

London Borough of Enfield

Portfolio Report

Report of: Doug Wilkinson – Director of Environment & Operational Services

Subject: In-sourcing of Highway Winter Maintenance

Cabinet Member: Cllr. Barnes

Executive Director: Sarah Cary

Key Decision: KD 5295

Purpose of Report

1. To seek authorisation to in-source the highways winter maintenance service.

Proposal(s)

2. To approve the in-sourcing of the winter maintenance service with effect from 1st November 2021.
3. To procure the necessary vehicles, salt and salt storage arrangements required to deliver the service, as outlined in this report. To submit future bids for capital funding for these items as appropriate.
4. To delegate authority to the Director of Environment and Operational Services to amend the Winter Maintenance Plan to include enhancements described in this report, subject to costs being contained within the annual budget for winter maintenance.
5. To consider growing the commercial element of the service, expanding the previous provision of services to private land managers such as industrial estates and hospitals to generate income to support the Council's budget position.

Reason for Proposal(s)

6. An in-sourced service will enable the Council to deliver a much-improved level of service whilst keeping within the current budget provision. Cost estimates demonstrate that, within the existing budget, an in-house service will enable the Council to add cycle routes and also a number of smaller roads with inclines which were not possible to grit with the normal gritting vehicles provided by the previous contractor's service.

7. The insourcing of the winter maintenance service will give the Council more flexibility and greater control of the service than under the previous out-sourced arrangement. Managers will be able to be more responsive to changing circumstances without the need for separate instructions or contract variations and will be able to quickly respond to changing circumstances according to the weather conditions. The service will be able to react to future variations to the winter maintenance regime without the need to go back to the contractor to renegotiate.
8. The in-house service will also be more resilient as it will benefit from a larger group of HGV drivers who are already employed within the Council's Public Realm Services and are based locally at Morson Road depot. This will build capacity into the service to cover absenteeism/sickness (particularly as the winter season may present a higher risk for the recurrence of the coronavirus).
9. In these times of challenging financial conditions, income generation is crucial, and with an in-house service the Council will have greater ability to offer a winter maintenance service to other organisations in the borough on a commercial basis. This might include hospitals, industrial estates, retail parks and private housing developments.
10. There is capacity at the Council's Morson Road depot to store the required quantity of salt and the required number of gritting vehicles and other equipment that will enable the service to be delivered efficiently and effectively.
11. In summary, the rationale for bringing the contract in-house includes:
 - The ability to provide an enhanced service at a lower cost, and within the current budget, (excluding very extreme winters).
 - Greater control over the performance, timing and scope of the service with the ability to react quickly to changing weather conditions.
 - Greater control over the costs of the service, which are based on actual usage rather than a contractor's high level of fixed costs irrespective of whether the service is used.
 - The ability to build resilience within the service, particularly during these operationally challenging times;
 - Better opportunity to explore and to trial innovative solutions using the Council's own resources, such as the treatment of cycle paths and problematic roads.
 - An opportunity to grow the service commercially for the benefit of the wider Enfield community

Relevance to the Council's Plan

Good homes in well-connected neighbourhoods

12. The in-sourcing of the winter maintenance service will support this priority by ensuring that key road connections are kept open and neighbourhoods remain connected during severe weather events.

Sustain strong and healthy communities

13. The in-sourcing of this contract will potentially enhance the employment opportunities for local people to work at the Council thereby supporting strong and healthy communities. Ensuring roads remain serviceable during severe weather is critical to ensure people can get to work and that they can obtain access to essential services.

Build our local economy to create a thriving place

14. The local economy is dependent on a well maintained and serviceable highway network, particularly for the passage of goods, services and people. An efficient and effective winter maintenance service is essential to achieving this objective during the winter season. The potential to develop the in-house service provision to local businesses also supports this objective.

