

Transport and Environment Committee

10.00am, Tuesday, 28 October 2014

Public Utility Company Performance 2014/15 Quarter 1 (April, May and June 2014)

Item number	7.8
Report number	
Executive	
Wards	All

Executive summary

This report summarises the performance of Public Utility Companies (PUs) during the period April 2014 to June 2014 (Quarter 1), for the 2014/15 financial year.

The report comments on the performance and progress of the Roadwork Support Team (RST) including the additional Inspectors, employed on a temporary basis, to allow the Council to inspect of 100% of PU reinstatements.

Coalition pledges	P28 and P33
Council outcomes	CO19 and CO26
Single Outcome Agreement	SO4

Public Utility Company Performance 2014/15 Quarter 1 (April, May and June 2014)

Recommendations

- 1.1 It is recommended that the Transport and Environment Committee notes:
 - 1.1.1 the report and performance information shown in Appendix A, including the arrangements for securing an improved performance level from all Public Utilities;
 - 1.1.2 that future quarterly reports provided to this Committee will include information on the progress of the revised Edinburgh Road Works Ahead Agreement (ERWAA); and
 - 1.1.3 that future quarterly reports will include progress on the Improvement Plans requested from Public Utilities.

Background

- 2.1 The New Roads and Street Works Act 1991, as amended by the Transport (Scotland) Act 2005, gives statutory undertakers or Public Utilities (companies and private utility providers) responsibility for signing, lighting and guarding road works. The legislation also requires the road to be reinstated to prescribed standards upon completion of works.
- 2.2 The Transport and Environment Committee, at its meeting on 15 January 2013, agreed to receive quarterly Public Utility (PU) Performance Reports and instructed the Head of Transport to enhance the scrutiny and monitoring of all road works. The Committee also agreed to instruct the Head of Transport to take the lead in developing a revived Edinburgh Road Works Ahead Agreement (ERWAA).
- 2.3 This report provides an update on developments that have occurred during the year from April 2014 to June 2014.

Performance

- 3.1 The performance of each PU is monitored daily by the Roadworks Support Team (RST), with reports compiled on a monthly and quarterly basis. The result of this monitoring is discussed at bi-monthly liaison meetings held with each PU, on a one to one basis.
- 3.2 Where a PU fails to meet the specified performance standards, as defined in the appropriate Code of Practice, the following staged procedure should be used:
 - The roadworks authority issues a Notice of Failure to Achieve Performance (NFAP).
 - The undertaker responds with an Improvement Plan – Stage 1.
- 3.3 In the event that the PU does not achieve the required level of improvement, then:
 - the roadworks authority issues an Improvement Notice (IN); and
 - the PU responds with an Improvement Plan – Stage 2.
- 3.4 Within five days of receiving the NFAP, the PU must verify and analyse the defect data (gathered from inspections, performance information), to establish appropriate improvement objectives. It should then prepare an outline Improvement Plan designed to achieve the objectives and forward this to the roadworks authority.
- 3.5 Where this is considered not to be the case, an Improvement Notice/Stage 2 Improvement Plan shall be triggered.
- 3.6 Following implementation of the Improvement Plan, if it becomes clear after three months that no practical improvement is being achieved, other measures may need to be considered such as:
 - Escalation of the Improvement Plan monitoring to achieve a step change in performance;
 - Involvement of a more senior level of management within both the PU and the roadworks authority;
 - Following an appropriate grievance and dispute process, civil and/or criminal remedies; and
 - A report containing any relevant evidence of the undertaker's failure to comply with their duties under the Act, may be submitted to the Office of the Scottish Road Works Commissioner for information.

- 3.7 As a result of the performance information gathered at the end of last year and this Quarter, targets for improvement have been given to those PU's that have shown little or no improvement in their performance. These comprise Scottish Water, Scotland Gas Networks, Openreach, Virgin Media and Scottish Power.
- 3.8 NFAP's will be issued in October, to all PU's that have made no significant improvement by 30 September 2014.

Inspections

- 3.9 The New Roads and Street Works Act 1991, as amended by the Transport (Scotland) Act 2005, makes PUs wholly responsible for the management of their road works. Councils, as Roads Authorities, are responsible for monitoring the performance of the PUs and are empowered to charge them for a number of sample inspections carried out to monitor the performance. The sample size that is currently chargeable is 30% of the total annual number of reinstatements. Other inspections, carried out routinely by the Roads Authority or in response to reports from the police or members of the public, may also be carried out. The cost of these inspections falls to the Council unless a defect is found.
- 3.10 The two areas that are inspected and monitored closely are PU reinstatements and PU defective apparatus (manholes, toby covers, valve and inspection/access covers).
- 3.11 Target inspections are all other inspections carried out, (excluding Sample Inspections). They involve the Council investigating all other reinstatements, new reinstatements or those still within their two year guarantee period. The breakdown of the type of inspections carried out is shown in Table 3.11A in Appendix A. The average failure rate for PUs is shown in Table 3.11B in Appendix A.

