

Highway Network Management

Best Value Review

Report of the Member Panel Executive Summary

*Leicestershire County Council
April 2002*

INDEX

	Page No
1 Introduction to the Review	3
2 Summary of the Review	
Fundamental Service Challenge	6
Policy and Strategy	7
Improving User Focus and Satisfaction.....	8
Performance Indicators and Targets.....	9
Future County - District Council Relations	10
Service Organisational Structure.....	15
Business Management and Procedures	16
Service Design and Priority	17
Procurement Strategy	17
3 Recommendations of the Review Panel	
Policy and Strategy	19
User Access and Satisfaction.....	19
User Information and Consultation.....	20
Working with District Councils	21
Working with Local Councils	21
Organisation and Management.....	22
Employee Awareness Training and Development.....	22
Performance Management.....	23
Business Management.....	23
Service Design and Priority	24
Procurement.....	25
4 Conclusions.....	26

Figures / Tables

Figure 1.	Current service delivery arrangements / locations
Figure 2.	Proposed integrated service model arrangements / locations
Figure 3.	Integrated Service Model diagram
Table 1.	Five Year Implementation Plan - Financial Implications Summary

Appendices

A	Terms of Reference
B	Review Protocol
C	Service Vision
D	Schedule of Key Review Documentation
E	Panel Members and Contributors to the Review

1 INTRODUCTION TO THE REVIEW

1.1 The Best Value Review of Highway Network Management has been a major undertaking for the County Council involving the collection, analysis and consideration of an extensive range of information. The scope of the Review is wide, comprising the complete range of highway network management functions but excluding public transport services which has been the subject of a separate Review. The functions reviewed included:

- Transportation Policy and Strategy
- Development of Highway Network Improvements
- Traffic Management
- Travel and Road Safety Management
- Street Lighting
- Highway Development Control
- Highway Maintenance and Administration

1.2 The Member Panel comprised:

- Professor Preston CC (Chair)
- Mr Galton CC
- Mr Jennings CC
- Mr Perkins CC
- Mr Sprason CC

1.3 These services have significant implications either directly or indirectly for residents, communities, commerce and industry. Considerable priority has accordingly been given during the Review to the need for obtaining, understanding and so far as possible responding to the views of those using and affected by the Service. Methods used, which are detailed in the Review documentation have included:-

- Facilitated community meetings
- Stakeholder meetings
- Community and employee questionnaires
- User and Members surveys undertaken by MORI

1.4 The terms of reference for the Review, attached as Appendix A, established a framework of Key Tasks to be addressed through the defined Best Value process of Challenge, Consultation, Comparison and Competitiveness, and a wide range of consultative and comparative information has been obtained and analysed. In addition valuable experience and outcomes associated with a number of operational trials undertaken throughout the Review has been assessed. The Key Tasks as agreed by the Panel are set out in the initial Position Audit and progress against them monitored through the regular meetings of the Panel.

- 1.5 As indicated earlier the scope of the review was very broad indeed and, with the exception of public transport covered the whole of the highways and transportation function. As such the key tasks and issues identified were evaluated to a level consistent with the emerging analysis of information and potential for improvement.
- 1.6 Present service delivery arrangements include support from District Councils through Agency Agreements and in the case of Harborough District Council, a partnership scheme and it was agreed at the outset to that District Councils should be constructively involved in the process. Regular meetings and informal discussions with District Council officers have therefore been held at intervals during the review, including the circulation and opportunity to comment on drafts of key documents as they have been developed. These arrangements were set out in an agreed Protocol for the Review, attached as Appendix B of this report.
- 1.7 A joint meeting was also held, prior to the completion of the Review, with representative Members of District Councils to present the emerging conclusions, discuss their implications and listen to any concerns raised by them. District Councils were subsequently invited to submit a co-ordinated response and this response, together with other issues arising from the meeting, have been considered by the Panel and taken into account in developing the recommendations confirmed in this report.
- 1.8 A crucial issue for the Panel was to define a future 'Vision' for the Service, establishing a robust framework against which subsequent aspirations and options could be evaluated. This was, of course, informed by the early results of user, stakeholder, and community consultations and subsequently developed through workshops including a joint workshop of County and District Council officers and a workshop session of the Members Panel. The finally approved version of the 'Vision' is attached as Appendix C of this report.
- 1.9 It was considered important by the Panel that this 'Vision' should be applied consistently countywide against a framework of common standards and challenging targets. These to be based on emerging best practice, in particular the new national Code of Practice for Maintenance Management, and the pursuit of 'best quartile performance' for key indicators. Defined standards and targets are to be incorporated into a new Network Management Plan building on the present Highway Maintenance 'Green Book'.
- 1.10 There are potentially a wide range of options for the future delivery of the Highway Network Management Service, ranging from alternative policies and strategies, changes in emphasis between various service elements and optional methods of service delivery. There are however certain key areas requiring consideration, which have been broadly categorised as follows:-