Background

15. Enfield's arrangements for winter maintenance are described in its Winter Maintenance Plan, which is reviewed annually in advance of each winter season and published on Enfield's website. The service comprises of the treatment of public highways to prevent ice from forming (precautionary salting), to melt ice and snow that has already formed (post salting), and to remove snow under extreme conditions. Enfield's winter maintenance service is implemented during the period 1st November to 31st March each year.
16. When ice is predicted, the Council will initially pre-treat all roads that are included in its priority 1 network. This network includes all principal roads, main commuter routes, all bus routes, and those roads that provide access to emergency services facilities, main industrial areas and premises that provide Council-critical services. The priority 1 network is 195km, which is a third of the whole of Enfield's road network. The remaining roads (priority 2 network) and footways are currently only treated if snow is forecast to remain on the ground for prolonged periods.
17. The delivery of a winter maintenance service requires:
 - A process to decide if, and when, to treat the roads (decision-making)
 - Arrangements to apply the treatment, including specialist gritting vehicles and drivers
 - A supply of salt, along with suitable storage and handling arrangements within a depot environment,
 - Management and supervisory capacity and expertise.
18. The decision-making process is undertaken by officers within Highway Services. They use a company called 'Vaisala' to provide a specialist weather forecasting service to enable them to decide if, and when, to instruct the roads to be gritted. The system provided by Vaisala uses daily forecasts obtained from a direct link with Met Desk (Enfield's weather forecast provider) combined with actual temperature readings from two weather stations in the borough (at The Ridgeway EN2 and Ridge Avenue

N21) and also with information from road temperature sensors. The priority 1 gritting network has also been thermally mapped to determine an average overnight temperature for the whole highway network depending on weather conditions and provides detailed information of minimum predicted temperatures. This enables officers to identify the optimum time at which roads should be gritted with regards to the predicted change in road temperatures and also provides the potential to reduce the length of road network that needs to be gritted on marginal nights. Officers in Highway Services have a high level of expertise in the decision-making process and it is proposed that this element is retained within the highway service.

19. The operational winter maintenance activity to grit roads has previously been undertaken by Ringway Jacobs as part of a wider contract for highway maintenance. The contract with Ringway Jacobs ended on 31st March 2021, thereby providing an opportunity for the Council to review how best to provide winter maintenance services in the future. The treatment of footways is already provided by the Council's Street Cleansing Services Team.

Main Considerations for the Council

20. Bench marking has shown that there is a mix of approaches to winter maintenance delivery across the London boroughs, with some relying on contractors and some delivering through their in-house teams. Where Council's self-deliver, the service is normally provided as part of their Street Cleaning and Waste Services provision due to the requirement to have HGV drivers. This is the proposal for Enfield.
21. Discussions have taken place with the Council's Head of Fleet and Transport Operations who has confirmed the viability for options to either buy or lease specialist gritting vehicles. Prices have also been obtained for specialist equipment to treat cycleways using a brine solution as salt is of limited value for cycleways. Costs have also been obtained for smaller towable trailer units that could be used for gritting problematic roads such as small residential roads on hills and those with restricted access due to parked vehicles. This would enable the Council to provide an improved level of service.
22. A suitable area has been identified at the Council's Morson Road depot where salt can be stored with sufficient space for delivery and subsequent loading of the salt into the gritting vehicles. The Environment Agency's guidelines recommend that salt stores are roofed, or if this is not practicable, covered over with an impermeable membrane, and situated on an impervious base at least 10metres away from the nearest watercourse. The construction of a demountable salt storage barn, available from specialist manufacturers, would be a cost-effective way of ensuring compliance with the EA's guidelines, however it is proposed that it is not constructed until after the first winter season's operational arrangements have been reviewed. A proprietary salt cover will be used during the first season. The viability of an existing building at Morson Road depot has also

been considered but this has been discounted due to inadequate access and loading space around the building.