Sample Inspections

- 3.12 The total number of sample inspections carried out in Quarter 1 was 474. The breakdown between each inspection type is shown in Table 3.11A in Appendix A.
- 3.13 The percentage pass rate for each PU at the end of Quarter 1 is shown in Table 3.13 and Graph 3.13 in Appendix A. The target pass rate for all PUs is 90%.

Target Inspections

- 3.14 The cumulative number of target inspections carried out in Quarter 1, in addition to the above sample inspections, was 882. The breakdown between each inspection type is shown in Table 3.11A in Appendix A.

3.15 The total number of all inspections carried out in Quarter 1 was 3,728. The numbers carried out in each month of Quarter 1 is shown in Graph 3.15B in Appendix A. The number of inspections carried out, compared with the same period last year is shown in Graph 3.15A in Appendix A. From analysing the 3,728 inspections carried out, the average failure rate for reinstatements inspected was 19.1%, against a target of 10%. This is an improvement of 8.6% from 27.7% at the end of 2013/2014. See Table 3.11B in Appendix A. The number of inspections carried out in Quarter 1 shows a 30% decrease, from the number carried out in the same period the previous year (see Table 3.15A and 3.15B in Appendix A). This has resulted due to the loss of two Inspectors, reducing the number from six to four. A recruitment exercise to fill these posts is currently underway.

Utility Defective Apparatus

- 3.16 The total number of outstanding defective apparatus at the end of Quarter 1 was 651. A breakdown for each PU is shown in Table 3.16 in Appendix A. This represents an increase of 17.7% when compared to Quarter 4 last year.
- 3.17 The PU with the largest numbers of defective apparatus continues to be Scottish Water (SW), with 521 items. SW had shown a slight improvement last year however this has reversed in Quarter 1 by 11%. An improvement is required by the end of Quarter 2.
- 3.18 The number of defective apparatus in Q1 increased for all PUs. Openreach and SW had the largest number of outstanding items of defective apparatus. A comparison of the three months in Quarter 1 is shown in Graph 3.18 in Appendix A.

Utility Defective Reinstatements

- 3.19 Every PU has seen a decrease in the number of outstanding defects since January in Quarter 1. A breakdown for each PU is shown in Table 3.19 and Graph 3.19 in Appendix A. At the end of Q4 of 2013/2014, the total number of outstanding defective reinstatements in Edinburgh was 637. At the end of Quarter 1 this reduced to 447, an improvement of 29.8%. SW continues to have the largest number of defective reinstatements, although it has reduced these by 34.4% since Quarter 4 in 2013/2014.
- 3.20 The inspections, as discussed in 3.14, are responsible for identifying and reporting failures and have had a direct affect on reducing the number of failed reinstatements. Had the additional inspections not been carried out, there was a real possibility that these defects would have not been found and the responsibility for their repair would have fallen to the Council after the end of their guarantee period.

Registration and Fixed Penalty Notices (FPNs)

- 3.21 All road works on public roads must be registered on the Scottish Road Works Register (SRWR).
- 3.22 PUs are required to record all information relating to the works they wish to undertake and works that are underway. Roads Authorities are also required to record all information on works they wish to carry out. Developers, and others wishing to occupy or carry out works on public roads, must first obtain Road Occupation Permits (ROP) from roads authorities, and are responsible for the registration of these works.
- 3.23 The comparison of registration failures for the Council's own works is shown in Graph 3.23 in Appendix A.
- 3.24 Failure to secure a ROP is an offence. PUs and their sub-contractors, when they commit such an offence, can discharge their liability through the payment of a Fixed Penalty Notice (FPN). Currently the Penalty is £120, which is reduced to £80 if paid within 29 days. A breakdown of FPNs issued in Quarter 1 of 2014/15 is shown in Graph 3.24 in Appendix A. The total number of FPNs accepted by PUs, in Quarter 1 was 172. A further 90 FPNs were accepted by other agents in relation to Road Occupation Permits eg skips, scaffolding, etc.

