

1 October 2020**Agenda Item: 7**

REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES

VIA EAST MIDLANDS: UPDATE AND 2020/21 OVERVIEW

Purpose of the Report

1. To update Committee on the development of Via East Midlands Limited in the delivery of highways and fleet management services across Nottinghamshire and its achievements in its fifth year of operation, and to identify any actions Committee may require from the report.
2. The report as presented provides an overview of the performance of Via as a company and is not intended to cover the performance against the service requirements, as set out in the Highways Services Contract, nor the delivery of works programmes. Via's performance against the Performance Indicators defined in the Services Contract is reported on a quarterly basis as part of the Communities and Place Performance Report.

Information

Context

3. On 20 May 2015 Nottinghamshire County Council Policy Committee approved the establishment of a joint venture company to deliver highways and fleet management services. Via East Midlands Ltd (Via) commenced trading on 1 July 2016 as a joint venture between the Council and Corserv, a company wholly-owned by Cornwall Council. The majority of the former Highways Division staff transferred into Via which provides highways and transport maintenance services to the Council and externally.
4. Via was established with a contractual arrangement with the Council through a Highway Services Contract for a period of ten years subject to a possible extension for a further five years. The Contract defines the scope and range of services to be delivered on the Council's behalf. A services specification and performance management framework have been established with the latter regularly monitored and jointly reviewed with the County Council on an annual basis.
5. The Via contract is managed by a small team in the Highways and Transport Group. Monthly contract review meetings take place, with regular meetings also taking place on finance, insurance, asset management and communications. Some highway services notably – highways elements of flood risk management, elements of rights of way, civil parking enforcement, local transport planning and highways development control were retained by the County Council. Via are also limited by law in acting on behalf of the County Council in some aspects of highway work and these functions continue to be exercised by the Council.

6. The joint venture company was established as a “Teckal Company” which means that it is controlled by a Local Authority or Authorities and can trade outside that Local Authority(s) by up to 20% of its turnover and this was introduced into law by the Public Contracts Regulations 2015.
7. In addition to the transfer of staff and initial support from the Council and Corserv, senior staff in Via have established systems, policies and procedures to enable the company to be financially robust, be compliant with relevant legislation, and ensure that it can meet its contractual agreements and the required levels of performance. The company continues to operate in this way and has mid and long-term goals to support continued growth.
8. Following two years of successful operation of Via, Policy Committee at its November 2018 meeting, gave approval for the County Council to acquire 100% of the company shares.
9. After a period of negotiation, the Council purchased the Corserv shares by agreement on 29th March 2019, in line with the cost outlined to Policy Committee in November 2018, and thereby became the sole owner of Via East Midlands Ltd.
10. Following the change of ownership and completion of transitional arrangements of back office services from Cornwall into Via, revised company governance arrangements have been implemented.
11. This report and an accompanying presentation by the Managing Director of Via will provide the Committee with an overview of progress since March 2020.

Overview of 2020/21 to date

Health, Safety & Environment

12. A key focus for Via remains the health and safety and environmental performance. The safety of employees, sub-contractors and members of the public is paramount and it continues to drive improvements to culture and introduce safety enhancements across the business.
13. During the period January to July 2020, there were a total of 13 minor injury incidents recorded, with none of these being reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). Each of these incidents is investigated and any lessons learnt are cascaded across the business.
14. As of the 1st April 2020, Via recorded a rolling 12-month RIDDOR Accident Frequency Rate (AFR) of zero which has been retained, with the business now achieving over 1.5 million hours worked over the last 16 months without a reportable injury incident. Over the last 12 month period, there has also been an over 20% reduction in both the number of injury and service damage incidents.
15. Over the past two and a half years, Via has recognised the requirement for a series of improvements to be carried out across the depots, which are managed by Via but remain in the control of NCC. These improvements included the installation of modern equipment and facilities to support vehicle and depot maintenance and are required to ensure the company is operating in accordance with current legislation and guidance.

Work is now complete and all depots have now been enhanced to a modern standard with appropriate controls including full spill containment.

16. During the period January to July 2020, there were a total of 18 environmental near missed recorded, with the bulk of these relating to oil / fuel spillages or leaks and incorrect segregation of waste, with corrective actions taken at the time.

