


## REPORT TO CABINET

22 January 2020

<b>Subject:</b>	<b>Sandwell MBC Permit Scheme – Provision of Highway Inspection Regime</b>
<b>Presenting Cabinet Member:</b>	<b>Councillor Jackie Taylor – Cabinet Member for Sustainable Transport</b>
<b>Director:</b>	<b>Executive Director – Neighbourhoods – Alison Knight Director Regeneration and Growth - Amy Harhoff</b>
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	Yes
<b>Cabinet Member Approval and Date:</b>	Leader – 11 December 2019
<b>Director Approval:</b>	Yes
<b>Reason for Urgency:</b>	Urgency provisions do not apply
<b>Exempt Information Ref:</b>	Exemption provisions do not apply
<b>Ward Councillor (s) Consulted (if applicable):</b>	Boroughwide
<b>Scrutiny Consultation Considered?</b>	Scrutiny Consultation has not been considered.
<b>Contact Officer(s):</b>	<a href="mailto:Barry_Ridgway@sandwell.gov.uk">Barry_Ridgway@sandwell.gov.uk</a> Highways Asset Manager

### **DECISION RECOMMENDATIONS**

**That Cabinet:**

Authorise, subject to a compliant competitive tender exercise, the Director – Regeneration and Growth to approve the award of a contract for the continued provision of Highway Inspections.

## **1 PURPOSE OF THE REPORT**

- 1.1 Authority is sought to authorise the Director – Regeneration and Growth, to approve the award of the contract and accept a tender once the evaluation process is complete for the continued provision of Highway Inspections, following a compliant competitive tender exercise.

## **2 IMPLICATION FOR THE VISION 2030**

- 2.1 The Council's aim is to be recognised as a leading Highway Authority. One that provides a well-managed road network that supports the economic growth, prosperity and the wellbeing of residents and visitors to our Borough.
- 2.2 The inspection of roadworks contributes significantly towards The Council's ambitions and Vision 2030 objectives and compliments the asset management approach set out in Sandwell's Highways Asset Management Plan.
- 2.3 Analysis from the outcomes from The Council's current highway inspection regime confirm that we find 7% of Utility works defective in some way.

Because we inspect 100% of all utility road reinstatements to ensure that they are of a good standard we avoid costly deterioration and latent liabilities. We have estimated the financial benefit from identifying these defects to be £292,491.88 per year.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The Borough's highway network constitutes The Council's most valuable asset. Protecting and maintaining it into the long term, for the benefit of residents and visitors to use, is of high importance.
- 3.2 Poorly managed utility works (gas, water electricity etc.) can lead to early and costly deterioration of our road network, if not carefully co-ordinated and supervised.
- 3.3 As the designated Street Authority, The Council has duties and powers to control, co-ordinate and inspect streetworks.
- 3.4 Sandwell appoints experienced Consulting Engineers to assist us in undertaking our highway inspection programme.

- 3.5 The Code of Practice Code of Practice for Inspections prepared by Highway Authorities and Utilities Committee (HAUC), advises the Street Authority duty is limited to undertaking a 10% sample of utility reinstatements. However, we inspect 100% of all utility road reinstatements to ensure that they are of a good standard and avoid future liability for defective or poor workmanship.
- 3.6 With the implementation of our Permit Scheme our highway inspectors ensure any specific conditions included within any permit we grant are implemented and adhered to.
- 3.7 Legislation provides for us, as the street authority, to recover costs for investigatory works as necessary to ascertain whether an undertaker has complied with his duties under the legislation with respect to reinstatement, and to levy charges in relation to prescribed offences (working without a permit or breaches of the permit conditions). We have estimated the total of all charges and penalties recoverable from our inspections to be £341,950 over the full year 2019-20.

#### **4 THE CURRENT POSITION**

- 4.1 Sandwell employs Jacobs Engineering UK Ltd using Lot 2 of The West Midlands Professional Services Framework Contract. This framework contract is managed by Birmingham City Council.
- 4.2 An extension is in place to enable us to use the current call-off contract until February 2020.
- 4.3 In accordance with advice from Procurement Services and ensure continuity of inspections beyond February 2020, Highway Services are proposing to test the market for these highway inspection services through an open, competitive tender process.

#### **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 Consultation has been undertaken with:

The specialist consultancies and secondees who are commissioned under the current arrangement

Procurement Services.

#### **6 ALTERNATIVE OPTIONS**

- 6.1 Do nothing: is not an option since the Authority would fail in its statutory duty.

6.2 In-house provision: The only other option is to bring the highway inspection service back in-house. This is not recommended for the following reasons:

- This service was outsourced in the interests of efficiency.
- There is no perceived benefit in in-house provision in terms of any need for greater control of the resource or improvements to service.
- Remuneration for providing this highway inspection services will be through proportional sharing of the costs we recover from utilities. Hence there is no net cost to Sandwell resulting from these proposals.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

7.1 These proposals will be fully funded from the costs we recover from utility companies. No approval is sought or implied to increase approved budgets.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

8.1 Under Section 72 of the New Roads and Street Works Act 1991 (NRWSA), Local Authorities may carry out such investigatory works as appear to them to be necessary to ascertain whether an undertaker has complied with his duties with respect to reinstatement on the highway

8.2 The 10% sample inspections recommended under the code of practice can be, and are, charged to the utility company where an undertaker has failed to comply with his duties under the legislation with respect to reinstatement. However, an Authority can choose to inspect over this statutory minimum to help ensure their highway network remains as safe.

8.3 Where an inspection of a reinstatement finds a defect, a 'defect notification' is raised and sent to the utility company advising them to come back and repair the reinstatement to the statutory standard. Subsequent inspections will then take place following the second repair to make sure it's completed to the required standard. These follow-up inspections are also chargeable by the local authority to the utility company.

- 8.4 Procurement of contracts necessary for this proposal will be undertaken in accordance with the Concession Contracts Regulations 2016 and the Council's Procurement and Contract Procedure Rules.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact Assessment (EIA) initial screening has been undertaken. The screening identified that there will be no adverse impact on people or groups with protected characteristics as a result of the proposals contained within the report. A full EIA is not therefore required.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 A data protection impact assessment is not required for this proposal – all material is maintained in accordance with the council's data protection policy.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 There are no crime and disorder issues needed to be considered as part of this report.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 Not applicable.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 The continuation of Sandwell's policy to inspect 100% of all utility road reinstatements to ensures that our highways are maintained to a good standard, defects are identified, repairs completed to a required standard. We avoid costly deterioration and latent liabilities.

We have estimated the financial benefit from identifying these defects to be £292,491.88 per year.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

- 14.1 Sandwell's Highways are maintainable at public expense. This proposal will help deliver the aims and objectives as set out in the Corporate Asset Management Plan and The Highway Asset Management Plan aimed at ensuring the safety of the highway network.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 Authority is sought to delegate to the Director – Regeneration and Growth, authority to accept a tender and agree terms for the continued provision of Highway Inspections, following a compliant competitive tender exercise.

## **16 BACKGROUND PAPERS**

- 16.1 None

## **17 APPENDICES**

- 17.1 None

**Alison Knight**  
**Executive Director of Neighbourhoods**

**Amy Harhoff**  
**Director – Regeneration and Growth**

**Darren Carter**  
**Executive Director – Resources**