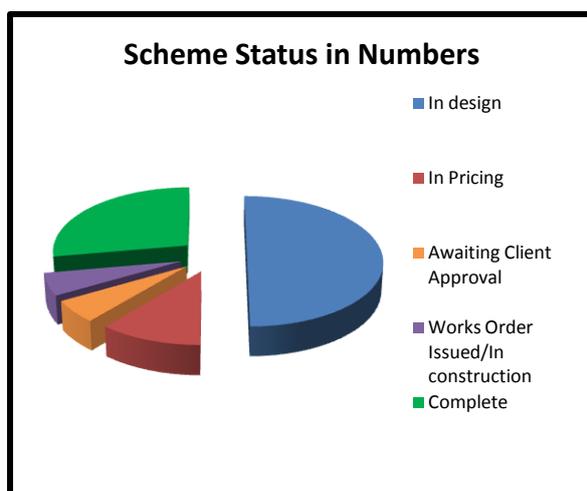
Benchmarking – As part of the wider Kier contract extension, a number of benchmarking activities have been completed. This has shown overall that Kier rates are 3% cheaper than comparable rates being submitted on other tenders and they remain competitive in the marketplace. As part of the ongoing commitment to best value, an expansion of the annual benchmarking process is planned from 2016.

AREA OVERVIEW AS AT 2ND OCTOBER 2015

The below provide an overview of the status of schemes in each District or Borough. The number of schemes that are currently being designed are shown in blue.

Once schemes are designed, they are sent for pricing (red) and once the client has agreed the price, a works order to construct the scheme or agreement (Gateway 3) is then issued to the supply chain. This stage is shown in purple. The schemes that are complete on site are represented by the green segment. The approximate value of works on the ground (or likely works on the ground) is shown below each chart.

NORTH WEST (Woking, Runnymede & Surrey Heath)



| NORTH WEST | Total £ (approx) | Woking | Runnymede | Surrey Heath |
|---|-------------------------|------------------------|------------------------|-----------------------|
| In design | £213,000.00 (9) | £175,000.00 (4) | £20,000.00 (2) | £18,000.00 (3) |
| In Pricing | £10,500.00 (2) | £9,500.00 (1) | £0.00 | £1,000.00 (1) |
| Awaiting Client Approval | £4,500.00 (1) | £4,500.00 (1) | £0.00 | £0.00 |
| Works Order Issued/In construction | £1,000.00 (1) | £1,000.00 (1) | £0.00 | £0.00 |
| Complete | £534,000.00 (5) | £145,000.00 (2) | £380,000.00 (2) | £9,000.00 (1) |
| Total | £763,000.00 (18) | £335,000.00 (9) | £400,000.00 (4) | £28,000.00 (5) |

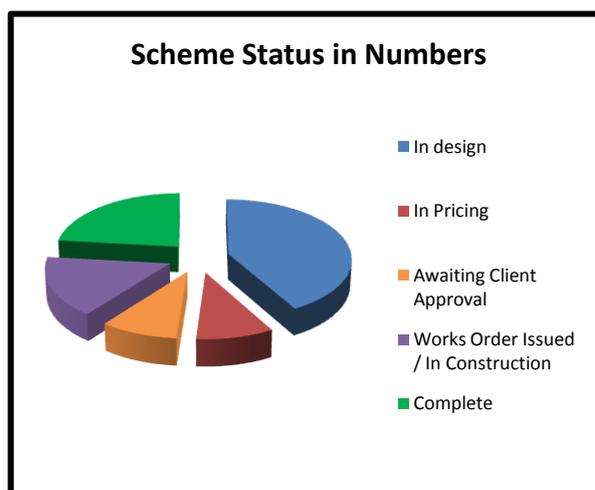
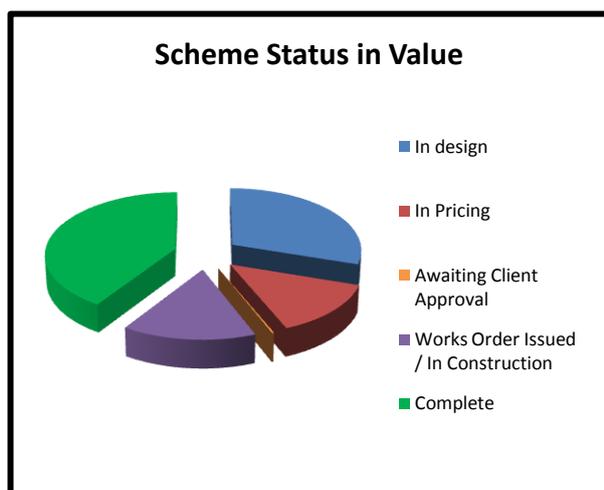
Comments