- Policy and Strategy
- Improving User Focus and Satisfaction
- Working with District and Parish Councils
- Organisation and Management
- Business Management and Procedures
- Service Design and Priority
- Procurement

1.11 These categories have been used throughout the Review as the basis for service assessment, option identification and assessment, and have also been used for the recommendations of the Panel set out in this report. Criteria for evaluation of service options within each of these categories inevitably vary to some extent and are dealt with in detail in the Options Identification and Evaluation Report, but have been based broadly upon the following:-

- Contribution to Service Vision
- Contribution to expressed user priorities
- Potential for improvement of Best Value or local Performance Indicators
- Potential for community cost reduction or added service value
- Contribution to continuous improvement

1.11 The output from the Review is contained in 4 main sections:-

- Service Assessment Report (Views of users, employees and others together with other information to compare aspirations with present arrangements)
- Options Identification and Evaluation Report (Review of possible changes to aspects of service delivery)
- Service Improvement Plan (Intentions for service improvement)
- Implementation Plan (Plan for action with priorities, programmes, resources and contribution to outcomes)

1.12 These reports, together with Appendices, other supporting documentation and references are listed, for convenience in Appendix D of this report. A wide range of relevant information has been considered by the Panel, and particular account has been taken of:-

- MORI user and Member survey results
- Output from Stakeholder, community, employee and District officer meetings
- Information from local authority and other service providers
- Best Value and other performance and cost information
- Department for Transport for Local Government and the Regions (DTLR) responses to Local Transport Plans (LTP)
- Report of the Highway Maintenance Review
- Report of the Public Transport Best Value Review
- Departmental Information Communications Technology (ICT) Strategy

Contributors to the Review are detailed in Appendix E.

- 1.13 The process, information obtained, key issues identified, options considered and conclusions reached by the Panel are set out in detail in the above reports but are summarised for convenience in Section 2 of this report.
- 1.14 The recommendations of the Panel are included as Section 3 of this report and have also been incorporated into the Service Improvement Plan. The key priorities from these have been taken forward into the recommended Implementation Plan.
- 1.15 The recommended Implementation Plan sets out a balanced programme of initiatives intended to achieve the service improvements identified by the Review and recommended by the Panel.
- 1.16 The scale and breadth of the Review has led to 65 recommendations covering a variety of actions. The financial information used to develop the Improvement Plan is based on broad cost and savings bands. Table 1 provides a summary expressing each action within the framework of a five year plan, indicating the financial profile both for each action and for the overall programme.

2 SUMMARY OF THE REVIEW

Fundamental Service Challenge

- 2.1 Highway Network Management comprises a wide range of services, including information, regulation, maintenance and improvement, as summarised in the Review Position Audit. Many of the regulatory and maintenance functions have a statutory basis but this does not usually define the expected quantum or standard of service to be provided. These tend to be influenced by other factors including emerging legal judgements and Codes of Practice, together with cost considerations.
- 2.2 The Service is provided from a combination of Capital and Revenue funding, summarised in Local Transport Plan guidance. This has been subject to significant change over recent years including special challenge funding initiatives from time to time. This funding regime is intended to and does influence on the balance of service priorities provided by the Council.
- 2.3 With the varied statutory, non-statutory and funding basis of the services it might be reasonably assumed that there would be significant scope for considering deletion of some services or reduction in standards. There however some very real constraints to such a course of action, as follows:-
 - Overall funding for highway network management services has been declining in real terms for many years, a trend that has only relatively recently been reversed. Services have been consequently reduced over a long period, limiting the scope for further reductions. This situation is common to many authorities

- User service expectations are generally high and some cases exceed realistic levels of provision. These were tested during the Review through consultations with Stakeholders and users and there was little support for reduction or deletion of services
- Some service standards within the County for highway maintenance, particularly those for safety and service inspections fall below those recommended by the new Code of Practice for Maintenance Management, and there are no areas where the Code recommendations appear to be exceeded