Actions

Edinburgh Road Works Ahead Agreement (ERWAA)

- 3.25 A report outlining the new working arrangements for the ERWAA was submitted to, and approved by, this Committee on 18 March 2014. Following a meeting of a Member/Officer Working Group on 7 August 2014, work is ongoing to finalise the wording of the Agreement to satisfy the requirements of both the PUs and the Council. Once this is achieved arrangements will be made to have the Agreement signed by all parties. An update will be provided in the Q2 report to this Committee on 13 January 2015.

Improvement Plans

- 3.26 Several meetings have been held with SW throughout last year, to discuss its Improvement Plan. However, as can be seen by the number of outstanding defective apparatus failures, a significant number of outstanding defects remain.
- 3.27 Monitoring the performance of all PUs has shown that no improvement has been made by SW and Openreach in addressing the number of outstanding defective apparatus.
- 3.28 Both Openreach and SW are required to show a significant improvement in the number of outstanding apparatus by the end of Quarter 2. Failure to achieve this will result in NFAPs being issued.

Proposals for the coming year

- 3.29 It is intended to invite, and commence, liaison meetings with smaller PUs (O2 UK Ltd, Vodafone, EE, Network Rail and Concept Solutions People). Presently, only the five main PUs (Scottish Water, Scottish Power, Scotland Gas Networks, Openreach and Virgin Media) are invited to, and attend, liaison meetings.
- 3.30 It is also intended to investigate specific reinstatements carried out by PUs where concerns have been raised by Road Services staff or members of the public. Locations investigated for coring will be identified and cored, even if a surface inspection appears satisfactory. This will enable the Roadwork Support Team to be specific in their investigations of suspected specification failures. Members of the public can report concerns to their Local Neighbourhood office or through Clarence.

Measures of success

- 4.1 Achievement of improvement targets as agreed in Improvement Plans and bi-monthly liaison meetings.
- 4.2 Improved performance in the key areas reported will be measured by greater public satisfaction with:
- the planning, co-ordination and delivery of road works across the city;
 - the quality of information supplied to people who live in, work in or visit Edinburgh; and
 - the quality and longevity of PU reinstatements.
- 4.3 Public satisfaction will be measured at the end of each year by targeting Community Councils with customer questionnaires. It is anticipated that this will be undertaken in September 2014.

Financial impact

- 5.1 The cost of carrying out inspections is offset by the income generated from inspecting 100% of reinstatements. These inspections identify defective reinstatements during the two-year PU guarantee period, which are repaired at the PUs expense. If defects are identified outwith this period the cost of reinstatement would have to be borne by the Council.
- 5.2 Total revenue achieved was £96,084 from Sample and Repeat inspections of failed PU reinstatements.

Risk, policy, compliance and governance impact

- 6.1 There is a risk that the condition of the road network could deteriorate if the 100% inspection of all PU reinstatements is not maintained. Should 100% of inspections not be undertaken, there is a risk that defects would not be found and the responsibility for their repair would then fall to the Council at the end of their guarantee period.
- 6.2 Where the Council has made significant investment in road improvements, there is a risk that the road network may deteriorate following reinstatements that have not been carried out to the agreed standards.
- 6.3 There is a risk of reduced revenue if the number of inspections is less than that estimated at the beginning of the year.
- 6.4 There is a risk of lack of improvement by poorer performing PUs. This can be addressed by the use of formal Improvement Plans, as specified in Code of Practice for Co-ordination of Works in Roads.

Equalities impact

- 7.1 There are no equalities impacts arising from this report.

Sustainability impact

- 8.1 There are no sustainability impacts arising from this report.

Consultation and engagement

- 9.1 Individual Liaison meetings are held every two months with representatives from all of the major PUs. Specific performance issues and improvement requirements are discussed at these meetings.
- 9.2 Throughout the year the Council was represented at all relevant Committees, as required within the Code of Practice for the Co-ordination of Works in Roads. These meetings are detailed below:

The Roads and Utilities Committee Scotland (RAUCS) where all Roads Authorities and PUs are represented together with representatives from Transport Scotland and the office of the Scottish Road Works Commissioner.

The South East of Scotland Roads and Utilities Committee (SERAUC) where representatives from the City of Edinburgh, Midlothian, East Lothian, West Lothian and Scottish Borders Councils attend, together with representatives from all PUs.

The Local Roads and Utilities Committee (LRAUC) is also known as the Local Co-ordination meeting. This includes representatives from the service areas within Services for Communities that are involved in roadworks or road occupations, as well as Lothian Buses and all PUs.