Significant schemes left to deliver in this area are;

Vicarage Road, Woking (approximate value £100k) – New Pedestrian Crossing. This is a developer funded scheme and the client has instructed the Design Team not to prioritise this scheme in front of committee funded schemes. So whilst the design is progressing, the works could be programmed for the last quarter of the year if possible.

Queen Marys Drive, New Haw – Traffic Calming. The Design Team have only recently been instructed to progress this scheme and the likely value is at this stage unknown. Whilst the design is progressing well there is a potential delay due to the legal process for vertical traffic calming which could impact final construction date.

SOUTH WEST (Waverley & Guildford)



| SOUTH WEST | £ (approx) | Waverley | Guildford |
|-------------------------------------|---------------------------|-------------------------|-------------------------|
| In design | £413,000.00 (18) | £220,000.00 (11) | £193,000.00 (7) |
| In Pricing | £187,000.00 (4) | £37,000.00 (1) | £150,000.00 (3) |
| Awaiting Client Approval | £3,000.00 (4) | £3,000.00 (4) | £0.00 |
| Works Order Issue / In Construction | £208,000.00 (7) | £195,000.00 (6) | £13,000.00 (1) |
| Complete | £560,000.00 (10) | £450,000.00 (6) | £110,000.00 (4) |
| Total | £1,371,000.00 (43) | £905,000.00 (28) | £466,000.00 (15) |

Comments

Overall, delivery in Waverley has been steady and in monetary terms approximately half of the works value is already delivered on the ground with the other half being either committed or on site (1/4) or in design (1/4).

Due to the volume of promoted schemes in Waverley area, it is proposed to introduce a prioritised scheme list. That way the Design Team could focus on delivering the schemes that are most important to the committee, whereas currently schemes are progressed sequentially with no consideration to local priorities. This is currently been explored with Area Highways Manager and Local Chairman.

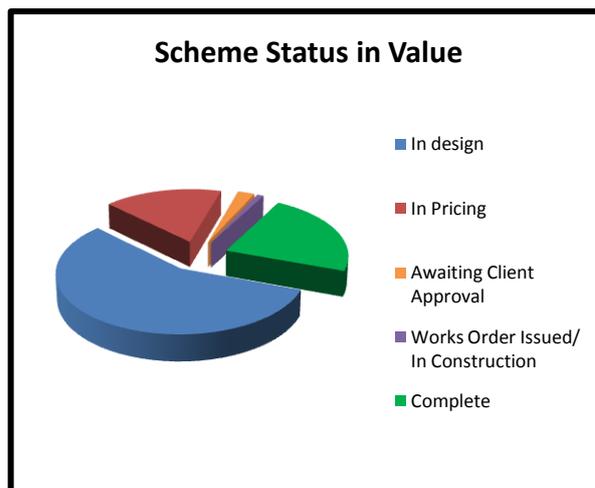
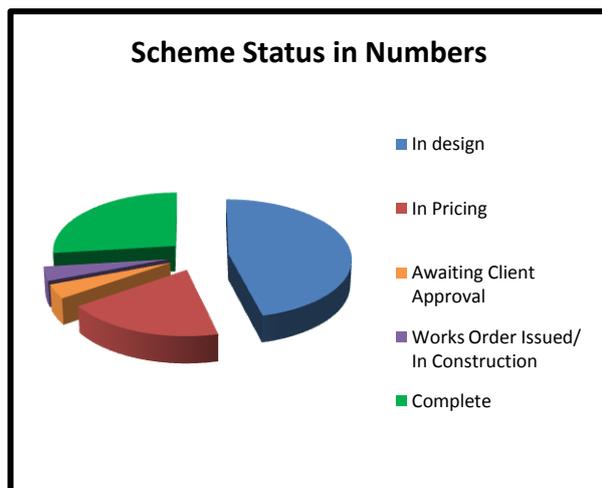
Significant schemes left to deliver in this area are;

In total there is at least £300k worth of works in this area that are not directly funded by the Local Committee

Station Road, Bramley – Zebra Crossing (£30k approx). This scheme is not being funded by the local committee although it is recognised the Local Highway Service would like to proceed with this scheme with a view to delivering it this financial year. This puts this scheme in direct competition for the resources to deliver the committee funded schemes.