Performance and Quality Assurance

17. Since the inception of Via, quarterly performance reports have been provided to the NCC Client Team covering a series of agreed key performance indicators. The indicators include a broad range of service delivery components such as road condition data, casualty reduction information, emergency response times and winter maintenance performance. The first two of these are also reported to the Communities and Place Committee. A review of performance takes place with the NCC Client Team and Via representatives at monthly Term Operational Board meetings. A full review of expected targets was carried out ahead of finalising the Performance Management Framework for 2020/21.
18. Included within the contract with NCC was a commitment that Via would achieve ISO 9001 Quality Management accreditation and OHSAS 18001 Occupational Health and Safety accreditation. This to demonstrate a commitment to continued business development and to enhance the opportunities for the company in bidding for external work and improving its credentials in a wider market. The process to be granted accreditation is a rigorous one involving regular assessment from BSI. Accreditation was achieved to both standards during July 2017, which was a major success for the company.
19. In March 2019, BSI visited Via to complete a verification visit which was arranged to confirm that Via could be accredited as an independent organisation and removed as a 'location' on the previous Corserv certificates. The BSI auditor confirmed that given Via's Management Systems (certified to ISO 9001 and OHSAS 18001) had not been significantly changed as a result of the change of ownership, Via would not need to reapply for accreditation. As such, BSI gave a positive recommendation for Via to be certified as an independent company. Following a review of the audit evidence, certificates for the two standards were subsequently received and are a significant endorsement for the organisation.
20. During January 2020, BSI assessed Via's migration from the OHSAS 18001 Health and Safety standard to the new ISO 45001 Health and Safety standard. The assessment was a success and Via are now fully accredited to the new standard.
21. Via continues to look to improve performance in areas already accredited and achieve accreditation to the Environmental Management Standard, ISO 14001. The Stage 2 assessment was conducted by BSI over 9 days in August 2020, during which five separate auditors reviewed system documentation, compliance and ways of working at all Via depots as well as a sample of operational activities. Following this BSI have recommended Via's accreditation to the Environmental Management standard which is a notable achievement and represents a step forward in being aligned with the industry within which the company operates. This also supports the wider aspirations of the company and the Council to be more aware of the need to factor environmental considerations into all working practices and to remain a responsible business which continues to look for ways to reduce its environmental impact.

Governance

22. Following the change in ownership, a new Via Board of Directors has been established. The Board is chaired by an independent Non-Executive Director with the Board made up of two elected NCC Councillors, two NCC officers and the Via Managing Director. The first meeting of the new Board took place on the 4th February 2020 and a schedule of quarterly meetings has been established going forward.

Finance

23. Via produced a pre-tax profit of £0.5m for the part-year 2016/17, £1.8m for 2017/18, £0.5m for 2018/19 and £0.8m for 2019/20. In addition, Medium Term Financial Strategy (MTFS) savings already committed to by the former Highways Division were passed on to Via through budget adjustments of £0.1m in 2016/17, £0.55m in 2017/18 and £0.4m in 2018/19.
24. The COVID-19 Pandemic has affected the trading of Via during the first quarter of 2020/21 and will continue to have an effect for the foreseeable future as Via adjusts its working practices and methodologies in line with Government guidance and regulations to ensure we are 'COVID Secure'.
25. In response to the pandemic service disruption, Via prepared a comprehensive business recovery plan based on the company's existing Business Continuity and Disaster Recovery Plan. Assessments of the financial impacts and mitigation upon the turnover and costs for Via during 2020/21 are being made on an ongoing basis. This is reviewed considering the latest information and Government guidelines surrounding both lockdown restrictions and the phased process of returning to work, which is combined with the continued control restrictions such as social distancing, travel restrictions, and PPE requirements.
26. The budget forecast for 2020/21 shows a total turnover of £74m (including £19.5m Gedling Access Road major capital project) with a forecasted pre-tax profit of £0.1m after Covid impact.

Innovation

27. Via is a strong advocate of identifying and introducing innovation and details have been presented to Members of the Communities and Place Review and Development Committee during 2019 and 2020. Via continues to work closely with the NCC client team and Members to identify and introduce areas of innovation. The presentations to date have covered the following topics:
- Targeted Gully Emptying
 - Electronic Works Management
 - Self Delivery of Temporary Traffic Management
 - Highway Damage Cost Recovery
 - Recycling of Highway Waste and Arisings
 - LED Replacement of Street Light Lanterns
 - Additional and Improved Road Repair Techniques
28. Opportunities for continual improvement continue to be routinely identified from a variety of sources, including audits, performance monitoring, staff suggestions, and management/leadership and sector networking channels. Collectively these can have an impact on our Quality, Health, Safety and Environmental record, as well as our

income and efficiency.