- 9.3 At the LRAUC meeting on 6 May 2014, a request was made to all PUs, to place as much information as possible regarding their potential works onto the SRWR. This will allow for improved co-ordination of work to be carried out on the road network. At the same meeting it was confirmed that the 10 day allowance for the Council to make comment on proposed PU work, under Notices Awaiting Assessment, must be strictly adhered to.

Background reading/external references

[Quality of Utility Company Reinstatements – Item 5.16, Transport and Environment Committee, 18 June 2012.](#)

[Code of Practice for Inspections”, 3rd edition, approved by the Roads Authority and Utility Committee Scotland, November 2012.](#)

[Code of Practice for the Co-ordination of Works in Roads, version 1.0, April 2013.](#)

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Links

Coalition pledges	P28 - Further strengthen links with the business community by developing and implementing strategies to promote and protect the economic well being of the city. P33 Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used.
Council outcomes	CO19 - Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm. CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
Single Outcome Agreement	SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
Appendices	Appendix A - Utility Company Performance Information Quarter 1 - 2014/15

Table 3.11A
Number of inspections for ALL PUs

TYPE	CATEGORY A	CATEGORY B	CATEGORY C	OTHER INSPECTIONS	TOTAL
	Inspections during the progress of the works.	Inspection within six months of the work being completed.	Inspection within three months of end of guarantee period.		
SAMPLE INSPECTION	109	174	191	-	474
TARGET INSPECTION	8	314	560	-	882
DEFECTIVE APPARATUS	-	-	-	338	338
DEFECTIVE REINSTATEMENT	-	-	-	2,034	2,034
INSPECTIONS RELATED TO CORING	-	-	-	0	0
OTHERS	-	-	-	0	0
TOTAL	117	488	751	2,372	3,728

Table 3.11B
Average fail rate for ALL PUs

	No of Failures	% Fail Rate
SAMPLE INSPECTIONS	80	14.7%
Category A	21	20.8%
Category B	40	27.7%
Category C	19	6.2%
TARGET INSPECTIONS	116	10.2%
Category A	2	33.3%
Category B	54	25.3%
Category C	60	17.0%
DEFECTIVE REINSTATEMENTS	173	19.1%

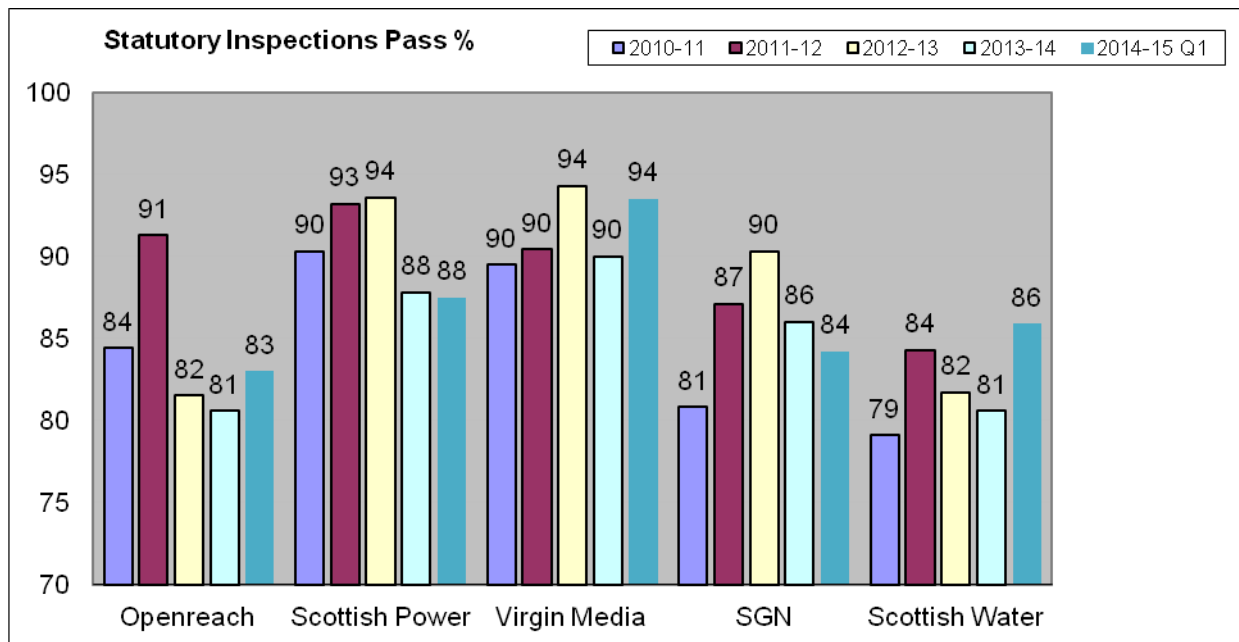
The target pass rate for all PUs is 90%.

