
NORTH & MID WALES TRUNK ROAD AGENT JOINT COMMITTEE 16-05-16

**Held at 1.30pm, Monday, 16 May 2016
in Committee Room 2, Cae Penarlag, Dolgellau**

Present - Councillor Alun Williams (Ceredigion) (Chairman),

David Bithell (Wrexham), David Smith (Denbighshire)

Also Present – Dilwyn Williams (Chief Executive, Gwynedd), Huw Morgan, Strategic Director (Ceredigion), Steve Parker Head of Service (Denbighshire), Geraint Edwards (Head of ERF (Conwy) , Nigel Brinn, Head of Highways, Transport and Recycling (Powys), Darren Williams (Service Manager, Wrexham), Dave Cooil (Head of Agency, NMWTRA), Ian Hughes (Business and Statutory Operations Manager, NMWTRA), Lynda Humphreys (Administrator, NMWTRA), Andy Stewart, Route Manager (NMWTRA).

Apologies: Gwyn Morris Jones (Head of Service, Gwynedd), Paul Arnold, (Head of Service, Ceredigion), Dewi Williams (Head of Service, Isle of Anglesey), Cllr John Brunt (Powys), Cllr John W Jones (Gwynedd), Cllr David Cowans (Conwy), Cllr John Arwel Roberts (Anglesey), Cllr Bernie Attridge, (Flintshire), Steve Jones (Head of Streetscene, Flintshire)

1. Minutes of Meeting 28/9/15

Minutes received as accepted.

2. Matters Arising

Corrections to item 8 (i) should read March 2016 rather than 2015 and Admin functions will transfer to the Agency on 1/4/16.

3. Declaration of Personal Interest

None.

4. Joint Committee Report

An update was given by DRC.

Work allocation to LA Service Provider Units – DRC reported that the forecast turnover for 2015/16 is lower than 2014/15 levels largely due to an exceptionally mild winter. NMWTRA are currently reviewing fee levels to ensure PA identified management overhead costs are recovered. This will be monitored on an annual basis.

DRC confirmed that WG had secured a higher capital budget than anticipated and that the overall budget across Wales was £23m more on capital compared to this time last year.

Implementation of the Business Cases – NMWTRA have been progressing with the implementation and are generally on programme. Staffing arrangements have been addressed in a two stage process with a very limited number of posts now unfilled and subject to further advertisement. Overall staffing numbers have been reduced by approximately 19 taking into account Full Time Equivalent (FTE) staff embedded within PA's following completion of the model change.

Clarification regarding actual staffing numbers was raised by Cllr Bithell.

DRC explained that NMWTRA had identified approximately 60 FTE staff embedded within PA's that previously undertook those trunk road functions that had now transferred to NMWTRA. This was in addition to directly employed NMWTRA staff. As only 41 staff have been transferred there has been a net reduction in staffing levels of approximately 19.

RESOLVED:- Staffing level chronology to be sent to Committee members.

5. NMWTRA Update on the Audit and Benchmarking of Cyclic Maintenance

Presentation given by Andy Stewart.

A summary of the Cyclic Maintenance Benchmarking for NMWTRA was discussed. It compares financial years 14/15 with 15/16.

Dual c/w costs reduced by £30,000 (4% reduction)
Single c/w costs reduced by £180,000 (12% reduction)

The cost reduction achieved is in line with the target savings indicated to WG and has been achieved ahead of the indicated programme. The benchmarking process has been key in improving harmonisation of costs across PA's.

Dilwyn Williams made reference to private sector rates potentially looking more attractive than those for in-house delivery. DRC confirmed that this was not the case in all areas as in some cases private sector rates had been shown to be higher due to local market forces. It was acknowledged that the public sector rates as far as possible needed to be consistent across the whole Agency area.

NB commented that care was needed when interpreting benchmarking data.

Update given by Cllr Bithell re termination of the Amey Contract which ended March 2016 and WCBC's establishment of an in-house management capability to undertake highway maintenance and carry out small reactive works in order to maximise utilisation of their in-house workforce and in building resilience in their Operations team as from 1/4/16.

DRC reported that the Agency will review fee recovery once the 1st and 2nd cyclic maintenance outturn costs are received from all PA's.

6. Service Delivery Agreement 2016

The revised documents now provide a more detailed specification for trunk road works across Wales and should improve the level of consistency in interpreting the requirements of WG's Trunk Road Maintenance Manual (WGTRMM).

