

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Director of Economy, Transport and Environment
Date:	14 December 2022
Title:	Hampshire Highways Service Contract - Extension to 30 th April 2029 with Revised Suite of Performance Management Measures
Report From:	Peter Rooney, Highway Manager

Contact name: Peter Rooney

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Email: peter.rooney@hants.gov.uk

1. The decision:

- 1.1 That the Director of Economy, Transport and Environment, under delegated authority, agrees to the finalisation of the necessary legal and contractual arrangements to formally extend the Hampshire Highways Service Contract to 30th April 2029.
- 1.2 That the Director of Economy, Transport and Environment approves the expanded suite of performance management measures developed to compliment the extension of the contract. These measures, if approved, will become effective from 1st April 2023.

2. Reason(s) for the decision:

- 2.1 Agreement to finalise the legal and contractual arrangements to extend the contract, and the approval of the new performance measures, by the Director, is a requirement following the decision made by the Executive Lead Member for Transport and Environment Strategy on 3 October 2022 entitled *Hampshire Highways Service Contract – Contract Extension*.

3. Other options considered and rejected:

- 3.1 Not applicable – linked to Executive Lead Member for Transport and Environment Strategy on 3 October 2022.

4. Conflicts of interest:

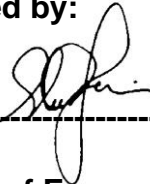
4.1 Conflicts of interest declared by the decision-maker:

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:



Date:

15 December 2022

**Director of Economy, Transport and Environment
Stuart Jarvis**

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Purpose of this Report

1. The purpose of this report is to seek, following the decision made by the Executive Lead Member for Transport and Environment on 3rd October 2022, approval to extend the Hampshire Highways Service Contract to 30th April 2029, incorporating a new suite of holistic performance management measures. The contract will be extended by Deed of Variation and will include the new performance measures.

Recommendation(s)

2. That the Director of Economy, Transport and Environment, under delegated authority, agrees to the finalisation of the necessary legal and contractual arrangements to formally extend the Hampshire Highways Service Contract to 30th April 2029.
3. That the Director of Economy, Transport and Environment approves the expanded suite of performance management measures developed to compliment the extension of the contract. These measures, if approved, will become effective from 1st April 2023.

Executive Summary

4. As part of the decision made by the Executive Lead Member for Transport and Environment to approve the extension of the Hampshire Highways Service Contract by five years to 2029, this report seeks approval to finalise the legal and contractual arrangements to facilitate this. In addition, this report sets out a new suite of jointly agreed performance measures for the contract to better measure contract performance and service delivery.

5. Once the new performance measures have been approved they will be included within the Deed of Variation to formally extend the contract, which is being undertaken by Legal Services.
6. The new measures have been developed to be both qualitative and quantitative to enable genuine service improvement and improved contract governance.

Contextual Information

7. On the 3 October 2022 the Executive Lead Member for Transport and Environment Strategy approved the extension of the Hampshire Highways Service Contract (HHSC) to 30 April 2029.
8. One of the key recommendations of the report was that the Executive Lead Member approved the development of new performance measures to ensure the opportunities proposed by Milestone Infrastructure Limited become contractual obligations and are formally bound into the contract. As part of this recommendation authority was delegated to the Director of Economy, Transport and Environment to agree the timescale and scope of these new performance measures.
9. The new measures have been jointly developed with Milestone to cover all ten areas of their contract extension proposal but they also encompass the full breadth of holistic service delivery. A copy of the spreadsheet detailing the performance measures has been included within Appendix A of this report.
10. The performance measures will be managed by the Highways Contract Management Team in collaboration with Milestone. Non-compliances will be managed through the existing contract governance processes.
11. The contract includes a requirement (Volume 1 - 3.5.16) for the Contractor to provide an Action Plan to correct any shortfall in performance. This requirement will be reiterated within the Deed of Variation and invoked if deemed appropriate.
12. The Highway contract is a long-term arrangement, and it is recognised that there are a wide range of issues that can influence the deliverability of the highways service. In recognition of this it is proposed that the performance measures remain agile and can be adapted as necessary to ensure they are relevant and realistic. This follows the established principle of performance management within the existing contract where measures can be reviewed and amended as required to enhance the highways service.

Equalities Impact Assessment

13. Due to the nature of the approval for this report, limited consultation has been undertaken. However, the Highways Team, Milestone Infrastructure and the wider supply chain are closely involved in actively and dynamically managing the situation and the associated risks and impacts.

14. The decision sought in this report will not reduce the scope of the service provided or have any impact on service users or individuals working on the service, so has been assessed as having a neutral impact on groups with protected characteristics.

Climate Change Impact Assessments

15. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation

16. The proposals submitted by Milestone for the contract extension will help to reduce the highway network's vulnerability to climate change impacts by increasing frontline resources and enabling a more responsive service.

Carbon Mitigation

17. The proposals include a commitment by Milestone to reduce its carbon emissions by 60% by 2030. The proposals will also lead to carbon reductions in planned maintenance activity through the use of warm asphalts and also expanding the scope of materials produced at the Micheldever Recycling Facility. Enhanced gully waste facilities will also see a higher proportion of waste material being recycled.
18. Data driven innovations will also create improvements to the scheduling and delivery of reactive repairs, improving efficiency and reducing disruption and diversions for the travelling public.

Conclusion

19. That the new suite of measures is adopted and bound into the contract under Deed of Variation.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Hampshire Highways Service Contract – Contract Extension	<u>Date</u> 3 October 2022

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	