

Transport and Environment Committee

10.00am, Tuesday, 27 October 2015

Public Utility Company Performance 2015/16 Quarter 1 (April, May and June 2015)

Item number	7.4
Report number	
Executive	
Wards	All

Executive summary

This report summarises the performance of Public Utility Companies (PUs) during the period April 2015 to June 2015 (Quarter 1), for the 2015/16 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 100% of PU reinstatements.

The report also details the proposals for managing PU performance in 2015/16.

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

Public Utility Company Performance 2015/16 Quarter 1 (April, May and June 2015)

Recommendations

- 1.1 It is recommended that the Transport and Environment Committee notes the report and performance information shown in Appendix A, including the arrangements for securing an improved level of performance from all 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 April 2015 to June 2015.

Main report

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) and is seen as the first stage of action in improving performance.

- 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 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 Roads Authority; and
 - following an appropriate grievance and dispute process, civil and/or criminal remedies;
- 3.6 Where improvements are not achieved following a Stage 2 plan, a report, containing all relevant evidence of the PUs failure to comply with its duties under the New Roads and Street Works Act, will be submitted to the Office of the Scottish Road Works Commissioner for information.

Inspections

- 3.7 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.
- 3.8 The two areas that are inspected and monitored closely are PU reinstatements and PU defective apparatus (manholes, toby covers, valve and inspection/ access covers).
- 3.9 Target inspections are the 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.

- 3.10 The total number of all inspections carried out in Quarter 1 was 8,810, as shown in Graph 3.10A. The numbers carried out in each month of Quarter 1 is shown in Graph 3.10B. The number of inspections carried out in Quarter 1 has increased from the number carried out in the same period in 2014/15. This is a direct result of the staff recruitment within the inspection team. Following a recruitment exercise three new Inspectors were in post by April 2015.
- 3.11 The average pass rate for reinstatements inspected was 79.5%, against a target of 90%, as shown in Table 3.11. This is a 7.5% reduction in the pass rate of 87.0% at the end of 2014/15.

Sample Inspections

- 3.12 The total number of sample inspections carried out in Quarter 1, was 669. The breakdown between each inspection type is shown in Table 3.12.
- 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. The target pass rate for all PUs is 90%.

Target Inspections

- 3.14 The cumulative number of target inspections carried out in Quarter 1, was 2,453. The breakdown between each inspection type is shown in Table 3.12.
- 3.15 The number of inspections carried out in Quarter 1 shows an increase, when compared to the number carried out in the same period in 2014/15, as shown in Graph 3.15.

Utility Defective Apparatus

- 3.16 The total number of outstanding defective apparatus at the end of Quarter 1 was 460. A breakdown for each PU is shown in Table 3.16. There was a reduction in the number of outstanding defective apparatus of 31.6% when compared to the end of 2014/15.
- 3.17 The PU with the largest number of defective apparatus continues to be Scottish Water, with 333 items as shown in Graph 3.17. Scottish Water has improved by 27.9% since March 2015 and 36.1% when compared to June 2014. An improvement is still required however, and there are plans contained in their Stage 2 Improvement Plan to remedy the numbers outstanding.
- 3.18 When comparing the outstanding numbers in June, Scottish Water and SGN showed an increase in the number of outstanding defective apparatus. Virgin Media showed a monthly increase in defects from April to June. Only Openreach and Scottish Power showed a reduction in the number of defects in each month of the first quarter. A comparison to the end of the previous four years is shown in Table 3.18.

Utility Defective Reinstatements

3.19 Every PU, with the exception of Virgin Media, has seen an increase in the number of outstanding defects from May to June in the first quarter. A breakdown for each PU is shown in Table 3.19 and Graph 3.19. At the end of Quarter 1, the total number of outstanding defective reinstatements in Edinburgh was 1024. Scottish Water continues to be the PU with the largest number of defective reinstatements. These defects are discussed at the bi-monthly liaison meetings and proposals to remedy the backlog are included in their Stage 2 Improvement Plans.

Registration and Fixed Penalty Notices (FPNs)

- 3.20 All road works on public roads must be registered on the Scottish Road Works Register (SRWR).
- 3.21 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 consents (Road Occupation Permits) from the Roads Authority. The Roads Authority is then responsible for the registration of these works.
- 3.22 The comparison of Council's registration failures is shown in Graphs 3.22.
- 3.23 Failure to comply with the above requirements is an offence. PUs, and those working under Road Occupation Permits, that 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 is shown in Graph 3.23.
- 3.24 The total number of FPNs accepted by PUs in Quarter 1 was 190. A further 95 FPNs were accepted by other agents in relation to Road Occupation Permits eg skips, scaffolding, etc.

The Edinburgh Road Works Ahead Agreement (ERWAA)

- 3.25 A report outlining the new working arrangements for the ERWAA was submitted to, and approved by, the Transport and Environment Committee on 18 March 2014.
- 3.26 Requests were sent to each PU on 21 July 2015 and 7 August 2015, asking them to confirm their agreement, or otherwise, to sign the ERWAA. At the time of writing, all but one PU has failed to respond. CityFibre have replied confirming that they are in favour of signing the agreement.