Policy and Strategy

- 2.4 Policy for Highway Network Management is founded upon the Local Transport Plans (LTPs), which, for Leicestershire, comprises two documents, together with the Annual Progress Reports, developed through comprehensive consultation with Stakeholders, including District Councils.
- 2.5 The LTPs also provide the important link between transport and the wider framework of policies identified by the Best Value Performance Plan, identifying potential opportunities for added value, linked to relevant output measures. This wider policy linkage is also confirmed by the Medium Term Corporate Strategy 2001-2005 which sets out key County Council medium term transport and other policy objectives.
- 2.6 The Panel concluded that the LTPs provide a good basis of policy and generally meet good practice requirements. The assessment of DTLR is however crucially important as this affects directly and indirectly future funding and a number of improvements are presently in hand to ensure that issues arising from the most recent reviews by DTLR of both the Leicestershire and Central Leicestershire LTPs and APRs are effectively addressed.
- 2.7 Other policy and strategy issues have arisen from user stakeholder and employee responses to consultations undertaken during the course of the review. These include:-
- Increased priority for walking and cycling strategies
 - Increased priority for a new Road Safety Plan including a strategy for speed management
 - The need to revise the 'Green Book' comprising network management strategy to accord with the new national Code of Practice for Maintenance Management
 - The need to redefine traffic management standards and practices consistently with the review of the 'Green Book'
 - The need for a revised Highway Requirements for Development Design Guide
 - Review overall policy on parking in conjunction with District Councils to ensure arrangements are developing consistently with the sustainable travel agenda

- Review and update where necessary and gain acceptance for, priority ranking systems, and make widely available, in particular to Parish and Town Councils

Improving User Focus and Satisfaction

2.8 The results of the user surveys undertaken during the Review suggest generally encouraging levels of the net satisfaction (difference between those satisfied and those dissatisfied) for the following services.

- Street lighting 81%
- Condition of road signs 81%
- Condition of road markings 78%
- Salting and gritting of main roads 76%
- Convenience of crossings 65%
- Road Safety in town centres 63%
- Cutting grass on verges 56%
- Condition of pavement surfaces 45%
- Killing weeds 41%
- Condition of road surfaces 39%
- Road Safety around schools 32%
- Enforcement of speed restrictions 26%
- Effectiveness of traffic calming 25%

2.9 There were however some key areas where net satisfaction levels appeared to be relatively low:

- Speed of repair to damaged pavements 22%
- Provision of cycleways 15%
- Speed and efficiency of completion 13%
- Speed of repair to damaged roads 10%
- Planning and co-ordination of works 1%
- Clearing snow from pavements -21%

2.10 Although levels of net satisfaction are relatively low for the provision of cycleways and clearing of snow from pavements these were also considered by users to be of lesser importance and would not therefore need necessarily to be considered a high priority for service improvement.

2.11 The surveys also identified significant differences in levels of net satisfaction levels between Districts of the County, the range varying between individual aspects of service. The widest range of differences were:-

- Condition of road surfaces 51% (9 % to 60 %)
- Cutting grass on verges 42% (42 % to 84 %)
- Speed and efficiency of completion 41% (-11 % to 30 %)
- Provision of cycleways 39% (-10 %to 29 %)
- Killing weeds 36% (28 % to 64 %)
- Enforcement of speed restrictions 32% (13 % to 45 %)
- Condition of pavement surfaces 28% (32 % to 60 %)

2.12 Two most important user concerns were identified during consultations where net satisfaction levels were especially low:-

- Informed about planned roadworks -26% (Range -13 % to -36 %)
- Informed about making contact -30% (Range -14 % to -40 %)

2.13 This suggests that on average two-thirds of people are not well informed about planned roadworks, or about how to make contact with the Service in respect of a query on roads or traffic issues and in some parts of the County this may be as high as 85%. This clearly needs to be a key priority area for service improvement and in order to address these concerns the Panel has identified a number of actions set out in Section 3 aimed at :-

- Strengthening User Focus
- Improving User Access and Information
- Improving User Response
- Improving User consultation
- Changes in Service Design and Organisation

Performance Indicators and Targets

2.14 In relation to Best Value Performance Indicators the Panel concluded that the Service is in the best-performing 25% of authorities with regard to:

- The low number of road casualties per 100,000 population, both slight injuries as well as those killed and seriously injured
- The low cost of street lighting as well as the high level of service provided

2.15 In other areas the Service performance is less outstanding but targets have been set for improvement:-

- Percentage of pedestrian crossings with facilities for disabled people, where performance was below average in 2000/01, but targets have been set to reach the performance of the best-performing 25% of authorities by 2002/03
- Performance (at 51%) was below average for the percentage of links of footpaths and other rights of way signposted where they leave a road. Many of these footpaths and rights of way are in urban areas where signposting is not considered to be necessary, however for rural areas targets have been set to ensure that over 80% of rights of way are signposted by 2003/04
- In 2000/01 90% of damage to roads and pavements was repaired or made safe within 24 hours. This performance was below average, but it is intended to raise performance to 97% by 2003/04, which will match the current performance of the best-performing 25% of authorities. Furthermore, performance might already be better than it appears since there are doubts that all authorities include as wide a range of defects as Leicestershire County Council does.

