



## Report to Economic and Environmental Wellbeing Scrutiny & Policy Development Committee

**Report of:** Mick Crofts

**Subject:** Streets Ahead Annual Update

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**Summary:**

Following the completion of the Core Investment stage of the Streets Ahead Contract, the Scrutiny Committee has requested an update on the Contract to look at service delivery performance, contract issues and future work programmes.

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	✓
Update on previous Scrutiny Committee report	

**The Scrutiny Committee is being asked to:**

Receive the annual update on Streets Ahead works.

**Background Papers:**

List any background documents (e.g. research studies, reports) used to write the report. Remember that by listing documents people could request a copy.

**Category of Report:** OPEN

# **Report of the Director of Operations**

## **Annual Review of the Streets Ahead Contract**

### **1. Introduction**

- 1.1 The report covers a brief background to the Streets Ahead contract, achievements to date and future plans.

### **2. Background**

- 2.1 Streets Ahead is a result of the Council recognising the need to address the declining condition of its highway network during the early 2000's following a long period of budget cuts.
- 2.2 To address this problem, the opportunity was taken to apply to central government for Private Finance Initiative (PFI) credits. The successful bid to central government for PFI funding was approved by all major political parties in 2011.
- 2.3 The contract commenced in August 2012 and has a duration of 25 years. The majority of the funding for the Unitary Charge is from the Department for Transport and is a ring-fenced grant.
- 2.4 The additional funding from the Council on top of the pre-existing highway maintenance budget has been gradually increased on an annual basis to match the increasing cost profile of the Unitary Charge and has been built into the Council's long term financial planning.
- 2.5 Since the start of the contract a number of joint initiatives with Amey have been implemented to further reduce the cost of the Unitary Charge in an attempt to mitigate the Council's increasing budgetary pressures at the same time as preserving the overall aims of the contract. These initiatives include a refinancing in 2016 and changes to the street cleaning and grounds maintenance service introduced in April 2018. Work will continue throughout the contract to review opportunities to work with Amey to reduce contract costs.
- 2.6 Benefits to the city of the Streets Ahead contract include an improved image of the city helping to attract inward investment, dispel the pothole city tag, reduced CO<sup>2</sup> from the new LED street lighting system and smoother, cleaner, safer roads leading to fewer accidents and more reliable travel time.

### **3. Contract**

- 3.1 Streets Ahead is a PFI contract and as such does not operate on a traditional measured work basis. The model is that the Council set out a series of performance standards designed to achieve the desired uplift in network condition and then maintain the network at that standard throughout the life of the contract. A series of handback conditions are

included to ensure that when the network is returned to the Council in 2037 it is in such condition that the residual life of the overall asset is staggered. This is designed to avoid the need for another significant investment in the first few years following the end of the contract.

- 3.2 In line with government requirements the financial spend on the contract is published monthly on the Council website.

#### **4. Services Covered by the Contract**

- 4.1 The Streets Ahead contract can be described as a fence to fence service covering all aspects of highway maintenance as well as street cleaning, grounds maintenance and winter maintenance.

- 4.2 The service standards of the contract are detailed in the Output Specification which is available to view on the Council's website. They are also listed below with brief details of what each one covers.

- a) **Service Standard 1: General**  
Covers emergency response, urgent defects, temporary traffic management, abnormal loads, customer experience, communication and environmental issues.
- b) **Service Standard 2: Carriageways and Footways**  
Covers works to carriageways, footways, highway drainage, kerbs and condition surveys.
- c) **Service Standard 3: Structures**  
Covers bridges, retaining walls, third party structures and inspections.
- d) **Service Standard 4: Street Lighting and Signs**  
Covers street lighting, illuminated and non-illuminated signs, road markings and street nameplates.
- e) **Service Standard 5: Traffic Signals, Control Infrastructure and ITS**  
Covers traffic signals and control infrastructure, intelligent transport systems and inspections.
- f) **Service Standard 6: Grounds Maintenance**  
Covers grassed areas, highway shrub and rose beds, hedges, trees and weed killing.
- g) **Service Standard 7: Winter Maintenance**  
Covers precautionary salting, snow clearing, grit bins, route planning, daily action planning and weather forecasting.
- h) **Service Standard 8: Street Cleaning**  
Covers litter collection, graffiti and flyposting, detritus sweeping and removal and litter bins.

- i) Service Standard 9: Miscellaneous Assets  
Covers barriers, fences and guardrails, seats and bollards.
- j) Service Standard 10: Strategic Assistance  
Covers assistance with national surveys, network inspections, service improvement plans, and accident investigation.

4.3 In addition to the core services, listed above, Amey also provide non-core services on a non-exclusive basis which permits the Council to request Amey to undertake capital works on the highway which might be related to changes in highway layout for example, which is different to the highway maintenance provided for in the Streets Ahead contract.

4.4 Key performance data is published monthly on the Council website as a contract Data Sheet and the latest version is attached as Appendix A.