3.27 A recommendation was submitted to the last Committee to approve that the Transport Convenor writes to the Senior Executive of each PU (that has not replied) asking for their commitment to sign the agreement. Letters have been sent to each Chief Executive Officer of the Public Utility Companies as well as to the Commissioner's Office and responses are currently awaited.

Actions - Improvement Plans

3.28 Performance failure reports have been issued to the following PUs:

- Scottish Water
- SGN
- Scottish Power
- Openreach
- Virgin Media.

3.29 Meetings have been held throughout Quarter 1 with all Utilities to discuss their performance. The five main Utilities were served with a Notice of Failure to Achieve Performance in November 2014. Each PU returned a Stage 1 Improvement Plan, which contained their proposals for improving performance and to rectify existing defects.

3.30 The Stage 1 Improvement Plans received did not contain sufficient detail, to assure the Council that adequate measures would be taken to address their poor performance. Several meetings took place between PUs and the Roadwork Support Team, where the PUs were asked to modify their proposals. Following this, Stage 1 plans were implemented.

3.31 With the number of outstanding defective reinstatements failing to reduce in line with each PUs Stage 1 Improvement Plan, the Council required each PU to provide details of how the numbers of outstanding defective reinstatement was going to be reduced.

3.32 Following a lack of satisfactory improvement at the end of the Stage 1 12 week monitoring period the PUs were served with a Stage 2 Improvement Notice on 8 June 2015.

3.33 Stage 2 Improvement Plans have been received and have been approved by RST Officers. Each Stage 2 Improvement Plan details how each PU will address and implement changes to their operations to generate improvement in performance. The plans have been discussed in detail with Officers from the RST. The Improvement Plans will now be implemented and the effectiveness monitored throughout the 12 week monitoring period.

Proposals for the coming year

3.34 Following the approval of their Stage 2 Improvement Plan submissions the performance of each PU will be measured at the end of a 12 week period commencing on 1 August.

- 3.35 To measure the effectiveness of the Improvement Plans, it is proposed to carry out 100% of inspections (Category A and B) of the work carried out during the 12 week period. The outcome of this monitoring will be reported to this Committee as part of the Quarter 3 report.
- 3.36 It is anticipated that improvements will be made to the poor performance by each of the PUs. Should any PU fail to deliver the required level of improvement it will then be necessary to submit a report to the Office of the Scottish Road Works Commissioner, as detailed in paragraph 3.6.

Performance Monitoring

- 3.37 The figures and graphs referred to throughout this report are shown in Appendix A.

Measures of success

- 4.1 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.
- 4.2 Public satisfaction is being measured by contacting residents in areas where a PU has completed a major scheme of work. Customer Satisfaction cards have been issued to residents in a sample of locations. The results of customer feedback are shown in Graph 4.2.

Financial impact

- 5.1 The revenue streams associated with sample and repeat inspections of failed PU reinstatements exceeded the budget of £74,348 for Quarter 1. The total revenue from the charges levied for these activities was £105,554.
- 5.2 The cost of employing the additional Inspectors, is currently fully offset by the projected revenue received from the compliance inspections.

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 PU reinstatements is not maintained. If 100% inspections are not undertaken, there is a risk that defects would not be found and responsibility for their repair would fall to the Council.

- 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 is currently being 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 every function and service within Services for Communities that have an involvement in roadworks or road occupation eg Lothian Buses, every Utility, Edintravel and the Tram Team.

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.](#)