23. Public Realm Services have a pool of HGV drivers who, after appropriate training, will be ideally placed to drive the gritting vehicles, particularly as they are already familiar with the borough. The service will operate on a 24/7 basis and staffing shifts will be managed under existing management arrangements and on a similar basis to present where the Council is already experienced in providing both routine and call-out services. The management and supervisory structures already exist within Public Realm Services, which have the appropriate expertise to take on the winter maintenance operations.
24. The contract with the previous service provider, Ringway Jacobs, ended on 31st March 2021. The contractor did not identify any of his staff to have rights under TUPE specifically for winter maintenance as the activity was not a sufficient proportion of their working hours.
25. In-sourcing this activity will enable the Council to have much lower fixed costs (for vehicles etc) and to have much better control of the overall costs incurred based on the number of actual treatments. Officers have therefore explored a number of improvements to the level of service, which include the treatment of cycleways, which the Council has not previously undertaken and an extra gritting route to treat smaller roads where the gradients and restricted access have proved difficult in the past for the larger gritting vehicles.
26. As part of the consideration of options, officers have benchmarked the estimated costs of an in-house service with those from a contractor. The annual budget for winter maintenance is £261.5k. The cost of the service provided by Ringway Jacobs was based on an annual fixed charge plus a cost per treatment, where the annual fixed charge was proportionally very high. This meant that the budget was only sufficient to cover the necessary treatments (grits on the priority 1 network) required during a mild winter, i.e. 38 grits. In comparison, the cost of providing an in-house service in response to a mild winter (i.e. 38 grits on the priority 1 route) is estimated to be £204.5k, a saving of £57k, and this would include the enhanced level of service discussed above, i.e. a lower price for a better service.
27. However, Highway Services records show that, over the last 10 years, officers have instructed an average number of 70 gritting treatments of the priority 1 network per year. An 'average winter' resulted an average annual cost of £294k, resulting in an overspend of the Council's annual winter maintenance budget of £32.5k when undertaken by the contractor – this overspend has historically been contained within the wider Highway services budget. The cost of providing an in-house service for an 'average winter' (70 grits on the priority 1 route) is estimated to be £260.6k. this is £32.4k less than when undertaken by the contractor. The in-house provision would include the enhanced level of service discussed above, a lower price for a better service.

Safeguarding Implications

28. It is not believed that there are any safeguarding implications from the proposals set out within this report.

Public Health Implications

29. An in-house service would include the treatment of cycleways, which the Council has not previously undertaken and an extra gritting route to treat smaller roads where the gradients and restricted access have proved difficult in the past for the larger gritting vehicles. This would support and promote active travel, particularly cycling, and improve the safety of our residential roads. Residents often feel vulnerable and isolated during prolonged periods of inclement weather and the enhancements described within this proposal will help to strengthen community resilience and support improved health and wellbeing through better social connection and accessibility.

Equalities Impact of the Proposal

30. It is important to consider the needs of the diverse groups with protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services. An Equalities Impact Assessment has been undertaken and identified that the activities within this proposal make a significant contribution to improving accessibility for different people, especially those who are dependent on service provisions that rely on road transport.

Environmental and Climate Change Considerations

31. The in-sourcing of the contract offers the Council the opportunity to have more control over the type of vehicles used for this activity and the CO₂ emissions emitted. The Council's Head of Fleet and Transport Operations is actively engaged in sourcing lower emission vehicles and this activity will form part of his overall strategy. At the present time the industry lead-supplier of gritting vehicles does not recommend electric vehicles for gritting activities as they are required on a 24/7 basis during very demanding conditions that lead to very high battery demand. However, treatment routes will be reviewed to ensure they are undertaken as efficiently as possible with the corresponding reduction in fuel usage.
32. There is an environmental cost for using salt, which is mined as a raw material. The industry also recognises that using highway salt does involve trade-offs: reducing the risk of accident and injury to drivers and the economic consequences of a weather-related economic shut-down versus the use of raw material and contamination of surface water run-off along with any associated risk to roadside vegetation and, perhaps, wildlife. Fortunately, use of salt is minimised through the adoption of national codes of practice to ensure that only the precise amount is applied and only when absolutely necessary. The decision-making

process described above, including thermal mapping assists with this. The environmental downside can therefore be mitigated while preserving the social and economic benefits of proper winter maintenance.

33. It should also be noted that, by moving the service in-house, any emissions associated with this activity will then be included in the Council's calculation of 'direct emissions' and will be included when reviewing the Council's Climate Action Plan target of being a carbon neutral organisation by 2030. However, this will lead to a reduction in wider emissions (including those coming from indirect Scope 3 activities) and as noted above steps will be taken to minimise the amount of diesel fuel and mined materials used when delivering this service. Any additional gritting activities will also lead to higher emissions.

