

MUNICIPAL YEAR 2019/2020 REPORT NO. **252**

MEETING TITLE AND DATE:

Cabinet: 13th May 2020

REPORT OF:

Director of Environment and
Operational Services

Agenda – Part: 1

Item: 8

Subject: In-Sourcing of Road Gully Cleaning Service

Wards: All

Key Decision No: KD5118

Cabinet Member consulted: Cllr. Guney Dogan, Cabinet Member for Environment & Sustainability

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1. EXECUTIVE SUMMARY

- 1.1 Highway Services currently instructs Ringway Jacobs to undertake routine and reactive highway maintenance work, including activities such as the repair of highway defects, winter maintenance (gritting), gully cleaning and responding to emergencies.
- 1.2 Officers are looking at options for the delivery of this work after the expiry of the contract on 31st March 2021, including the viability to in-source all, or part, of these activities.
- 1.3 This report relates to the road gully cleaning services and recommends in-sourcing that service on, or as soon as possible after, 1st July 2020.
- 1.4 Past performance has often been poor/ mixed and gully cleaning has often been behind programme. This lack of maintenance can lead to serviceability issues on the highway network and problems with budgetary control.
- 1.5 The current contractor's performance provides cleaning of circa 15,000 gullies per year. With the introduction of modern technology and data intelligence now used in this industry our highways engineers have estimated that by managing the service in-house, the performance of this service could be significantly improved with up to 20,000 gullies cleaned per year. This represents a 30% improvement in service.
- 1.6 There is also further opportunities for the gully service to operate more commercially, generating additional income through servicing and cleaning gullies on housing land, educational premises, private developments and privately managed industrial estates.

- 1.7 The budget of £160k to operate this service will be from the highways service as set out in paragraphs 3.8 - 3.10.
- 1.8 The service will be managed as part of the Council's Public Realm Services, based at Morson Road depot.

2. RECOMMENDATIONS

- 2.1 To approve the in-sourcing of the road gully cleaning service and deliver the service from within Public Realm Services based at Morson Road with effect from 1st July 2020, or as soon as practicable after this date.
- 2.2 To develop the business as set out in this report to be the provider for gully and drainage services to Housing Services.

3. BACKGROUND

- 3.1 As a highway authority, Enfield Council has a duty to maintain its highways and associated assets. As part of this duty, Highway Services instructs Ringway Jacobs to undertake routine and reactive maintenance work, including activities such as the repair of highway defects, winter maintenance (gritting), gully cleaning and responding to emergencies.
- 3.2 The contract with Ringway Jacobs is due to expire on 31st March 2021 and officers are considering the viability of delivering all, or part, of the routine and reactive maintenance work in-house as part of the Council's current initiative to self-deliver more services, after the end of the contract.
- 3.3 There are approximately 25,000 road gullies in the borough and Highway Services adopts an asset management approach to maintaining these. Road gullies on principal roads are currently cleaned twice each year, whereas gullies on borough roads are cleaned once every 3 years. This is less than in previous years due to budget reductions over recent years. In addition, a Highway Inspector may need to instruct the contractor to clean a gully to deal with a blockage or local flooding problem. Officers agree cleaning programmes with the contractor and performance is managed through joint meetings, recording those gullies cleaned and those missed due to parked cars etc. The contractor receives payment based on a rate per gully cleaned.
- 3.4 The contractor generally provides one gully cleaning gang (a specialist vehicle and two operatives) in the borough at any time, however past performance has often been poor/ mixed and gully cleaning has often been behind programme. This lack of maintenance can lead to serviceability issues on the highway network and problems with budgetary control.
- 3.5 It is therefore proposed to in-source road gully cleaning as soon as possible after 1st July 2020, and before the end of the contract. The function will be managed within Public Realm Services, specifically, under the Council's Street Cleansing Service,

based at Morson Road depot. Staff within Highway Services and Public Realm Services will work together to develop and agree cleaning programmes benefitting from officers' local knowledge of the road network and ensuring arrangements are in place to deal with requests for emergency call-outs etc.