29. Via has commenced the delivery of day to day traffic signal maintenance work, having brought the contract back in-house on 1st July 2020. This service had previously been performed by external contractors, but it was considered that carrying it out in-house would be both cost effective and complimentary to the other elements of signal work already carried out by Via. This will add to the existing functions of design, network management, installation and repair, to give a complete one-stop shop for traffic signals, which is something that is quite unique in the UK. Via will manage 473 signal installations as part of this service, with all of the previous KPI's for attendance time and fault fixing, being maintained.
30. The traffic signal maintenance service includes:
- Fault finding and repair (traffic signal controllers and all equipment)
 - Periodic Inspection and testing (yearly for County sites and 6 monthly for Trunk roads)
 - Commissioning of new sites
 - Optical Maintenance (replacement of non-LED lamps on a yearly basis)
 - Signals on mast arms/gantries
 - Any Traffic Management requirements
 - Vehicle Activated Signs – annual Periodic Inspection and routine maintenance
 - Switch-offs and ons
31. Via working in collaboration with Tarmac has commenced a trial of an innovative new sustainable asphalt made from recycled waste tyres. A section of the A6075 Forest Road in Ollerton was resurfaced with the new asphalt that uses granulated rubber from old tyres in its mix which has been developed by Tarmac to help reduce waste. The performance of the trial section will be monitored to explore its potential to support a more sustainable road network and to help to find a use for the millions of waste tyres that are produced every year in the UK.
32. Via is currently working with Gaist, a multi-award winning international roadscape and highways technology company, to survey the Unclassified road network across the County. Gaist use digital processes to provide deep insights into roads and the roadscape and this successfully delivers highly detailed images of the highway network which provides unrivalled intelligence and analysis of the highway network to organisations both in the UK and across the globe. Gaist have worked very closely with the DfT in developing their Artificial Intelligence software to help with defect identification and 'Areas of Interest' for maintenance, whether this is schemes, patching or preventative maintenance.
33. High-Definition video data is being captured which will then be analysed by engineers to produce condition information for carriageways, footways and cycleways. It can also be used for asset inventory capture (Street lights, ironwork, signs, safety fencing, street furniture, etc). The video capture has already taken place and should be available soon, with the condition analysis following on later in the autumn. The overall aim is to match the condition data against treatment selection options and come up with a 'Maintenance Need' assessment for the whole of Nottinghamshire's Unclassified road network.

External Clients

34. Via continues to develop its presence in the Nottinghamshire market for the provision of

commercial highway design and construction services. Via also offers its services outside the County boundary to clients in Derbyshire and Leicestershire.

35. The levels of commercial activity at Via were significantly impacted by the effects of the Covid-19 pandemic. The period of lockdown during April and May were particularly problematic as Via were solely focused on the delivery of critical services, emergency response and essential maintenance work only. However, in the period since June, Via has been gradually rebuilding its external business and has now returned to its previous levels of pricing and tendering activity.
36. Via continues to seek out new clients for its construction and consultancy services and has secured work on behalf of its existing client base but also some new clients. Via has recently received enquiries from new clients through its company website and also by word of mouth which is encouraging as Via looks to reinforce its market presence in Nottinghamshire.
37. Via continues to deliver highway infrastructure projects for residential property developers across Nottinghamshire and has programmed starts in September for William Davis Homes at Ruddington and in October for Westerman Homes at Stapleford. Via has also secured smaller electrical and street lighting projects on behalf of residential and commercial developers as work on their development sites has now restarted.
38. Via has also recently been awarded Constructionline Gold status for the Via business and this has enabled them to secure two sub-contract projects for Balfour Beatty. Via will be delivering the traffic signals sub-contracts for the Top Wighay Farm development in Hucknall and for the Gedling Access Road project over the next 18 months.
39. Via's business relationship with the ARC Partnership is also continuing to develop and this is based on its successful track record of project delivery for them. Via has recently completed the highway works at Sharphill Primary School in Edwalton and will be starting work at the Lynncroft development site in Eastwood in September. Via Consultancy Division is also progressing detailed design work on sites at Sutton in Ashfield and Mansfield and these should progress to the construction stage in 2021.
40. The Via Consultancy Division is successfully building an external portfolio of design commissions and is also now delivering specialist Ground Penetrating Radar (GPR) survey work for Galliford Try in connection with the new Melton Mowbray bypass. Via has a greater geographical reach with its consultancy business which enables them to deliver specialist consultancy services to service clients in locations which are more distant from the established Via office and depot locations.