Table 3.13

The table below shows the average percentage pass rate for defective apparatus for each PU over Quarter 1. The target pass rate for all PUs is 90%.

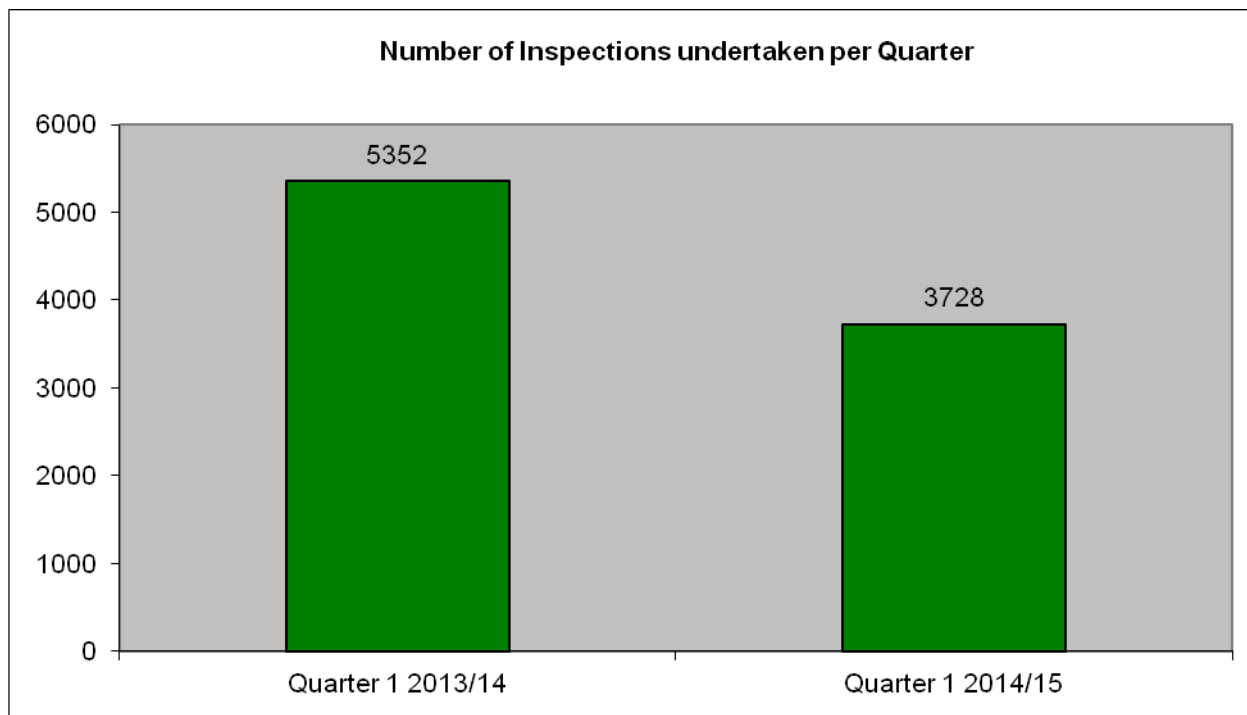
	Openreach	Scottish Power	Virgin Media	Scotland Gas Networks	Scottish Water
Pass Rate	83%	88%	94%	84%	86%