- 3.6 Discussions have taken place with Ringway Jacobs who have offered a flexible and supportive approach to in-sourcing this activity. Staff currently employed by the contractor to deliver this work will have TUPE rights. Enfield's Fleet Operations Manager will procure an appropriately equipped gully cleaning vehicle, there may be an option of taking on the contractor's vehicle on an interim basis.
- 3.7 At times Highway Inspectors may still need to employ a contractor to undertake more extensive investigatory and repair work to deal with problems that cannot be addressed through normal gully cleaning techniques.
- 3.8 It has been estimated that a viable in-house service comprising of one gully cleaning gang, being operational for 52 weeks a year in order to maximise the use of the vehicle would cost approximately £160,000. (This cost is based on LBE staff T&Cs, a purpose-built specialist gully cleaning vehicle and associated costs).
- 3.9 Highway Services' current annual budget for the cleansing of highway gullies is £149,500. We have costed an inhouse service which equates to £160,000.
- 3.10 It is therefore proposed to transfer from Highways budget £160,000 to Public Realm, Street Cleansing budget to deliver an improved performance service. Highway Services will accommodate the additional £10,500 from existing budgets through income associated with highway licences and street works permits/traffic orders
- 3.11 It is estimated that one gang being fully operational over a full year is likely to be able to clean up to 20,000 gullies, i.e. greater than the current 15,000 per year commissioned through the contractor. Therefore, although additional funding of £10,500 is required, the Council will benefit from an increased level of service.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Delaying the opportunity to in-source the gully cleaning service until the end of the Ringway Jacobs contract will be a missed opportunity to achieve an improved service as soon as possible.
- 4.2 Gully cleaning could be tendered as a specific activity or as part of a wider highway maintenance contract, however this will deprive the Council of the benefits of direct service provision.

5. REASONS FOR RECOMMENDATIONS

- 5.1 In-sourcing the gully cleaning service will enable to Council to have greater control and flexibility of this activity by directly setting and monitoring cleaning programmes and priorities. An in-house gully cleaning gang will be able to respond to emergencies quicker and facilitate more direct feedback and liaison with monitoring officers within the Environmental Services. 1.6 There is also further opportunities for the gully service to operate more commercially, generating additional income through servicing and cleaning gullies and develop a drainage

service on housing land, educational premises, private developments and privately managed industrial estates.

- 5.2 This activity can easily be accommodated under existing management arrangements within the Environmental Services' Public Realm Services teams based at Morson Road depot. This will also provide an opportunity for existing staff within the service who have HGV driving licences to provide additional support, subject to appropriate training, thereby improving the resilience of the service.
- 5.3 The in-sourcing of the gully cleaning activity in advance of the end of Ringway Jacobs contract will provide an opportunity for a 'test run' for a potential larger service transfer at the end of Ringway Jacobs contract on 1st April 2021.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 This report seeks the in-sourcing of Road Gully Cleaning Service, it has been estimated that a viable in-house service will cost £160k per annum (including an allowance for contingencies).

Summary of Costs	
Staffing Costs (inc standby and call outs)	£ 108,295.98
Vehicle Costs (inc fuel)	£ 28,060.00
Operational Costs	£ 13,000.00
Gully Asset Inventory Recording System	£ 3,000.00
Misc. Expenses/Contingency	£ 7,617.80
Total	£ 159,973.78

- 6.1.2 It is therefore proposed to transfer an additional £10.5k from other budget areas within Highway Services so that the full level of required funding can be transferred to Public Realm Services to run this service. This additional funding will be provided from increased income associated with highway licences and street works permits/traffic orders.

6.2 Legal Implications

- 6.2.1 Section 1 of the Localism Act 2011 permits the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles.
- 6.2.2 The Council has a duty under Section 41 of the Highways Act 1980, to maintain the highways within its boundaries. The Council's duties in respect of highways under the Highways Act 1980 extends to the cleaning of road gullies within its area.
- 6.2.3 The Council will need to ensure that the process for in-sourcing of the gully cleaning work is carried out in accordance with any variation or change control mechanism set out in the Contract it has in place with Ringway Jacobs.
- 6.2.4 The Council also needs to ensure that it complies with its obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 in respect of any staff who may potentially transfer to the Council.

6.2.5 The decision to in-source this service is a Key Decision and the Council must comply with its governance process in respect of Key Decisions.

6.3 Property Implications

6.3.1 LBE has a dedicated depot located at Morson Road where the Depot manager has confirmed that the depot is more than capable of accommodating this additional requirement.

6.3.2 The Depot at Morson Road is effectively built for purpose and is a leased in property. As such, LBE should look to utilise the Depot as much as possible in order to extract best value.