## **5. Financial and Monitoring**

5.1 Streets Ahead is a PFI contract and as such there are no individual prices for specific elements of work. Amey are paid a monthly fee, termed the Unitary Charge.

5.2 As a PFI contract, Streets Ahead has a significant requirement to be self-monitoring and Amey monitor their performance against the Service Standards referred to in section 4 of this report and are obligated to report where they do not meet these requirements.

5.4 In addition to the self-monitoring carried out by Amey, the Council has a small Client team that carries out its own independent checks on performance. Where any failures to meet the standards set out in the contract are identified by either Amey or the Council, the appropriate negative adjustment is made to the Unitary Charge.

5.5 Where work carried out by Amey is either incorrect or suffers early failure (e.g. a Amey have suffered some 'early life failures' of road surfacing) then Amey are obligated to redo the work but at no additional cost to the Council. The Council Client team take a close interest in work standards to avoid where possible any early failures. Although this does not have a financial impact on the Council it does cause unnecessary disruption to residents and the travelling public and also leads to customer complaints.

## **6. Performance to Date**

6.1 During the first five years of the Streets Ahead Contract there were annual milestone targets to achieve in respect of road and footway condition, street lighting, traffic signal replacement and highway structure upgrades. These milestones were all been achieved.

As of December 2019, approximately 75% of the roads and footways in Sheffield have been resurfaced. This has resulted in safer, smoother

roads and has seen a dramatic reduction in the incidence of dangerous potholes.

- 6.2 Street Lighting has been replaced throughout the city with a modern LED system. LED lantern units have a significantly longer life and have also resulted in a significant reduction in energy consumption on street lighting. As a result carbon emissions are now around 76% lower than at the start of the contract. The system also has a self-reporting ability which identifies faults as they happen and the facility to dim or increase lighting levels as required.
- 6.3 Streets Ahead has an ongoing replacement programme for traffic signal installations and to date 162 sites have been updated. These updates use extra low voltage LED technology and incorporate virtual detection of traffic. This cuts down on road loop replacement which reduces disruption to traffic and future maintenance costs. Some sites have incorporated systems that link to other sites and pedestrian facilities to monitor pedestrian presence and cut down on congestion by operating on demand only.
- 6.4 1,350 bridges and highway structures (including subways and footbridges) have been checked and improved and 70 watercourse culverts have received works including two full replacements. This work to culverts reduces the incidence of flooding across the city.
- 6.5 Routine maintenance is an important part of the Streets Ahead work and includes winter gritting, street sweeping and litter collection, gully emptying, highway tree maintenance and grass cutting. These services all play an important part in the overall maintenance of the highway network and customer satisfaction levels.
- 6.6 In addition to the highway maintenance work required in the Streets Ahead contract, Amey has engaged with many programmes designed to benefit local people since the contract began. These programmes complement the Council's Ethical Procurement Policy launched in 2018 to drive ethical behaviour as a standard throughout its supply chain and enable greater return in Social Value in Sheffield. The Policy can be reviewed at this link: [SCC Ethical Procurement Policy](#)
- 6.7 The ethical, effective and efficient dimensions of the policy are regularly demonstrated by Amey which includes driving ethical behaviour in their supply chain in turn enabling greater return in Social Value in Sheffield, bringing innovative ideas and thinking from the market to Sheffield, accommodating short to mid-term change / flexibility into contractual arrangements thereby helping us to drive an increase in cashable savings.
- 6.8 Some examples of Amey's programmes are listed below:

Apprenticeships

84 young people from Sheffield have gained new skills and qualifications as part of Amey's Apprenticeship Programme. 5 new Apprentices started working with Streets Ahead between September and November 2019. It is anticipated that this programme will continue.

### Supported Internship Programme

This is a scheme for young people with special educational needs, helping them transition from education to employment and was launched in Sept 2016, in partnership with Sheffield College. To date, 14 Interns have successfully 'graduated'. In November 2019 two new Interns joined the programme. In March 2018 Amey Sheffield were awarded 'Extending the Reach' by the Recruitment Industry Disability Initiative (RIDl) for their Supported Internship Programme.

### Education

During 2018 Amey joined up with Talbot School to become Enterprise Advisors and will be working closely with the school to help them to develop effective employer engagement plans. They will continue to deliver their Education Programme across Sheffield. More than 292 school visits covering over 63000 pupils have been carried out since the start of the contract.

Amey also arrange community involvement days for their employees to benefit local community groups and 45 were delivered in 2019. These initiatives are set to continue throughout the duration of the Streets Ahead contract.

- 6.9 During 2019 Amey implemented a major change on Queens Road/London Road with the removal of the life-expired tidal flow system and gantries and at the same time renewed all the traffic signals and resurfaced the road. This major work was implemented with minimal disruption and has improved traffic flows on that stretch of road. It has also resulted in a saving to the Council from reduced future maintenance costs.
- 6.10 Amey made a significant contribution to the success of the Invictus Games Trials held in Sheffield during the summer of 2019. They worked with the council to carry out much of the required improvements in and around Woodbourn Road stadium where the trials were held.
- 6.11 Results from the annual National Highway and Transport Survey were positive with the three main areas of assessment related to highway maintenance coming at;
- Satisfaction with Condition of Highways at 50% compared to the average score of 36%. Sheffield ranks 4<sup>th</sup> out of the 111 authorities that participated.
  - Satisfaction with Highway Maintenance at 57% compared t the average score of 52%. Sheffield ranks 6<sup>th</sup> out of 111.
  - Satisfaction with Street Lighting at 71% compared to the average score of 64%. Sheffield ranks 5<sup>th</sup> out of 111.