2.16 There are a number of areas where comparative performance appears to be poor, but where there are concerns about the accuracy of the comparisons:-

- Cost of highway maintenance per 100 vehicle-km on principal roads is 25% higher than the average but when account is taken of differences in authority approaches to Best Value accounting, the performance rises to about the average level
- Percentage of principal roads with negative residual life is 22% compared with the average of 7% but there are significant differences between authorities in the nature and analysis of data collection. Nevertheless, improvement to the average level has been targeted by 2011
- Percentage of non-principal roads with significant defects at 10% is higher than the 5% average but similar data collection and analysis differences exist
- Traffic controls and road closures where there were 1.1 days of temporary traffic controls or road closure on traffic sensitive roads caused by local authority road works per km of traffic sensitive road, which is average performance. There is a very wide range of performance between authorities on this indicator that is not easily explained and suggests differences in assumptions and data recording

2.17 The Panel has considered a wide range of local performance indicators primarily defined by the LTPs. Many of the targets have been met or exceeded. There are a few areas of apparent under performance where explanations are given in table 3 of appendix H. The DTLR have commented on the high proportion of indicators based on outputs rather than outcomes. In order to address these matters, steps are being taken to:

- a) Establish arrangements for more effective monitoring of all performance indicators and targets
- b) Undertake a review of all LTP performance indicators and targets with a view to simplifying the presentation of them and to ensure an appropriate focus on outcomes rather than outputs

Future County-District Council Relations

2.18 The nature of future relationships between the County Council and District Councils in the delivery of Highway Network Management Services is a key issue for the Review, and one where user surveys confirm the need for significant improvements both in understanding and arrangements for access to services. Figure 1 shows the current service delivery arrangements. The Panel has also noted the outstanding concerns of District Councils about the financial structure of the present arrangements.

2.19 The Panel has accordingly given significant attention to this issue and in consultation with District officers considered three possible organisational options, the main attributes of which are as follows:-

Modified Agency Model

This would be based upon the continuing involvement of District Councils broadly similar to the present Agency arrangements, but with the following important modifications:-

- The County Council more involved with employee matters
- Revised fee structure
- Winter maintenance to be managed directly by the County Council
- An improved performance management regime
- Consistent arrangements for recording user concerns, supported by an integrated ICT network, and a single number fault reporting service
- Contractual for a finite period with extension subject to performance
- Possible increased detailed scheme design and mainstream highway functions undertaken or procured directly by the County Council
- Possible transferred highway development control functions to the County Council

Modified Partnership Model

This would be based upon arrangements broadly similar to those of the Harborough Partnership, but with the following important modifications:-

- All employees funded and employed by the County Council. Districts would meet the full costs of their staff employed on District funded highways or related technical work
- No fees payable, but the costs of premises, ICT and other agreed administrative support, would be shared on an agreed basis
- Arrangements would apply over whole District area
- Winter maintenance would be managed directly by the County Council
- An improved performance management regime
- Consistent arrangements for recording user concerns, supported by an integrated ICT network, and a single number fault reporting service
- Contractual for a finite period, with extension subject to performance
- Possible increased detailed scheme design and mainstream highway functions undertaken or procured directly by the County Council
- Possible transferred highway development control functions to the County Council

Direct Service Model

This would effectively involve the termination of all present Agency and Partnership arrangements. All employees would be employed by the County Council directly and located either centrally or in local offices to provide the best practicable balance of economy, efficiency and effectiveness. The Model would however include arrangements intended to sustain strong information and operational links with District Councils including:-

- Development Control Officers continuing regular weekly visits to District Planning Officers as at present
- Area Network Teams responsible for ensuring effective information exchange, and to develop inter-authority co-operation

2.20 Under each of the above three Models all County Members, and other community representatives would receive regular and consistent work programmes and other relevant service information, relating to their respective community areas (District and Parish).

2.21 County and District Councillors would also be individually consulted on significant highway matters affecting their electoral division/ward areas in a similar way in which County Members, and those District Members involved in Agencies or the Harborough Partnership, are consulted at present. This would be supplemented by individual briefing and support as necessary.