Service Delivery Achievements

41. During the initial period of lockdown due to the Covid-19 pandemic, Via's operational teams continued to deliver critical and support services such as emergency & incident response, highway inspections, reactive repairs, roadspace co-ordination, winter maintenance, vehicle maintenance & repairs together with key network management services and targeted inspections where safety issues were reported.
42. The Via operational teams followed a phased recovery approach which allowed them to resume a full service across all activities. This meant the implementation of some alternative working arrangements and the continued support of social distancing rules necessitating the deployment of teams in different ways and additional vehicles to reduce shared transport.

43. All of the Via depots and office locations have been individually reviewed as part of the recovery plan, with arrangements, risk assessments and a range of controls put in place to provide COVID-Secure workplaces, which have been assessed by our Health and Safety Manager and approved by the Managing Director.
44. Throughout the last 6 months, Via has continued to work in strong collaboration with the NCC Highways Client team as part of developing, challenging and agreeing highways related decisions and have worked together in close support as part of the recovery phase post Covid-19.
45. In the Spring of 2020, Via took delivery of a new Archway Roadmaster spray injection patching vehicle and two new Econ hotbox vehicles, together with two JCB Highway Master road planers and support vehicles which allows Via to provide alternative repair methods to keep the highway network safe. During May, Via commenced the on-site delivery of spray injection patching and mechanised patching activity in support of a programme of reactive and preventative maintenance. The teams deployed on these activities increased further from mid-June, to double normal levels to provide capacity to undertake an increased level of work generated by the Government's additional highway maintenance funding commitment.
46. A full review was carried out by Archway into the failures of the previously identified areas of spray injection patching that were laid in 2019, which resulted in changes to the spraying protocols and controls on temperature and humidity. Archway have now completed remedial works to all areas of previous failure and post-completion inspections have been undertaken to test the compaction and adherence of the treatments and overall this is satisfactory and no further issues have been identified. Full training and support packages have been provided to Via by Archway as part of the mobilisation of Via's programme of spray injection patching.
47. Verge maintenance activities commenced following the initial Covid-19 lock-down period and the completion of the winter maintenance activities. In planning the delivery of the service in 2020, Via invested in new tractors and flails to replace older vehicles to improve productivity, operative comfort and safety. From mid-May, rural verge maintenance activities commenced and urban maintenance started at the end of May, both services working with revised team arrangements and additional vehicles to remove shared transport. Weed spraying activities also commenced at the end of May, with a new sub-contractor appointed to support Via's own resources delivering the service together with three District / Borough Councils undertaking verge maintenance works in their respective areas as in previous years.
48. Via's winter maintenance teams are preparing to deliver the winter service, which will commence in late October. A new telematics system will be installed prior to the season which will generate improved data capture, the ability to more easily monitor service information, as well providing electronic routing. This will generate efficiencies by allowing any driver to complete any route, reducing standby driver numbers and training, and improving service resilience.
49. In June 2020, Via provided emergency response to the flooding that was experienced in parts of Worksop, Ruddington and Beeston following periods of heavy rainfall, working in close collaboration with NCC's Flood Risk Management team, and with support from ACL. This included the deployment of teams, vehicles, signage and sandbags to protect highway users and businesses / residents and to clear up following the incidents.
50. As a result of the Covid-19 restrictions, a total of 74 active School Crossing Patrol sites were

closed. As part of a limited re-opening of schools on 1st June, a remobilisation plan was accelerated with all sites being risk assessed and rated in terms of the ability to operate safely. This has been revisited ahead of the return to schools in September. At many locations changes have been made to accommodate social distancing, with stenciled marks introduced on pavements, additional patrols added at some sites to permit safe operation safely and retraining of staff for new crossing procedures. At some locations the sites have restrictions which do not currently allow the patrol to be re-Significant liaison has taken place with schools to establish demand and working times.