In Guildford area the most significant scheme in terms of value (approx £90k) is Boxgrove Lane area safety scheme. This has already been sent for pricing and so at this stage, delivery does not appear to be at risk. There are still a significant number of schemes in detailed design, although a number are non complex and should be relatively easy to progress.

NORTH EAST (Spelthorne, Elmbridge & Epsom and Ewell)



| NORTH EAST | £ (approx) | Spelthorne | Elmbridge | E&E |
|---|------------------|---------------|--------------|---------------|
| In design | £350,000 (12) | £70,000 (4) | £220,000 (3) | £60,000 (5) |
| In Pricing | £105,000 (5) | £65,000 (2) | £0.00 | £40,000 (3) |
| Awaiting Client Approval | £15,000 (1) | £15,000 (1) | £0.00 | £0.00 |
| Works Order Issues / In Construction | £6,000 (1) | £6,000 (1) | £0.00 | £0.00 |
| Complete | £140,000 (7) | £90,000 (2) | £20,000 (3) | £30,000 (2) |
| Total | £616,000.00 (26) | £246,000 (10) | £240,000 (6) | £130,000 (10) |

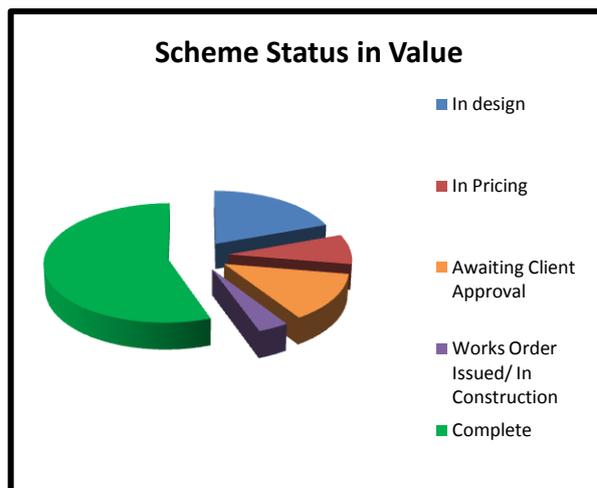
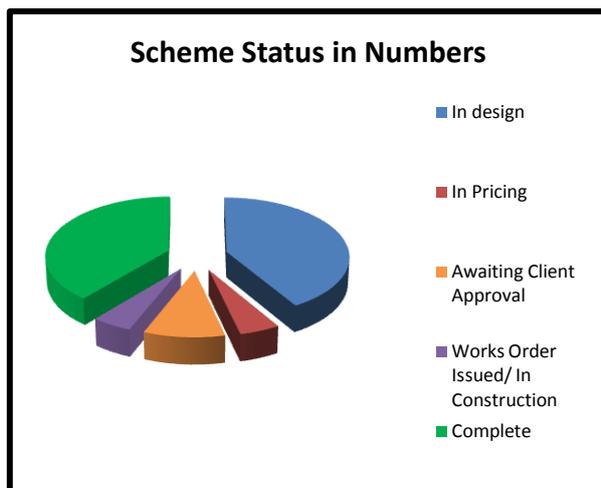
Comments

The Spelthorne Committee provide a prioritised realistic programme that supports delivery.

In Elmbridge there are only 6 schemes to complete this financial year and there have been some changes in scope, as directed by the Local Highway Service, which have had an effect on progress.

In the Epsom and Ewell Borough, scheme briefs have been received later in the year than ideal although careful consideration is given to the funding source in order to prioritise schemes. The most significant schemes in this area are the cycling facilities for the Ewell Bypass and Scott's Farm Road. The former is complete and the latter was sent for pricing in August.