Evaluation of Relationship Models

2.22 The three optional models were evaluated to assess their expected performance against the following criteria:-

- Contribution to delivery of the approved Vision for the Service
- Set-up and ongoing comparative costs
- Practicability and risk management

2.23 Evaluation against the approved Service Vision was undertaken jointly by officers from both County and District Councils. Each model was assessed against each of the seventeen principles of the Vision, with the opportunity for weighting to be applied if necessary to reflect each officers perception of the relative importance of each of the principle. In the event the weighting did not alter the relative scoring significantly. The unweighted and weighted scores were as follows with the lowest score being best.

	<u>Unweighted</u>	<u>Weighted</u>
Modified Agency	2733	1824
Modified Partnership	2050	1370
Direct Service	1791	1235

2.24 The results were also analysed to identify preferred choices for each aspect of the Vision for each option and in this case the differences between the options were even more pronounced. In this case the highest score is best.

	<u>Total Preferences</u>
Modified Agency	16
Modified Partnership	81
Direct Service	209

2.25 The outcome of this aspect of the evaluation suggests that the Direct Service option would contribute most effectively to the approved Service Vision, but the importance of County and District Councils continuing to work closely together in the spirit of partnership is also recognised.

2.26 To evaluate comparative costs, possible organisational scenarios for the three options were established against which to assess the implications of the main elements of cost - employees, information communications technology (ICT), accommodation and management support. It is stressed that the scenarios and working assumptions were used only to allow 'like for like' comparisons and evaluations to be made, and should not be taken to imply any approval of final organisational structure. This evaluation will also need to be considered together with other financial aspects of the Review in order to provide overall financial conclusions.

2.27 The main points of these working organisational assumptions are as follows:-

- For the Modified Agency Model, all agency staff would remain at Districts. There would be some increase in staff to achieve service consistency, but costs of this would be partially offset by two 'Whole Service Management Organisation' units (WSMOs) along the lines of the ongoing trial in Western Division
- For the Modified Partnership Model, staff dealing with highway maintenance and management and local traffic management and improvements would be co-located so far as possible with District staff in 6/7 local offices. There would be no WSMO operation. Development control staff would all be centrally located at County Hall. Increases in staff to achieve consistency would be offset to some extent, except in the case of traffic management where there would be dis-economies resulting from dispersal
- For the Direct Service Model three Area Offices would be provided incorporating three WSMOs and staff dealing with local traffic management and improvements. Development control staff would all be centrally located at County Hall. Increases in staff to achieve consistency would be offset by economies of scale

2.28 The financial implications of these assumptions have been evaluated by applying an average employee cost of £25,000. The estimated running costs/savings of ICT and accommodation, and also one-off costs, have been converted to annual costs for comparison purposes. The costs/savings for management and support have been applied as an on-cost on that of the technical employees. The financial evaluation indicates the following net changes in community costs, compared to the existing arrangements:-

- Direct Service Model - £120,000
- Modified Agency + £40,000
- Modified Partnership + £180,000

- 2.29 The overall conclusion of the evaluation, based on the identified assumptions, therefore suggested that the Direct Service Model would provide the lowest overall Community Cost.

Preferred Model

- 2.30 The conclusions of this evaluation process were then discussed at a joint meeting with representative Members of District Councils. A number of issues and concerns raised at the meeting and subsequently by District Councils were then considered by the Panel.

- 2.31 In order to provide a constructive response to the concerns raised by District Councils the Panel considered a further model for future County-District Council relationships, an 'Integrated Service' model, bringing together the preferred elements of Direct and Modified Partnership models to provide a balance of cost-efficiency and local involvement. It has not been possible to accommodate all of the concerns of the District Councils since many of them conflicted with the key conclusions of the Review, for example relating to the employment of staff and the best methods of service delivery. However, many of the points raised by Districts related to working in partnership with a focus on a "seamless" delivery of services for the benefit of local people, which the Review Panel found welcoming and was very happy to support. The key aspects of the option are as follows :-

- All employees would be employed by the County Council directly, and located either centrally or in local offices to provide the best practicable balance of economy, efficiency and effectiveness
- Three Area Network Teams based upon whole service management (WSMO) principles, responsible for delivering local services and for developing inter-authority co-operation and co-ordination. This would include regular meetings with appropriate District officers and Members as necessary to provide information and support and attendance at District Council Meetings, where this would be helpful. These arrangements would apply over the whole District Council area not just within present agency boundaries.
- Development Control Officers continuing to provide information and support to District Planning officers including regular weekly visits to as at present.
- Improved user contact arrangements including a single freephone telephone number. Also including, by agreement with District Councils arrangements for faults, enquiries or appointment requests either to be referred or processed directly by District Reception staff, including feedback on actions taken. All receptions would be provided with up to date information together with support and training where necessary
- Also by agreement with District Councils arrangements could be made for appointments with users in District Council premises