John Bury

Acting Director of Services for Communities

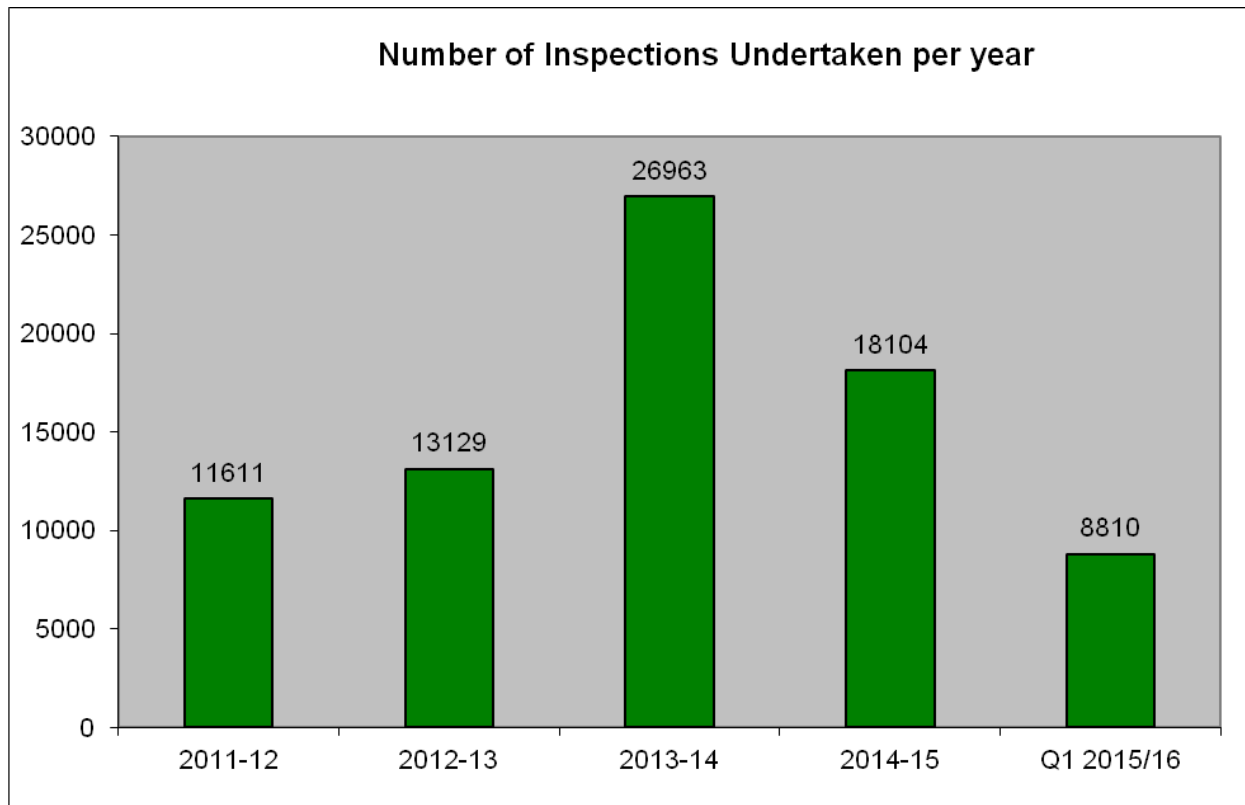
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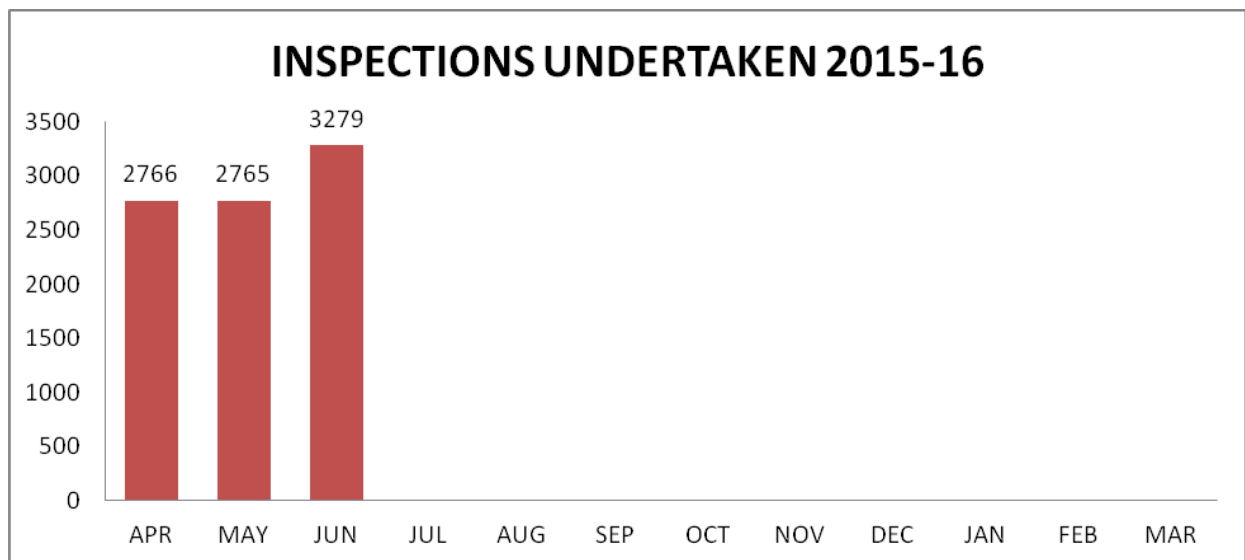
Links

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 2014/15

Graph 3.10A



Graph 3.10B



In Quarter 1 there were 8,810 inspections carried out. It is estimated that the target of 20,000 inspections will be exceeded this year.

Table 3.11
Average pass rate for ALL PUs

	No of Failures	% Pass Rate
SAMPLE INSPECTIONS	150 / 669	77.6%
Category A	69 / 285	75.8%
Category B	49 / 193	74.6%
Category C	32 / 191	83.2%
TARGET INSPECTIONS	502 / 2453	79.6%
Category A	9 / 44	79.5%
Category B	341 / 1313	74.0%
Category C	152 / 1096	86.1%
DEFECTIVE REINSTATEMENTS	574 / 2793	79.5%

The target minimum pass rate for all PUs is 90%.