51. Via's Fleet team prioritised maintenance services through the lock-down to Via's own fleet along with NCC's critical fleet and the Nottinghamshire Fire & Rescue Service (NFRS) fleet. The Fleet team have also worked with other service teams to provide and deliver solutions to limit the impact of Covid 19. This has included designing and installing screens which have supported the continuing operation of NCC's local bus services. A full resumption of services has now resumed with the DVSA re-establishing the operation of the Authorised Test Facility (ATF) on 4th July. Via has now been operating the fleet maintenance contract for NFRS for over a year to exacting targets. NFRS remains very pleased with the service that is being provided and Via has recently received compliments for the 'exceptional and selfless service' provided by Via colleagues.
52. Works on Southwell Flood Alleviation Scheme recommenced on 8th June following a period of suspension during lock-down. With teams observing current working restrictions, work is progressing well on site, with the aim of having the Southwell Trail reopen for local residents from the end of September. The remaining construction work of a bund at Halam Hill attenuation pond which will significantly increase capacity is programmed for early autumn. No flooding was experienced during the 2020 storms which reflects well on the work carried out to date.
53. Via has maintained a site presence and continues to provide a full project management service to NCC in respect of delivering the Gedling Access Road (GAR) project. The Via team has provided inputs and recommendations and adopted a collaborative approach with the NCC Highways and Transport team Group Manager on key contract decisions which sit with NCC. Principal contractor Balfour Beatty has continued with the construction of GAR throughout since March, making significant progress on site clearance and earthworks. Recent road closures of Burton Road and Lambley Lane are going well and have not generated significant local issues.
54. The 2020/21 capital programme was been impacted by the Covid-19 pandemic with scheme delivery by Via and the supply chain being suspended in March due to the pandemic restrictions. As part of the re-establishment of the programme, Via teams reviewed the proposed schemes, with an assessment and risk rating being undertaken on delivery considering the type of scheme, location, impacts and interactions with residents / public, social distance restrictions, availability of materials and ability to construct. Some schemes inevitably were assessed as being more difficult or having a higher risk attached to them and are likely to be affected by existing and/or future measures which are considered necessary to safeguard the public and construction workers against infection of Covid-19.
55. Every effort has been made to minimise the delivery impacts and the programme recommenced in early June 2020, with several resurfacing schemes being recently completed. A significant programme of surface treatment schemes will be delivered during September and October as part of catching up on the programme. The delivery of the Capital and ITM programmes is being constantly monitored and is subject to a half year review during late September.

56. The Via Consultancy division is successfully building an external portfolio of design commissions and currently there are over 30 private commissions with the consultancy including those from private housing/ development companies and District Councils. Specialist consultancy services that can be provided include detailed design work for traffic signals and road safety auditing work.
57. Via received confirmation from Lloyds Register in late April that the Electrical Operations team had successfully received accreditation as an Independent Connection Provider (ICP), enabling Via to undertake connections and disconnections to electricity networks. The accreditation remains partial until a period of monitoring is complete, expected to be around 18 weeks.
58. Following an application process Via has now obtained approval from Western Power for access to their electricity network, through the WPD Framework, as an independent connection provider. Via has already won its first external contract to install new lighting columns and connect these to the electricity network, and now it is able to do this work, it places the company in a strong position to win more work, as well as being able to better undertake this work for NCC.

Staff Engagement and Development

59. Via continues to invest in the future by introducing a number of new roles into the business. In February, four new Fleet Mechanic Apprentices started with Via to work on a variety of mechanical disciplines and will support the increased workload of Via's Fleet services. In May, two new Trainee Technicians joined Via's Operations Construction & Maintenance team where they will work with Via while studying for their qualifications in civil engineering. Via has also recently been successful in recruiting electrical and traffic signals engineers to support Via's business growth in these areas.
60. The Via Training Centre re-opened offering a limited selection of courses from the start of July 2020. The course content has been carefully altered to enable all practical training to be delivered in a COVID-Secure way, with class sizes reduced by up to half their usual capacity.
61. Work has also recently commenced on the new Via Training Centre building at Bilsthorpe depot, with the Operations team constructing the new foundations, utility connections and providing the new electrical supply ready for the installation of the building. The building is undergoing manufacture during August and September, with an installation date expected to commence in late September. It is anticipated that the new centre will be 'open' for business from the end of October 2020, which will enable a doubling of capacity to deliver highways construction and maintenance training, together with enabling Via to commence its new electrical training offering.

Other Options Considered

62. This report provides an update to Committee on the continued development of Via during the first 8 months of 2020, and members of the Committee are asked to consider if there are any further actions and options they would like to take in respect of the report.

Reason/s for Recommendation/s

63. This report highlights the continuing services provided by Via to the Council, stakeholders and for the benefit of residents and businesses across Nottinghamshire.

Statutory and Policy Implications

64. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

65. There are no direct financial implications arising from this report.

RECOMMENDATION/S

- 1) That Committee consider the report and the presentation by Via East Midlands and identifies any actions which may arise.

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Constitutional Comments (SJE 02/09/2020)

66. Communities & Place Committee is the appropriate body to consider the content of this report. If Committee resolves that any actions are required, it must be satisfied that such actions are within the Committee's Terms of Reference.

Financial Comments (SES 03/09/2020)

67. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All