- All District and County Council Members would receive regular and consistent work programme and other relevant service information, relating to their respective community areas
- All County and District Councillors would be individually consulted on significant highway matters affecting their electoral division/ward areas including individual briefing and support as necessary.
- A District based Local Highways Forum for Members of County and District Councils. Details of role, frequency and attendance would need to be the subject of further consideration, but the Forums would:-
 - contribute collective local knowledge and experience
 - advise on priorities for services and schemes
 - advise on local perception of highway service performance in the area
 - advise on local implications and design considerations of significant or particularly sensitive schemes
 - facilitate joint working and funding of local projects and schemes

2.32 Evaluation of the initial three models also included consideration of the practicalities and risks that would need to be taken into account in planning for the implementation of each option. The Integrated Service model, in providing a constructive response to the concerns raised by District Councils, would also constructively address identified risks associated with changes to present service delivery arrangements.

2.33 Figures 2 and 3 show the proposed Integrated Service Model.

Service Organisational Structure

2.34 The County Council is considering proposals for a review of Departmental organisational and functions. The nature and timing of any new organisational arrangements is presently unclear, but it has been assumed for the purpose of this Best Value Review that these will be confirmed in the near future, so that a detailed organisational structure for the Highway Network Management Service can be agreed during the summer 2002.

2.35 The principles considered essential to the new service structure are:-

- a) Strong central core of Policy, Strategy and Performance Branch, to ensure effective policy co-ordination and programme management both within the Service and corporately, to provide strategic capability to support strategic change, to underpin the drive for consistency and to manage a stronger performance management regime

- b) Strongly integrated Highway Network Services Branch, with an increased and more consistent user focus, able to manage the supply chain and use resources more flexibly and efficiently. This Branch would also have a strong central management core, which could support either a functionally based or an area based organisation at the operational level
- c) Engineering Services Branch, bringing together all technical scheme design and specialist technical services to support greater consistency and efficient use of resources. Work from Engineering Services Branch could be commissioned either directly by Policy Strategy and Performance Branch for major schemes or by Highway Network Services Branch for network schemes
- d) Business Management Services Branch, ensuring the timely and effective availability of financial, personnel and other relevant information necessary for efficient service delivery and business management. To ensure the effective utilisation of human resources, workspace and equipment. To manage the strategy and effective co-ordination of ICT investment. To co-ordinate financial planning and human resource strategies.

2.36 When looking later at procurement issues it will be convenient to consider the Highway Network Management Service as the following elements, each of which will need to be defined in the new organisational arrangements:-

- Essential 'policy core'
- Important 'client core' (including related support services)
- Integrated Highway Network Maintenance Units
- Specialist Construction and Works Services
- Specialist Professional and Technical Services

Business Management and Procedures

2.37 The Panel has identified the potential for improvements in business management and procedures for the delivery of the Highway Network Management Service which fall broadly into the following categories:-

- Business and Service Planning
- Project and Performance Management
- Information and Communications Technology (ICT)
- Other Support Services

- 2.38 The most important area for attention, which the Panel concluded should receive the highest priority was the need for an improved regime of Project and Performance Management. This was identified by DTLR as a key area for improvement and also emerged from a number of other aspects of the Review. The Panel also identified opportunities for the Service to make better use of ICT, both for service management and for improving the quality of user and community information.
- 2.39 A range of other service improvements suggested by the Review are summarised in the Options Identification and Evaluation Report.

Service Design and Priority

- 2.40 A wide range of potential options for detailed service redesign and priorities have been identified during the course of the Review in addition to those referred to earlier in this report, some of which take forward outstanding recommendations of the earlier review of Highway Maintenance. They are summarised in the Options Identification and Evaluation Report and have been broadly categorised in priority order as follows:-

- Potential for Cost Reduction, Increased Income or Efficiency
- High Priority to deliver policy and programme performance commitments
- Important but could be dealt with less urgently

Procurement Strategy

- 2.41 Consideration of procurement strategy based on the need to demonstrate competitiveness has been a key requirement for the Review and one which has required particularly careful consideration both in term of content and timing. There are four key influences on the programme for procurement strategy.