Table 3.12
Number of inspections for ALL PUs

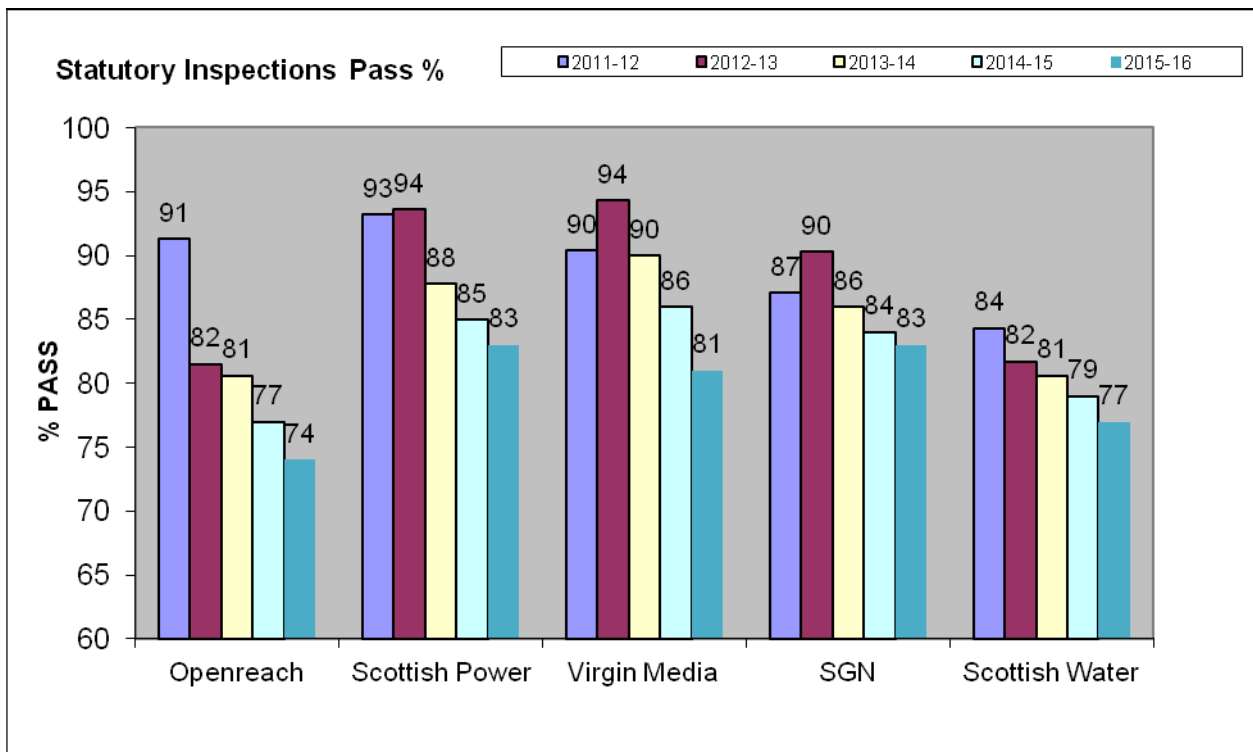
TYPE	CATEGORY A	CATEGORY B	CATEGORY C	OTHER INSPECTIONS	TOTAL
	Inspections during the progress of the works.	Inspection within six months of the work being completed.	Inspection within three months of end of guarantee period.		
SAMPLE INSPECTION	285	193	191		669
TARGET INSPECTION	44	1313	1096		2453
DEFECTIVE APPARATUS	-	-	-	1143	1143
DEFECTIVE REINSTATEMENT	-	-	-	3379	3379
INSPECTIONS RELATED TO CORING	-	-	-	154	154
OTHERS	-	-	-	1012	1012
TOTAL	329	1506	1287	5688	8810

Table 3.13

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

	Openreach	Scottish Power	Virgin Media	SGN	Scottish Water
Pass Rate	74%	83%	81%	83%	77%

Graph 3.13



No PU achieved the target pass rate by the end of Q1 and the pass rate for all PUs was much lower than the previous three years. All PUs have shown a negative trend in their sample inspections since 2012/13. As a direct result of this performance, Stage 2 Improvement Notices were issued in June 2015 to all Utilities.