SOUTH EAST (Mole Valley, Reigate and Banstead & Tandridge)



| SOUTH EAST | £ (approx) | Mole Valley | R&B | Tandridge |
|--|-----------------|---------------|---------------|--------------|
| In design | £263,000 (17) | £150,000 (11) | £53,000 (2) | £60,000 (4) |
| In Pricing | £110,000 (2) | £90,000 (1) | £20,000 (1) | £0.00 |
| Awaiting Client Approval | £177,000 (4) | £160,000 (2) | £12,000 (1) | £5,000 (1) |
| Works Order Issued/ In Construction | £50,000 (2) | £0.00 | £50,000 (2) | £0.00 |
| Complete | £750,000 (16) | £380,000 (6) | £210,000 (8) | £160,000 (2) |
| Total | £1,350,000 (41) | £780,000 (20) | £345,000 (14) | £225,000 (7) |

Comments

Relatively good progress has been made in Mole Valley although a number of schemes have been re-scoped considerably, impacting delivery. There is currently one relatively large scheme (£153k) that cannot proceed until decision at the December Local Committee. This is accounted for in the table above under 'In pricing'.

It can be seen that good progress has been made in Reigate and Banstead, with there just being three schemes still being designed. There are three schemes above that were carried over from last year. There is also a scheme that is awaiting the resolution of land negotiations.

Whilst only two out of the seven schemes have been implemented in the Tandridge area, the value of works installed is a significant percentage of the overall budget for this area. Opportunities have been taken to progress schemes through the project Horizon route (e.g Farleigh Road Traffic Calming).

Significant schemes left to deliver in this area are;

Outwood Lane, Chipstead – Pedestrian Improvements (approx £80k). This scheme is progressing although there are issues around land ownership and working on / near a SSSI.

Woodfield Lane, Ashted – Congestion Reduction (approx £150k). This scheme has been designed and priced by Kier. However it is being taken back to committee in December for a final decision. The timing of decisions on this scheme may well result in the scheme being pushed back to the following financial year if the works cannot be resourced.

ITS EFFICIENCY PROGRAMME

To support and improve the delivery of ITS programme a joint efficiency programme is being jointly led by both the Client and Delivery team. The Efficiency programme has identified **six** critical issues that are preventing the Project Team from delivering schemes in the most effective way possible.

These can be divided into two areas of improvement

Client Approvals – Improving the way Local Highways/Committees commission and allocate their ITS programme

Delivery Approvals – Improving the way the Transport Infrastructure Division and Partners design and build schemes following Client Commission

CLIENT – AREAS FOR IMPROVEMENT

1. **Local Committee Pipeline** – Although improved, the majority of schemes are still being requested to be designed and built in a single 12 month period. As highlighted at previous workshops it is vital for Local Committees to agree a two year ITS programmes to enable improved value for money and programme management. Until this is resolved resources are working at “peaks and troughs” with high resource demand in the winter and limited ability to deliver schemes in the summer. The 12 month budget cycle is a particular blocker in relation to this. It is proposed to convene meeting with Local Chairman to review how this issue could be addressed.
2. **Scheme Prioritisation** – A number of local committees do not provide a prioritised list of schemes, thus schemes are designed on a “first come first base”. This prevents the design team from prioritising resources and as a result, critical local schemes can be deferred without the design team realising the impact.
3. **Transport strategy** – A transport ‘strategy’, perhaps with a common 5 year focus, is not reflected in the overall programme. The south of the county prefers small, high volume transport measures and the north of the county focuses on larger more significant transport scheme interventions. The volume of schemes in the south of the county can lead to an unequal focus of resources (due to multiple concurrent schemes) at the expense of single, large schemes in the north. A forward pipeline of schemes and a clear overall transport strategy would support the delivery team in understanding if trends are part of a long term local transport strategy in order to adjust full time resource, skills and capability to fit needs of local committee.

WORKS DELIVERY – AREAS FOR IMPROVEMENT

4. **Design Resource**– In summer 2015 the Service underwent a major restructure resulting in a significant office move and many vacancies impacting on team productivity. The team has been managing 60% vacancies.

5. **Pricing** - There are a small number of schemes that have taken several months to be priced. This is due to a number of issues, including Quantity Surveyor resource and the sheer number of individual items that are non standard, but are required to agree final scheme costs. As part of the contract extension, the Contract Team are looking to rationalise and refine the schedules to simplify process and also reviewing level of QS resource.

6. **Tendering & Standardised unit rates** – A large proportion of the ITS programme is still required to be tendered on a scheme by scheme basis, adding a number of weeks to the process. A key improvement would be to have a greater list of standardised prices, enabling schemes to be costed without the need for external tendering to Kier’s supply chain.