Graph 3.13



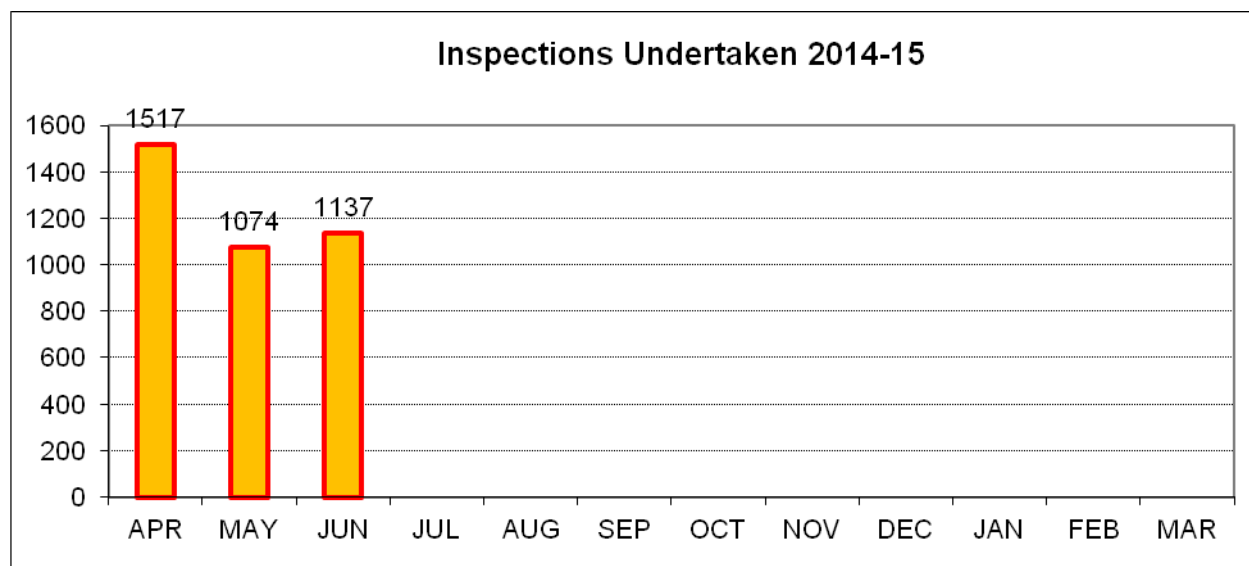
The target pass rate is 90%. All but one of the PUs did not achieve this target in Quarter 1. However, with the exception of SGN all other PUs showed the same or an improved pass rate. The average pass rate for Quarter 1 was 87%. This is an improvement of 2% since Quarter 4 of 2013/14.

Graph 3.15A



The reason for the decrease in the number of inspections compared to Quarter 1 last year is due to two Inspectors resigning and the total number of Inspectors dropping from six to four in Quarter 1.

Graph 3.15B



In Quarter 1 3,728 inspections were carried out. The target of 20,000 inspections for the year will not currently be met. Based on the number of inspections above a revised target is estimated to be 14,912. The reason for the decrease in the number of inspections from January is due to two Inspectors resigning and the total number of Inspectors dropping to four in Quarter 1.

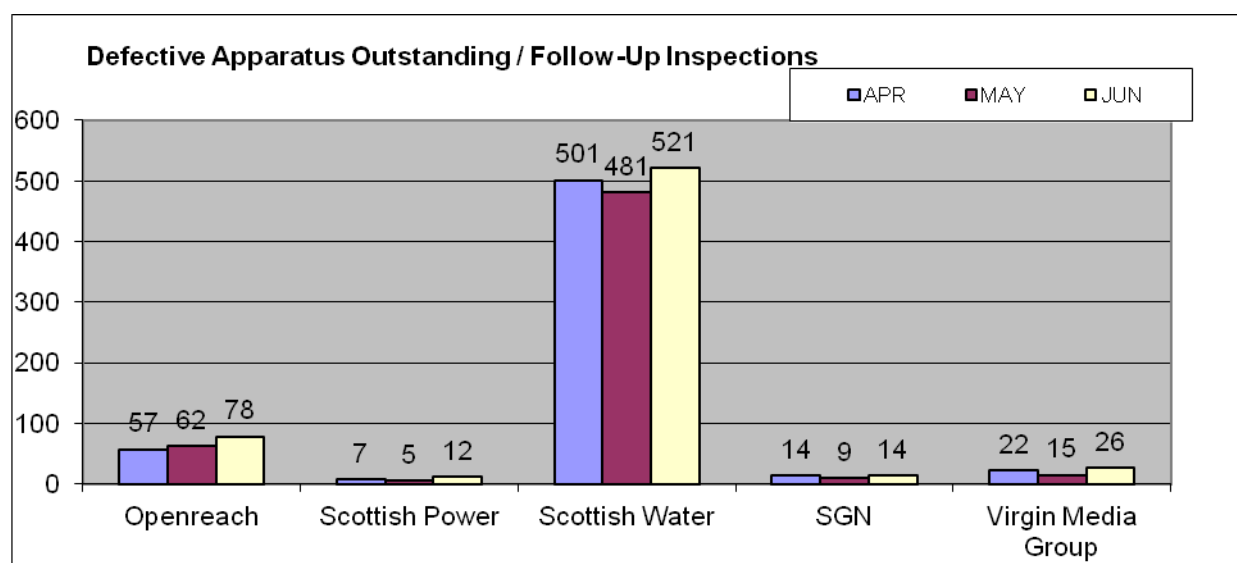
Table 3.16

The total numbers of outstanding Defective Apparatus for Quarter 4 of 2013/2014 and Quarter 1 of 2014/2015 are shown below.