Graph 3.15

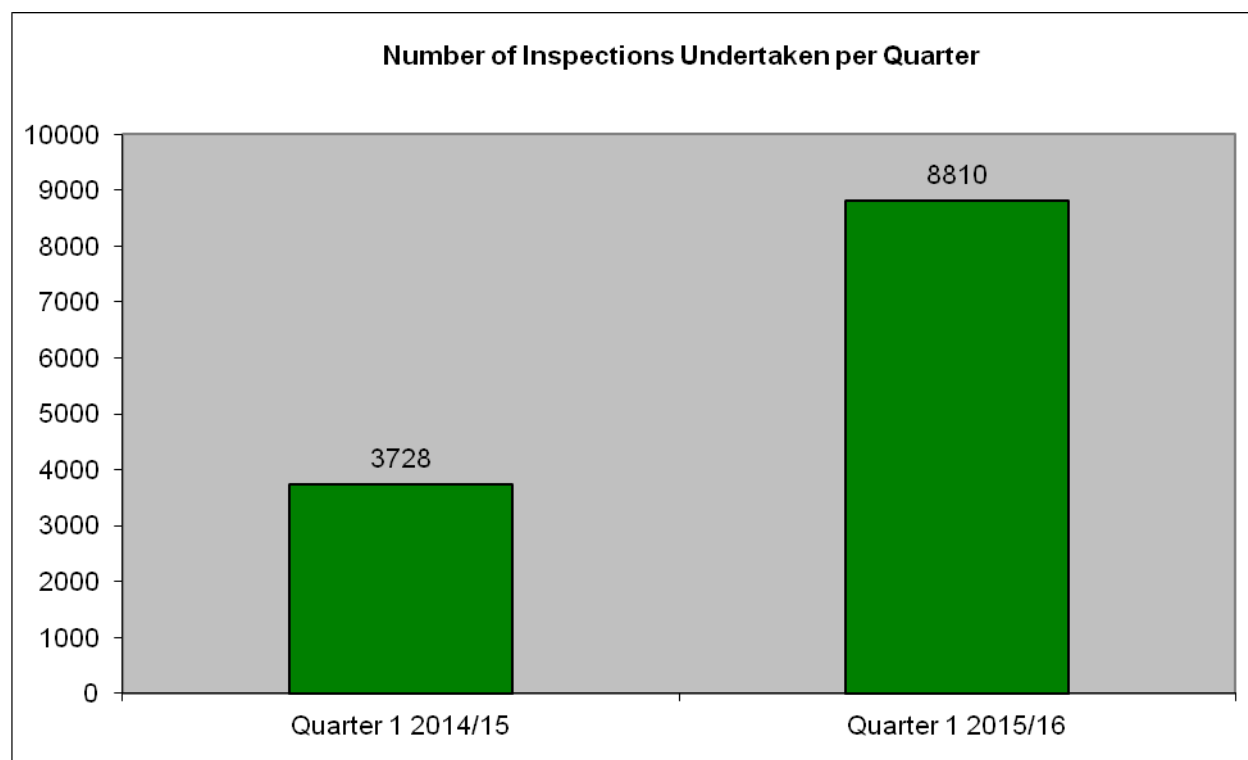
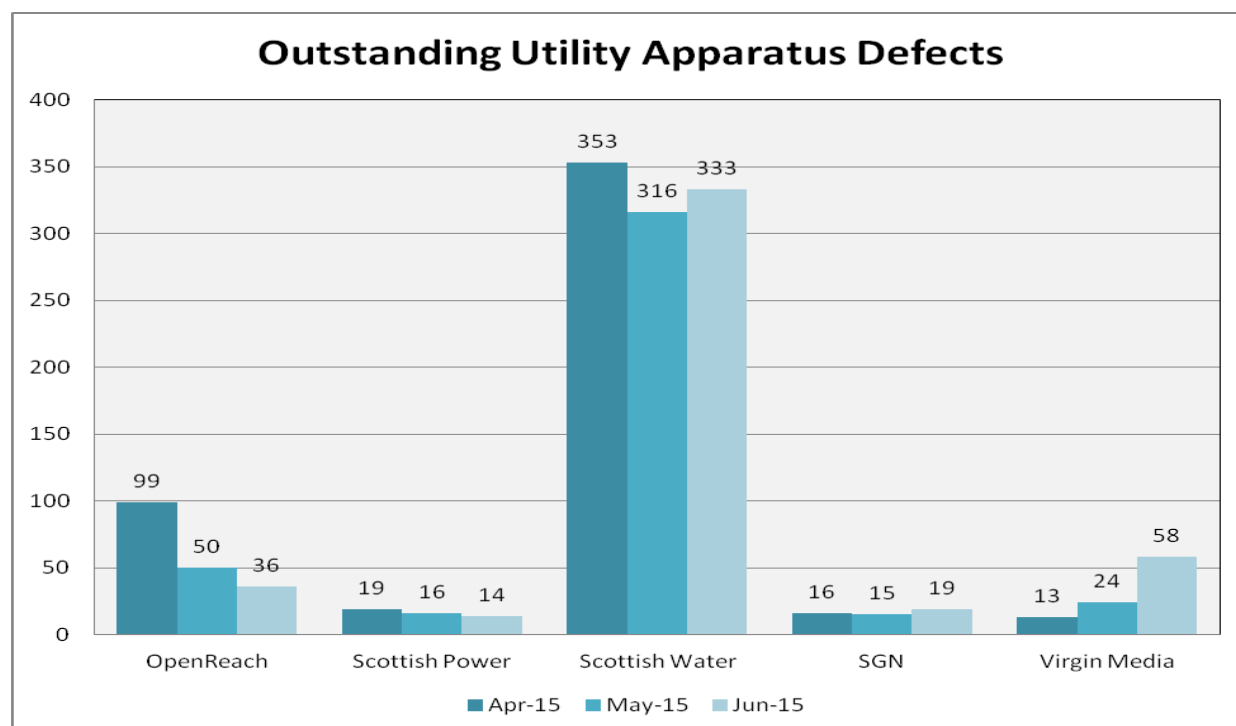


Table 3.16

The total number of outstanding Defective Apparatus for each of the past 4 Quarters is shown below.