- Nature of future County-District Relationships
- Departmental Organisational Review
- Policies, Standards and Performance Management Regime
- Present contractual arrangements

- 2.42 The Panel noted that the Leicestershire Highway Network Management Service started from a different position from many other authorities:-

- Many other authorities had externalised DLO services during CCT (Compulsory Competitive Tendering) either voluntarily or as a result of unsuccessful tenders
- Some authorities similarly externalised professional services
- Leicestershire DLO continued to be highly successful in competing for both in-house contracts and external work

- The DLO and Professional Services had uniquely secured the managing agent and contracting roles for the Highway Agency and had applied the commercial experience of this in delivering County Council services
- 2.43 With strong commercially driven internal service providers of proven competitive position, the KPMG external challenger to the Review, having considered the relevant information in the light of the market position advised that the potential benefits of further explicit competitive tendering were less clear cut than might otherwise be the case and would need careful consideration at the appropriate time within the implementation plan.
- 2.44 The Panel consulted widely during the Review with other local authorities, including visits and detailed discussions with officers, which are summarised in the Supporting documentation. Although these were helpful in developing an understanding of emerging procurement practice, they were less conclusive in confirming the extent of cost and efficiency improvements resulting from the process.
- 2.45 The Panel therefore considers that further more detailed cost comparison work needs to be undertaken prior to finalising procurement strategy. In order to enable effective comparison of the new Leicestershire organisation with other local authorities and potential private sector providers it will be necessary to allow the new organisation to stabilise and to establish a revised cost and performance framework on which to base the process of comparison. It will also be necessary for that part of the new organisation managing the procurement process to develop documentation, secure necessary approvals and initiate the process. It is assumed that this could proceed concurrently with the period of organisational stabilisation, from 1 April 2003 to 1 April 2004.
- 2.46 The changes to County-District relationships will take time to implement and it is assumed that these could be in place from 1 April 2003. It would be helpful if direct management of winter maintenance could be implemented from 1 October 2002 prior to the commencement of the gritting season.
- 2.47 The Panel consider that revised service procurement arrangements would preferably need to be in place sometime during 2004/05. In order to meet this timetable it would be necessary to develop a preferred procurement strategy by spring 2003. This would enable more detailed consultations to take place with employees and their representatives.

3 RECOMMENDATIONS OF THE PANEL

- 3.1 The recommendations of the Panel are listed below, for convenience, within the categories defined for the Review. The Panel recommend that in order to meet the requirements of Best Value and establish the foundation for continuous improvement the Highway Network Management Service will need, in no particular priority order, to:-

Policy and Strategy

- Rec. 1** **Resolve all outstanding DTLR concerns about the Leicestershire Local Transport Plans and Annual Progress Reports as expressed in their responses of November 2000 and December 2001.**
- Rec. 2** **Complete the development of, gain acceptance for, and implement strategies for walking and cycling.**
- Rec. 3** **Complete the updating of, gain acceptance, and implement a new Road Safety Plan including a strategy for speed management.**
- Rec. 4** **Resolve outstanding problems in ensuring effective co-ordination with Leicester City Council in the development and implementation of local transport policy, including the reconciliation of performance and target information.**
- Rec. 5** **Develop, gain acceptance for, publish and implement a revised Highway Network Management Strategy including consistent standards and procedures, based upon the recommendations of the new Code of Practice for Maintenance Management, to replace the present 'Green Book'.**
- Rec. 6** **Review, gain acceptance for, publish and implement traffic management standards and practices. To be co-ordinated with the review of the Highway Network Management Strategy.**
- Rec. 7** **Develop, gain acceptance for, publish and implement a revised guide to Highway Requirements for Development.**
- Rec. 8** **Complete the development of, gain acceptance for and implement a travel plan for the County Council. Also review the present priority and resources assigned to the development and promotion of travel plans.**

User Access and Satisfaction

- Rec. 9** **Implement and promote the new Service Vision to ensure widespread employee understanding and commitment to ensuring the highest possible levels of user and community satisfaction.**
- Rec. 10** **Achieve a step change in the level of user satisfaction in making contact with the Service through establishing clear, consistent, easy and reliable contact arrangements. This will need to take account of any new service delivery arrangements resulting from this Review including a single contact telephone number backed up by a relevant management system.**

- Rec. 11** Establish consistent and co-ordinated regime of recording and monitoring all user service requests, compliments, complaints and claims together with arrangements for regular monitoring of user satisfaction by management to drive service excellence.
- Rec. 12** Maintain and improve present arrangements for regular and consistent engagement with users and stakeholders, in order to ensure that policies and services are designed so far as possible to meet their reasonable requirements.
- Rec. 13** Extend existing arrangements of sample surveys assessing user satisfaction with final product of improvement or maintenance scheme to all significant schemes.