Utility	Q4 (2013/14)	Q1 (2014/15)
SGN	8	14
Scottish Water	470	521
BT Openreach	51	78
Scottish Power	5	12
Virgin Media	19	26
Totals	553	651

Total end Quarter 1 2013/14	651	17.7% increase
Total at end 2013/14	553	

Graph 3.18



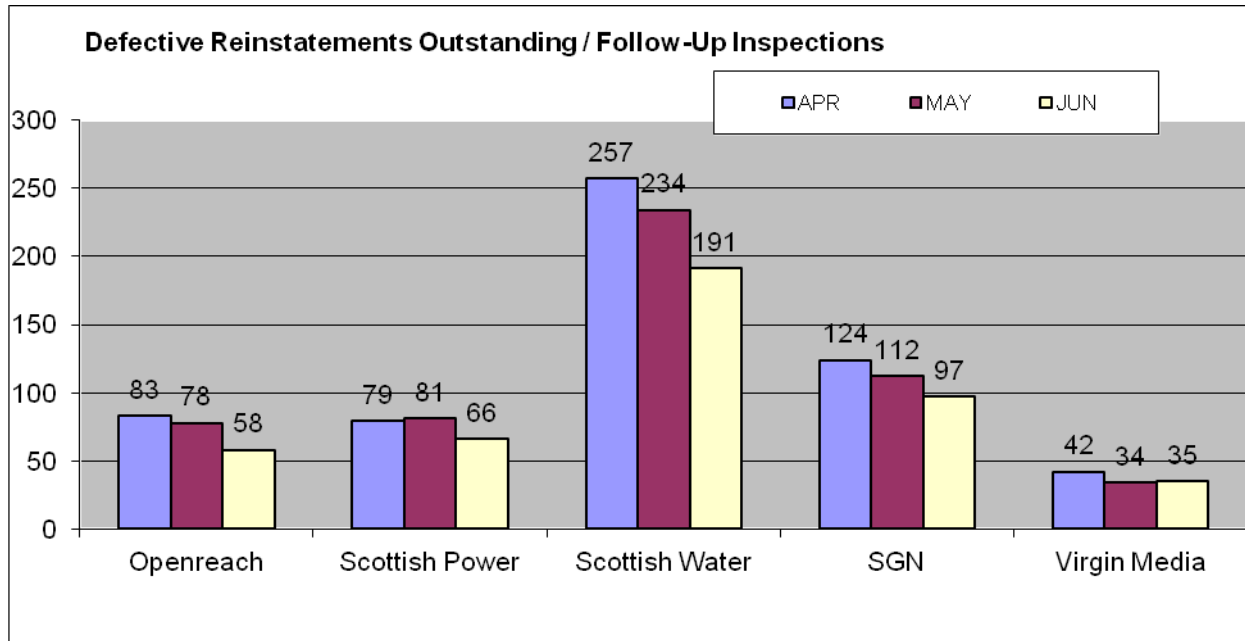
The number of outstanding defects for Scottish Water (521) is a long standing issue. This has been raised as a specific problem and an Improvement Plan **was requested on 18 June 2013** to address this. All PUs, showed an increase in the last month of Q1 in their numbers of defective apparatus.

Table 3.19

The total number of outstanding Defective Reinstatements for each quarter for each PU is shown below:

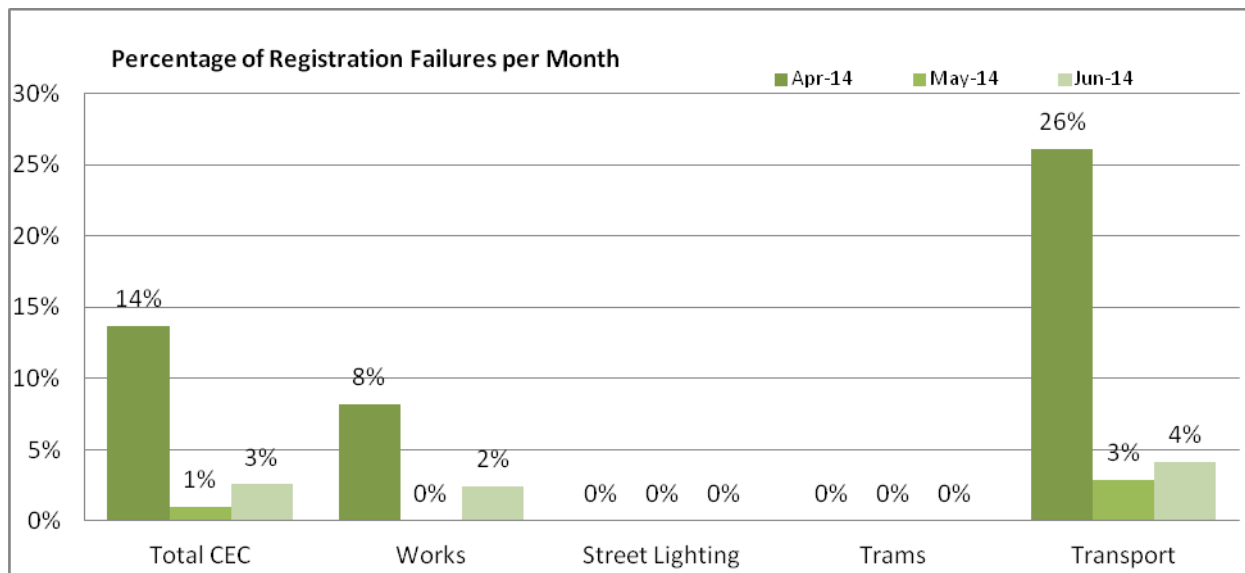
Utility	Q4 (2013/2014)	Q1 (2014/2015)	Reduction
SGN	124	97	27 (21.8%)
Scottish Water	291	191	100 (34.4%)
BT Openreach	94	58	36 (38.3%)
Scottish Power	87	66	21 (24.1%)
Virgin Media	41	35	6 (14.6%)
Totals	637	447	Average 26.6%

Graph 3.19



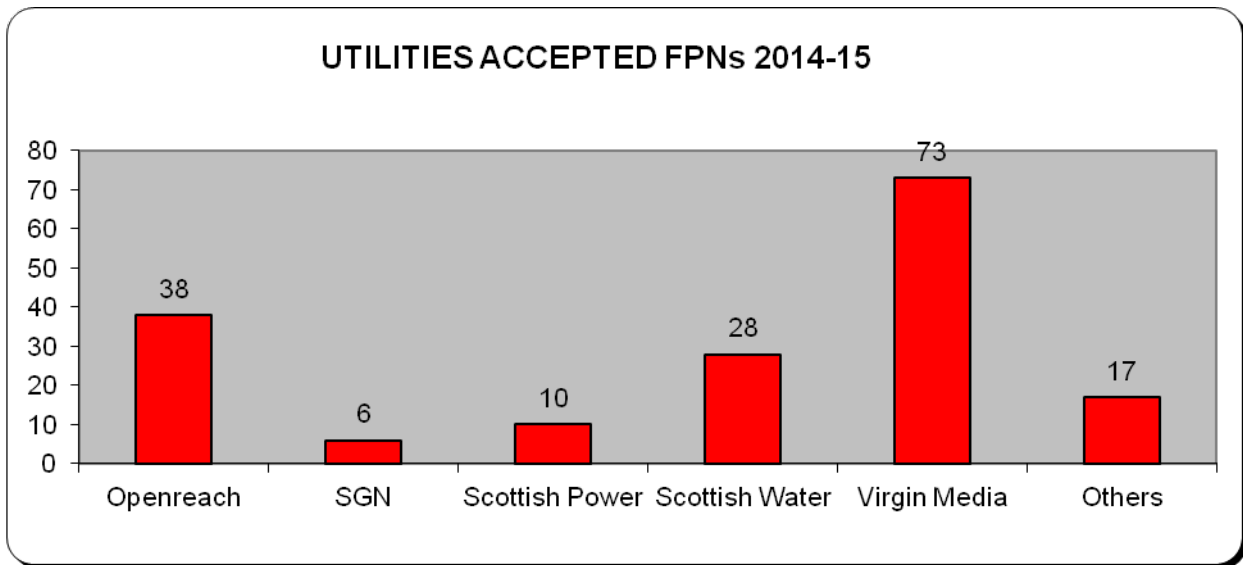
The number of outstanding or defective reinstatements has shown an improvement with the exception of Virgin Media. Every other PU has shown an improvement in the number of failed reinstatements over the last month of Quarter 1. There has been a positive trend in the improvement for all three months for Openreach, Scottish Water and SGN.

Graph 3.23



In Quarter 1 the average fail rate was 6%. At the end of June 2014 the monthly registration failure rate was 3%. The monthly and annual target is 9%. The 14% fail rate in April is attributed to issues with the registering of work on public holidays.

Graph 3.24



The failure rate by Scottish Water was the highest in Q1. This was due to their notices not being closed on time and/or no notice being received. These recurring issues will be raised at the next Liaison meeting. Improvement will be expected at the next quarterly monitoring.