Utility	Q2 (2014/15)	Q3 (2014/15)	Q4 (2014/15)	Q1 (2015/16)	Difference Q4 to Q1
SGN	13	23	21	19	-2 (-10%)
Scottish Water	556	685	462	333	-129 (-27.9%)
Openreach	97	135	144	36	-108 (-75%)
Scottish Power	17	26	26	14	-12 (-46.2%)
Virgin Media	26	32	20	58	38 (190%)
Totals	709	901	673	460	

Graph 3.17



The high number of outstanding defects for Scottish Water (333) is a long standing issue and this has been raised as a specific problem and included in the Stage 2 Improvement Plan. Openreach and Scottish Power have shown an improvement in performance in June in relation to the numbers of defective apparatus. Due to the increase in the number of inspections this, in turn, has resulted in there being an increase in the overall numbers of defective apparatus identified.

Table 3.18

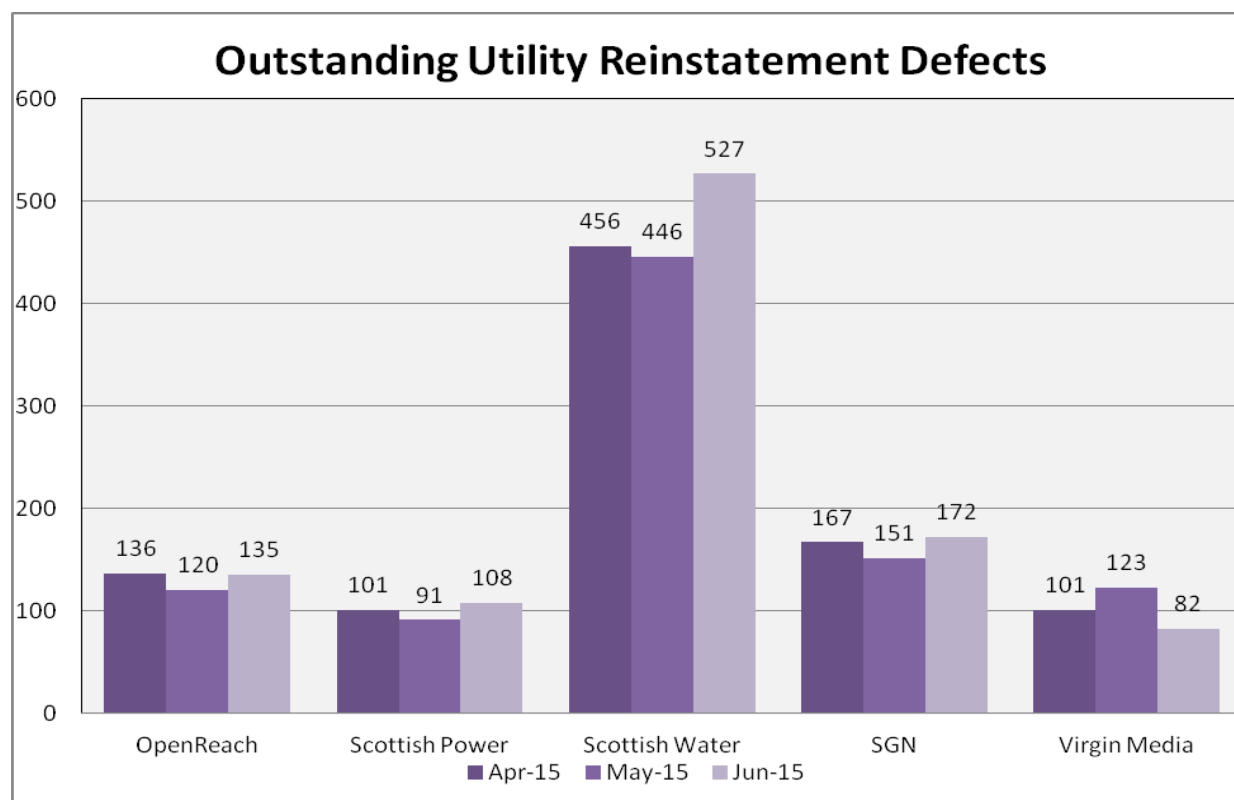
The table below shows the comparison of the numbers of outstanding defective apparatus for each PU over the past four years, measured at the end of each year.