7. KEY RISKS

<i>Risk Category</i>	<i>Comments/Mitigation</i>
<i>Strategic</i>	Risk: Does not align with Council's strategic vision. Mitigation: The Council's administration has a strong drive to in-source services where appropriate.
<i>Operational</i>	Risk: Service failure. Mitigation: Service failure due to the breakdown of plant will be minimised through established plant hire arrangements. Staffing shortages will be minimised by having additional suitably trained staff within the wider Public Realm Service. Additional resilience will be available through current and on-going contractual relationships. Risk: Reduced Service Delivery due to current COVID restrictions. Mitigation: Reduction in service delivery through the current COVID restrictions will be minimised by ensuring safe working practises are deployed and targeted cleaning regimes are utilised on less residentially populated roads throughout the borough
<i>Financial</i>	Risk: Cost escalation / overspend Mitigation: Costs will be managed as part of the existing service management arrangements. Expected costs for labour and plant etc have been benchmarked with contractor's costs and a further contingency has been allowed for.
<i>Reputational</i>	Risk: Poor delivery of the cleaning programme. Mitigation: The Public Realm Team has arrangements in place to performance manage street cleaning programmes. Highway Services staff have a lot of local knowledge and will work jointly with the Public Realm team to set and agree cleaning schedules and provide expertise.
<i>Regulatory</i>	Risk: Failure to comply with statutory requirements. Mitigation: Experienced staff will ensure compliance with all environmental, street works and health and safety requirements.

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

This proposal has been developed in consultation with Public Realm Services and Housing Services.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good homes in well-connected neighbourhoods

An adequately maintained highway network will contribute to the aim of creating good homes in well-connected neighbourhoods. This new service will also benefit the Councils' Housing Service by providing clean surface water gullies and drainage in off public highway areas.

9.2 Sustain strong and healthy communities

The direct provision of this service will provide opportunities for the direct employment of local labour.

9.3 Build our local economy to create a thriving place

There will be a potential opportunity to develop the in-house road gully cleaning service into a commercially based enterprise that will provide gully cleaning and drainage services to premises such as Council buildings, industrial estates, hospitals, and other local businesses.

10. EQUALITIES IMPACT IMPLICATIONS

The council has a legal duty to have due regard to the need to eliminate discrimination, advance equality and foster good relations on the basis of protected characteristics. An EQIA screening of this proposal did not identify any potential adverse impact on groups sharing protected characteristics.

11. PERFORMANCE AND DATA IMPLICATIONS

11.1 This in-sourcing proposal will enable improved performance management through direct control and a greater ability to prioritise resources to respond to any performance issues.

11.2 The current service delivered by a contractor (with the current budget) allows for approximately 15,000 gully cleans per year. This equates to road gullies on principal roads being cleaned twice per year and those on non-principal roads being cleaned once every three years: with limited capacity for targeted cleans for known problem locations and also reactive, unscheduled cleans.

11.3 An in-sourced service is estimated to be able to clean approximately 20,000 gullies per year. This would equate to road gullies on principal roads being cleaned twice per year and those on non-principal roads being cleaned once every two years, with

an increased capacity for targeted cleans for known problem locations and also reactive, unscheduled cleans.

- 11.4 An appropriate IT system will be required to assist with the performance management of gully cleaning. Ringway Jacobs have recently started using a piece of software called MAP16 which appears to be ideal. Alternatively, it may be possible to build the required functionality into the BARTEC Waste Management software.

12. HEALTH AND SAFETY IMPLICATIONS

Appropriate risk assessments, safe working procedures and training arrangements will be developed and implemented in order to ensure the health, safety and welfare of the work force.

13. HR IMPLICATIONS

- 13.1 If the Gully Cleaning Service is insourced, there are direct HR implications for the Council, as follows:
- 13.2 This is likely to result in the transfer of a small number of contractor employees into the Council under the Transfer of Undertakings Regulations (TUPE) on their existing terms and conditions of employment. It is anticipated that this would include 2 individual members of staff.
- 13.3 In the event of an in-sourced service model, Procurement and Property will need to work closely with the HR Service to ensure that all legal requirements of TUPE are met and legal advice on the implications is recommended.
- 13.4 A meaningful consultation process will need to take place ahead of any transfer. This includes review of terms and conditions and consideration of measures relating to the transfer of staff to the Council.

14. PUBLIC HEALTH IMPLICATIONS

The regular maintenance of road gullies is an essential element of the duty to maintain highways to ensure they are safe for users of Enfield's highway network. This is particularly relevant to pedestrians and cyclists.

Background Papers

None