That we are consistently scoring in the higher echelons of these surveys reinforces the benefits of the Streets Ahead works to the city.

- 6.12 The cleanliness of the city's roads has been acknowledged by central government, following an independent assessment of roadside litter levels in areas maintained by local authorities and Highways England.

The assessment was carried out by UK-based environmental charity, Keep Britain Tidy, on behalf of DEFRA, whose analysis congratulated Sheffield City Council for maintaining a consistently high standard of roadside cleanliness. Following on from the positive result, the council have also been asked to provide the government with examples of good practice and details of the approach undertaken to achieve this standard of cleanliness across the city's road network.

- 6.13 In November 2019 Amey entered the Keep Britain Tidy Network Awards 2020 in the 'Team or Crew of the Year' category for street cleaning services. It is pleasing to report that they have been shortlisted for an award when the event is held in February 2020.

## **7.0 Future Plans**

- 7.1 The main focus of the work is to ensure the roads and footways are brought up to standard and maintained in that condition. As already explained, around 75% of the network has received the upgrades but there is still plenty to do and ongoing surveys and inspections of the network will be what determine future work programmes. Plans for 2020 are still being formulated but will include a surfacing programme for footways and carriageways.
- 7.2 When finalised the surfacing programmes are published on the comprehensive Streets Ahead section of the Council website. As with all street works a co-ordination operation is carried out to minimise traffic disruption associated with such works. All planned work on the highway from all sources such as utility companies, is taken into account where possible before programmes are approved.
- 7.3 The lifespan of surfacing works means that some work carried out in the early years of the programme will need to be replaced again before the contract ends in 2037. This will ensure that the network comes back to the Council in a prescribed condition with no major investment required to maintain it in good condition into the future.
- 7.4 Much other work will continue to be visible as the Streets Ahead programme progresses. This will include the continued replacement of outdated traffic signals when they become 25 years old, ongoing bridge and structures maintenance and systematic replacement of old highway signs and road markings as they reach the end of their life.
- 7.5 Routine maintenance as described above will continue throughout the contract term and these services are equally important to the overall condition of the highway e.g. drainage and gully cleaning prevents flooding to private property as well as the highway.
- 7.6 Amey continues to support Sheffield Litter Pickers and around 90 other community groups and individuals. This work will continue alongside education programmes in schools to discourage littering.
- 7.6 Monitoring of the progress on Streets Ahead will include the required self-monitoring by Amey, continued scrutiny by the Council Client team

and the feedback from the public via complaints and compliments. The public are encouraged to report any issues with Streets Ahead works by using the existing contact methods through the Council Customer interface.

- 7.7 The issues related to the tree replacement works are well documented elsewhere but following extensive talks with campaign groups in October 2018, work commenced in January 2019 on a compromise approach to retain more street trees. This has been made possible through the efforts of the campaigners, the response by Amey to fund additional works outside the contract and the Council being able to temporarily suspend some elements of the contract specification without affecting the long term aims of Streets Ahead. An outcome of the new approach has been more dialogue with campaign groups and this led to joint inspection work being carried out through the summer of 2019. A review of lessons learned from the early joint inspections was published in December 2019 and this will shape future inspections when they restart in January 2020. Work continues with partners to develop an exemplary Street Tree Strategy for Sheffield that considers the climate crisis. The aim is to have an agreed position by April 2020.
- 7.8 In 2020 Amey are partnering with Smart City operator Connexin to begin working on a digitised road network based on the Internet of Things (IoT). This will comprise individual sensors being installed in highway assets to wirelessly report information to assist efficient working and better service delivery. The first phase will include when to; empty high street bins to avoid overflowing, water trees for preservation, refill grit bins ready for icy conditions and clear gullies to reduce the risk of flash flooding. By alerting operatives, Amey's maintenance managers will always be one step ahead

## **8. What does this mean for the people of Sheffield?**

- 8.1 This report reiterates the background to the Streets Ahead contract and gives an update on progress to date along with a view of the future programme of work.
- 8.2 The Streets Ahead contract is providing the much needed improvement to the highway asset thereby achieving the contract objectives to benefit the city now and in the future.
- 8.3 The programme contributes to meeting the climate crisis across the city through IoT (Smart City approach) by building a smart city platform that supports and serves the citizens of Sheffield and reduces Amey's impact on air quality through smarter working. The developing exemplary Street Tree Strategy will also be of benefit to mitigating the impact of climate change in the city.

## **9. Recommendation**

- 9.1 The Committee is asked to note the contents of this report.