PU	2011/12	2012/13	2013/14	2014/15	Q1 of 2015/16
Openreach	130	53	51	144	36
SGN	75	22	8	21	19
Scottish Power	47	8	5	26	14
Scottish Water	801	582	470	462	333
Virgin Media	93	27	19	20	58

Table 3.19

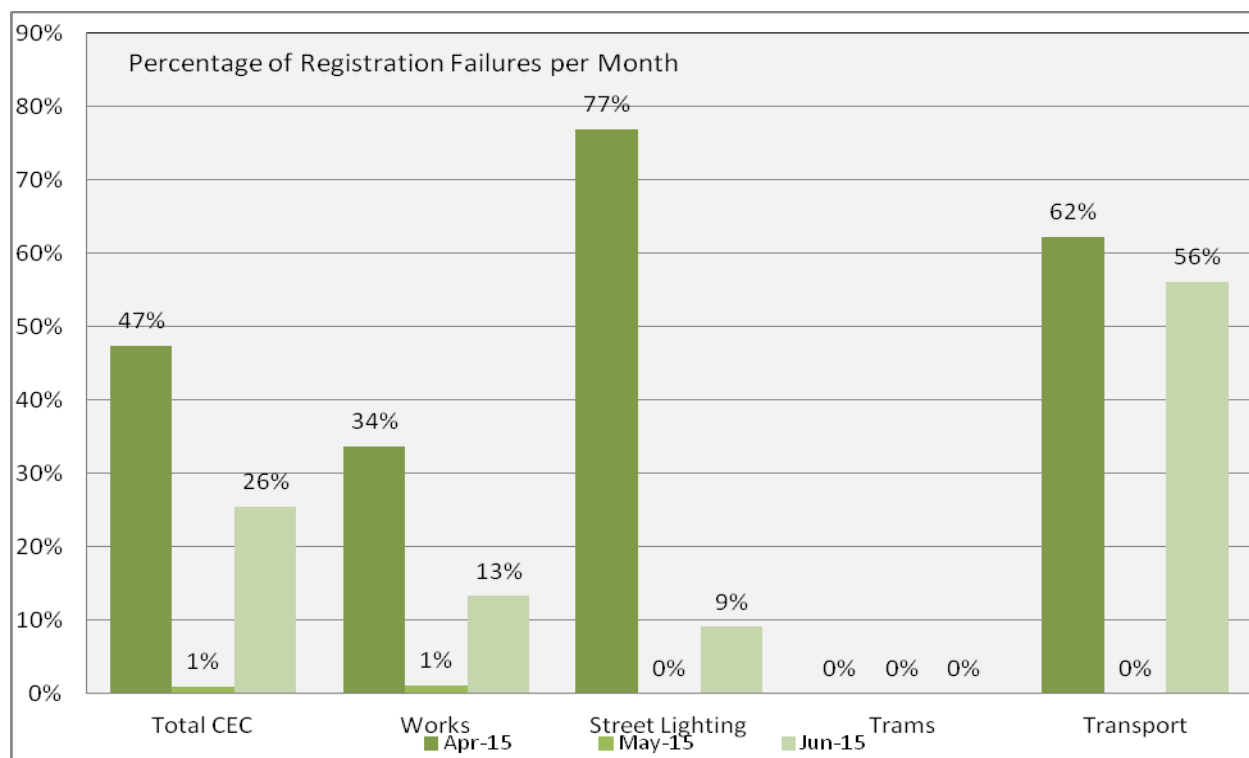
The total number of outstanding Defective Reinstatements for each quarter for each PU is shown below:

Utility	Q2 (2014/15)	Q3 (2014/15)	Q4 (2014/15)	Q1 (2015/16)	Difference Q4 to Q1
SGN	73	118	168	172	4 (2.4%)
Scottish Water	174	172	390	527	137 (35.1%)
Openreach	52	52	106	135	29 (27.4%)
Scottish Power	50	61	98	108	10 (10.2%)
Virgin Media	28	24	62	82	20 (32.3%)
Totals	377	427	824	1024	

Graph 3.19

The number of outstanding defective reinstatements has varied over Quarter 1. Virgin Media is the only PU to have made any improvement in the number of outstanding defective reinstatements in June. The improvement however is small when compared to the total number outstanding. As a result of this performance Stage 2 Improvement Plans have been implemented.