Risks that may arise if the proposed decision and related work is not taken

34. The Council would need to procure winter maintenance services through an external contractor. This would deny the Council the opportunity to reduce costs and create a real risk over overspending the available budget on all but the mildest of winters. It would also mean that the enhancements described above would be unaffordable.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

35. The risks associated in-sourcing this activity have been identified:

<i>Risk Category</i>	<i>Comments/Mitigation</i>
<i>Strategic</i>	Risk: Winter maintenance delivery fails to keep the main roads operational during winter conditions. Mitigation: The Winter Maintenance Plan sets out the Council's proposals which are reviewed annually. Officers attend national and regional working groups to ensure compliance with national best practice and reasonable customer expectations.
<i>Operational</i>	Risk: Service failure due to vehicle breakdowns, staff shortages or shortage of salt. Mitigation: Resilience will be built into the service by having an additional multi-function vehicle within the fleet. A large pool of HGV drivers already exists within Public Realm Services thereby providing resilience. A storage facility to accommodate 1,000 tonnes of salt will provide a good level of resilience. Experience has shown that, during long periods of severe weather, salt may become difficult to obtain. In these circumstances a London-wide 'salt-aid' arrangement is implemented by TfL to support boroughs with low stock levels.
<i>Financial</i>	Risk: Cost escalation/overspend Mitigation: A detailed cost estimate has been produced which confirms that the cost for in-house delivery for an average winter is within the current budget, including a contingency allowance. Officers will have greater control

	over costs.
Reputational	Risk: Poor delivery of the programme Mitigation: Officers have extensive experience in the decision-making process to determine the optimal time to apply grit. The Council will have more control over the quality of service delivery and be able to respond quicker to service requests.
Regulatory	Risk: Failure to comply with statutory requirements. Mitigation: The Council reviews its Winter Maintenance Plan in advance of each winter season to ensure that it complies with national codes of practice. This will reduce the potential for third party claims against the Council for non-compliance.

Financial Implications

- 36 This report seeks to approve the in-sourcing of the winter maintenance service. An in-sourced service will enable the Council to deliver a much-improved level of service whilst keeping within the current budget provision (£261.5k). Cost estimates demonstrate that an in-house service will enable the Council to keep within budget, while adding an enhanced service - cycle routes and also a number of smaller roads with inclines which were not possible to grit under the outsourced contact.
- 37 **Outsourced Service:** - mild winter cost (38 Grits) is contained within the current budget, and the average winter cost (70 Grits) over last 10 years shows a budget pressure of circa £32.5k.
- 38 **Insourced Service (Exc. Enhanced Service):** - mild winter cost (38Grits) will result in a favourable variance of about £88.9k and the average winter cost (70 Grits) over last 10 years will result in favourable variance of about £50.4k.
- 39 **Insourced Service (Inc. Enhanced Service):** - mild winter cost (38 Grits) will result in a favourable variance of about £56.9k and the average winter cost (70 Grits) over last 10 years will be within the current budget of £261.5k. see tables below.

Outsourced Service			
	Contract Value	Budget	Variance to Budget
	£	£	£261.5k
Cost for mild winter 38 grits contained within the budget	259,201	261,500	2,299
Cost for average winter 70 gritsover last 10 years	294,010	261,500	-32,510

In-Sourced Service					
	Cost (Inc. Enhanced Service)	Budget	Variance to Budget	Cost - Contract Equivalent (Exc. Enhanced Service)	Variance to Budget
	£	£	£261.5k	£	£261.5k
Cost for mild winter 38 grits					
Client Software	19,400			19,400	
Salt, Brine and storage	39,000			36,000	
Gritting Vehicles	90,000			75,000	
Staffing	56,189			42,185	
Total	204,589	261,500	56,911	172,585	88,915
Cost for average winter 70 grits over last 10 years					
Client Software	19,400			19,400	
Salt, Brine and storage	55,000			51,000	
Gritting Vehicles	90,000			75,000	
Staffing	97,204			65,710	
Total	261,604	261,500	-104	211,110	50,390

Legal Implications

Prepared by CP based on version of report circulated 2.6.21

- 40 Section 1 of the Localism Act 2011 ('LA 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 – this is referred to as the 'general power of competence'. Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.
- 41 Under the Highways Act s41 (as amended by section 111 Railways and Transport Safety Act 2003), the Council as a highway authority is under a duty to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice.

- 42 Any procurement of goods, works or services associated with the proposed insourcing must be carried out in accordance with the Council's Contract Procedure Rules, and the Public Contracts Regulations 2015 (where applicable).
- 43 There are proposals contained within this Report to consider growing the commercial element of the service, expanding the previous provision of services to private land managers such as industrial estates and hospitals in order to generate income. Before such proposals are implemented, Legal Services should be consulted to ensure that the Council acts in compliance within the statutory framework governing charging and trading by local authorities.