The revised SDA for Works was issued to Partner Authorities in January 2016 along with the SDA Consultancy which was issued in May 2016.

DRC reported that the Technical Administration SDA is now significantly lighter following transfer of core functions but there are some residual functions that are still required to be undertaken by PA's.

Intelligence based maintenance – DRC commented that implementation of this business case was one of the more significant challenges for 2016/17 and that NMWTRA were in discussion with PA's through a series of workshops. The intention is to try and retain as far

as possible historic levels of turnover and a balanced programme of work to ensure PA's resources were fully utilised and levels of fee recovery are sustained. This will involve undertaking maintenance functions not previously undertaken and or increasing levels of maintenance for example on structures routine maintenance.

7. Review Denbighshire Council Maintenance delivery arrangements

DRC gave an update on DCC's request to review its maintenance delivery arrangements and their wish to withdraw from providing routine and reactive maintenance functions for Trunk roads. DCC wished to continue to provide a winter maintenance and out of hours emergency response service.

The issue was discussed at the joint Heads of Service meeting on 11/5/16 and in accordance with the NMWTRA Partnership protocol expressions of interest in undertaking the above maintenance functions in DCC invited from all other PA's.

The interest expressed by other PA's is confirmed below:

Authority	A55	Singles	Not interested
Conwy	X		
Flintshire	X	X	
Wrexham			X
Powys		X	
Gwynedd		X	
Anglesey			X
Ceredigion			X

Meeting to be arranged in early June 2016 with interested PA's and DCC to progress to revised delivery arrangements.

NMWTRA will be preparing an Options Report with summary of route lengths and associated projected values to enable assessment of fee income and adjusted fixed costs contributions. First priority is to establish a cost effective optimised arrangement and as far as possible equitable shares so each authority with an interest picks up some network.

8. Finance

i) Budgets 2016/17 - Update given by IKH.

Revenue expenditure for 16/17 excluding winter maintenance and reactive maintenance fluctuations is expected to be similar to 2015/16.

Funding level being confirmed by WG and current indications are that overall revenue funding across Wales will be in the region of £66.5m with capital funding set at £28.65m.

Still awaiting Appendix J (Cyclic Maintenance) cost submissions from some PA's.

IKH indicated that it was intended that all PA's would be provided with indicative figures on revenue and capital spend through each PA in early June. IKH to action.

Additional / late capital funding raised by Cllr Smith. DRC reported that approximately £3.5m of additional capital was provided to NMWTRA in January 2016 and that a further £20m was identified across Wales during February but NMWTRA were unable to make use of any of this late funding due to lead times required to procure works and a lack of available roadspace.

Huw Morgan commented on the potential benefits of a 5 year programme for capital works. DRC explained that the planning function is now WG's responsibility and the Trunk Road Agents provide WG with asset condition data. WG then determine which schemes are prioritised, funded and subsequently delivered by their Agents. DRC commented that this issue had been raised at the Public Accounts Committee in March 2015 with a strong emphasis on the need for a 5 year programme to enable a more cost effective approach to capital delivery.

9. Any other Business

SDA – cyclic maintenance frequency programme

Cllr Bithell expressed his concerns regarding the changes to the intelligence led cyclic maintenance activities particularly the grass cutting regime and the effect on Wrexham's tourism. WCBC have a planned cut for 21/6/16.

DRC shared Cllr Bithell concerns along with committee Members.

DRC explained that the changes meant baseline WGTRMM requirements would be met and that the potential savings were significant and the decision was now in the hands of WG and that it was now a matter for WG Policy.

Resolved: That the Joint Committee would advise the new Minister of the concern and that Cllr Bithell would also write separately to the Minister on behalf of Wrexham CBC to express concerns to the changes in the intelligence led cyclic maintenance activities and their potential impact on the local economy with particular reference to the world heritage site.

10. Date of Next Meeting

Frequency of future meetings discussed. Agreed that biannual meetings was appropriate and that the next meeting would be held in Nov 2016 unless there are significant developments regarding the Agency review process that requires the attention of the Joint Committee in which case an interim Joint Committee meeting would be called.

RESOLVED: The next meeting will be held in Nov 2016. Dates will be circulated to Members.

Councillor Alun Williams conveyed his thanks on behalf of the Joint Committee for the information and advice provided by the Officers involved.

The meeting commenced at 1.37pm and ended at 3.00pm.