Graph 3.22



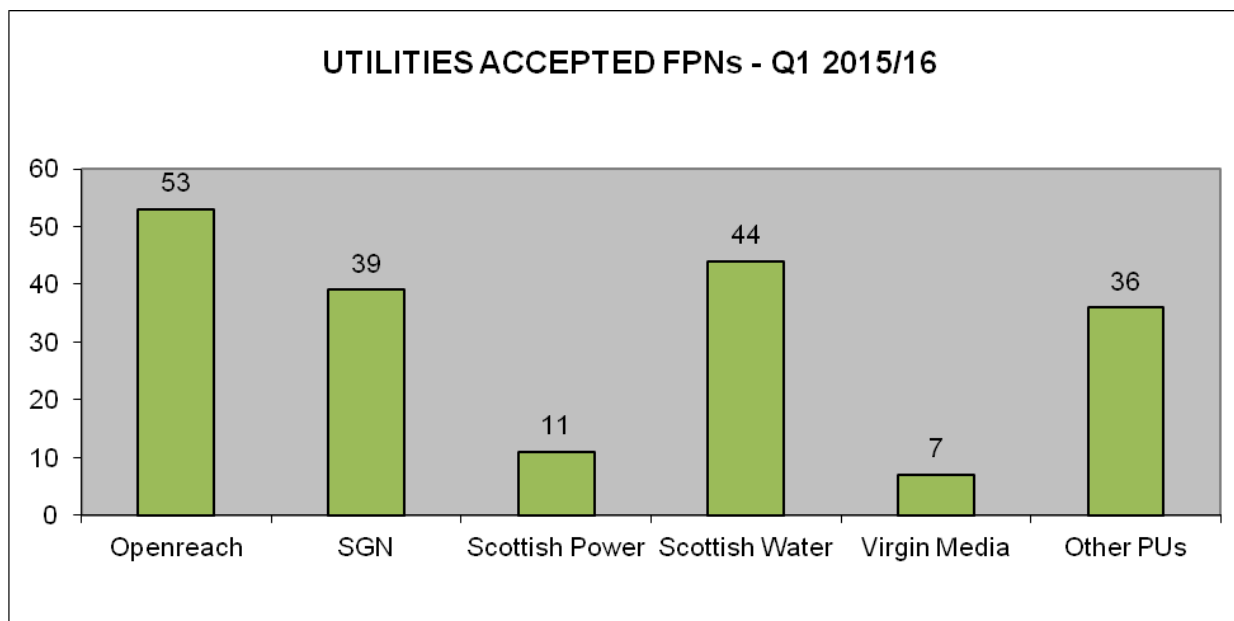
The average registration failure rate during April, May and June was 24.7%. The actual failure rate at the end of June 2015 was 26%. The monthly and annual target is 8%. The end of Quarter 1 failure rate is attributed to the following issues:

- Poor communication between the bus shelter contractor and Council officers
- Poor internal communication from Officers to the Roadwork Support Team, in relation to schemes that are required to be recorded onto the Scottish Roadworks Register.

Instructions have been issued reminding all concerned of the importance of accurate and timely communications.

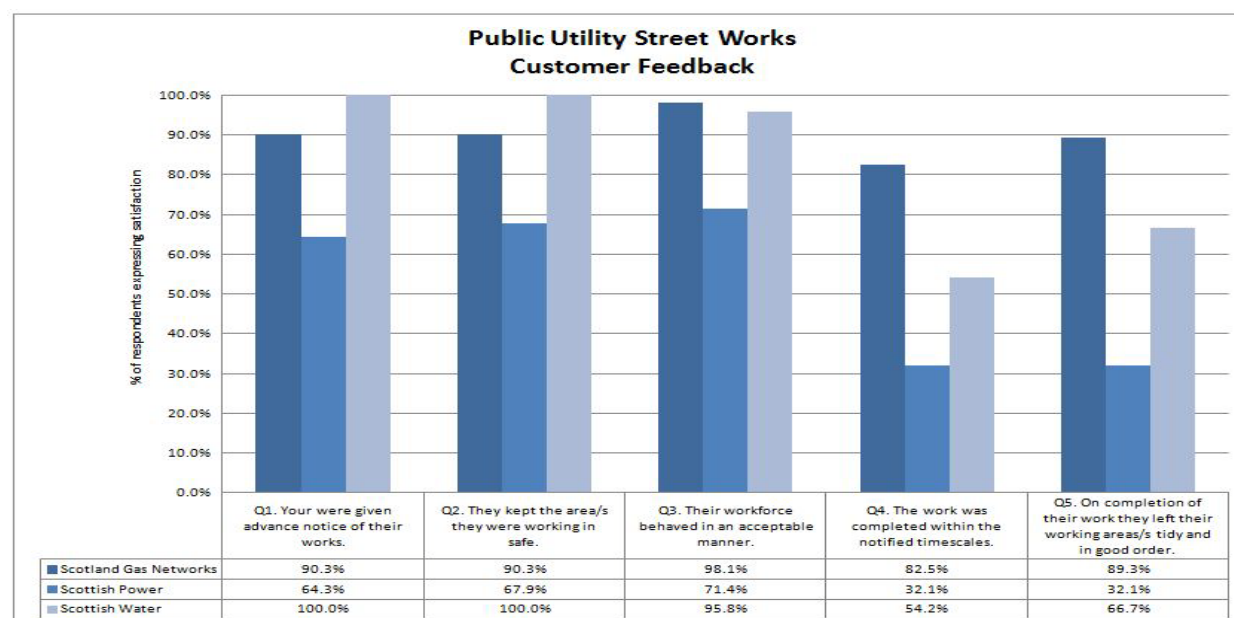
The figures varied greatly from May to June as the number of works or schemes reduced in June.

Graph 3.23



Openreach, SGN and Scottish Water were issued with the highest number of Fixed Penalty Notices in Quarter 1. This was due to their notices not being closed on time and/or no notice being received for their work. These recurring issues have been raised at Liaison meetings and assurances sought to ensure improvement. Improvement will be expected for the next quarterly monitoring period.

Graph 4.2



The Council issued customer questionnaires during Quarter 1 of 2015/16 following major works by Scottish Power, SGN and Scottish Water. The above graph shows customer responses to the five questions provided on the card.