Workforce Implications

- 44 TUPE implications had been considered with Ringway Jacobs prior to the end of the contract. RJ's advised that the activity of winter maintenance was only part of the role of a number of operatives, but it was only seasonal and was not a sufficient proportion of their working hours to be identified separately regarding any TUPE implications.
- 45 Public Realm Services have a pool of HGV drivers. Consultation would need to take place with the staff to discuss potential changes to their terms & conditions as the service will operate on a 24/7 basis. This may include changes to shift patterns, pay enhancements for standby/call out/out of hours. Staff will also need to receive appropriate training for winter maintenance operations.
- 46 The HGV drivers' regulations/working time directive dictate the requirement of set rest periods/breaks. It may be difficult to plan when cover is needed as the winter maintenance is weather dependant. A possible solution would be to engage a relief/casual pool of staff to cover shifts when staff are on rest breaks. An alternative option may also be to engage agency staff; however Public Realm will need to be mindful of the Councils agency reduction plan.

Property Implications

- 47 The Morson Road Depot is an operational property that is leased-in by the Council. As such, the proposals in this report need to be assessed against the terms of the lease.
- 48 The lease does not permit the storage of 'Dangerous Substances' (which is anything that can cause harm to a living organism and/or the environment) "*except as consistent with the... Permitted Use*". The Permitted Use is defined in part by the uses contained within the planning consent the Council gained in 26 June 2012. Usefully, this consent includes salt storage.
- 49 Whether the proposed salt barn amounts to structural or non-structural alterations is a matter of discussion with the landlord. The significance is that structural alterations will require landlord's prior written consent (not to

be unreasonably withheld), whereas non-structural alterations are permitted without landlord's consent.

- 50 Following notification of the Council's intentions, we have now discussed the matter with the respective landlord and have obtained their formal consent to the alterations via a side letter agreement. The consent is subject to the Council reinstating/removing the salt barn at the end of the term, should the landlord so require. This has negated the need for a formal licence and associated legal costs. Therefore, as far as the landlord is concerned, no further consents will be required.
- 51 As a separate matter, the proposed salt barn is going to need planning consent as the structure is intended to be above 4m in height. This permission is separate to the landlord's consent.

Other Implications

- 52 This proposal has been developed by officers in Highway Services and Public Realm Services, who have a proven track record of working together on other activities to ensure the borough's highways are appropriately maintained and kept clean.

Options Considered

- 53 The alternation option to in-house delivery would be to procure the winter maintenance service through a contractor. This option has been rejected on the basis of the reasons set out earlier in this report for recommending an in-house provision, i.e. costs, levels of control and flexibility etc.
- 54 More specific considerations regarding the use of contractors have included the following:
- The contract with Ringway Jacobs, who previously provided this service, ended on 31st March 2021. Delivery via a contractor would therefore involve a procurement exercise to commission this service in advance of the 2021/22 winter season. Market research has shown that contractors have little appetite to provide winter maintenance services in isolation from other activities to the Council such as highway maintenance or public realm services as they would not have a pool of staff to draw on. A specific contract for winter maintenance services only, has therefore been discounted.
 - Highway Services has a civil engineering minor works contract in place with a highways term maintenance contractor, but this contract is due to end part way through the winter season. Highway Services is progressing the procurement of a new contract for highway maintenance and civil engineering works, which is planned to follow on after the end of the civil engineering minor works contract referred to above. This option would therefore require the Council to commission the winter maintenance service through the existing contract and then change contracts part of the way through the winter season. It should also be noted that the existing contractor does not provide winter maintenance services for any

other London Boroughs and therefore the challenge of setting up this service for just part of the winter season would make this option neither practical nor economical.

Conclusions

- 55 The end of the current contract with Ringway Jacobs has given the Council the opportunity to review the service costs and wider benefits of delivering the service in-house. This exercise has identified that an in-house service will be cheaper, provide a much-enhanced level of service whilst still remaining within budget and provide the Council with much greater levels of control. It will also provide greater opportunity for innovations and to develop a commercial service for the benefit of the wider community in Enfield.
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Background Papers

The following documents have been relied on in the preparation of this report:

None