User Information and Consultation

- Rec. 14** Achieve a step change in the level of user satisfaction with information on planned roadworks. This will need to take account of any new service delivery arrangements resulting from this Review.
- Rec. 15** Improve ease of use, quality and quantity of service information on the County Council website. This to include key contacts, timing and duration of schemes likely to affect network service, and relevant policies and standards including LTP and APR information.
- Rec. 16** Improve out of hours and emergency arrangements to address the concerns raised by the Police, including the introduction of an integrated 'duty officer' system, revision of the emergency telephone directory, and timely information on winter gritting actions.
- Rec. 17** Improve consultation arrangements with public transport operators on the timing and duration of highway works and information subsequently provided to public transport operators and users.
- Rec. 18** Extend the use of 'Templates' providing standard but personalised information and responses for use in correspondence or public information documents etc) on a wide range of highway network issues.
- Rec. 19** Provide relevant, consistent, and timely information for Members and other community representatives, to enable their constructive engagement in matters affecting their constituency. This to include information on highway implications of development proposals.

Working With District Councils

- Rec. 20** Implement the Integrated Service Delivery model to replace the established District Council Agency and Partnership arrangements, as an appropriate response which meets both the key conclusions of this Review and legitimate points presented by District Councils about the need for the County and District Councils to continue to work in partnership, and that this be the basis of further detailed discussions with District Councils.
- Rec. 21** Encourage continued co-operative working between County and District Councils for efficient management of user contacts and local services.
- Rec. 22** Establish a local Member Forum in each District to advise on local priorities, the design and performance of local schemes and services, and possibilities for joint initiatives.
- Rec. 23** Review the potential for increased delegation to District Planning Officers following consideration of conclusions from pilot scheme.
- Rec. 24** Review overall policy on parking in conjunction with District Councils to ensure arrangements are developing consistently with the sustainable travel agenda. This to include the need and priority for resources to address residents' parking schemes.

Working With Local Councils

- Rec. 25** Develop in consultation with representatives of local councils, gain acceptance for and publish a 'Local Highway Services Charter' setting out standards applying to both works and advisory services for users and stakeholders, including District, Town and Parish Councils.
- Rec. 26** Review arrangements for the development, design and programming of schemes including priority ranking. Make the information widely available, in particular to District, Parish and Town Councils to improve mutual understanding.
- Rec. 27** Improve community liaison on the nature and timing of maintenance and improvement works including the extension of arrangements developed in Western Division for regular programmed meetings with Town and Parish representatives.
- Rec. 28** Encourage greater participation by Local Councils in relevant aspects of service delivery, for example grass cutting and also improved co-ordination with such District Council services, especially in urban areas

Organisation and Management

- Rec. 29** **Ensure that new organisational arrangements provide for clear accountability and are consistent with the need to achieve a step change in ease of access to services.**
- Rec. 30** **Ensure new organisational arrangements provide for the necessary strategic capacity to manage performance and deliver continuous improvement.**
- Rec. 31** **Ensure new organisational arrangements define the 'essential policy core' and the 'important client core' as a key aspect of future procurement strategy. This to take into account the need to resolve the position of public transport client services as referred by the Best Value Review of Public Transport.**
- Rec. 32** **Establish a 'whole service' culture to deliver a step change in organisational cohesion.**
- Rec. 33** **Achieve Investors in People recognition for the Service.**

Employee Awareness Training and Development

- Rec. 34** **Improve employee understanding of and commitment to the delivery of integrated transport, and the importance of the LTP and Service Planning process in strategy development, project priorities and funding.**
- Rec. 35** **Encourage the creative involvement and empowerment of employees, including those providing support services, in seeking opportunities for greater service cohesion, operational efficiencies or added value, and pursuing continuous improvement.**
- Rec. 36** **Improve employee understanding of corporate administration and processes, in particular new constitutional arrangements and policies relating to customer care and complaints.**
- Rec. 37** **Improve employee understanding of the maintenance implications of new design and introduce regime of sample audit as recommended by the new Code of Practice for Highway Maintenance Management.**

Performance Management

- Rec. 38** Establish an improved performance management regime for projects, programmes and all strategic initiatives, incorporating challenging targets and regular management monitoring to avoid underachievement and drive continuous improvement. Incorporate the arrangements introduced specifically for managing the delivery of the capital programme and the outstanding requirement to produce an Annual State of the Network report.
- Rec. 39** Undertake a review of all local performance indicators and targets with a view to simplifying the presentation of them and to ensure an appropriate focus on outcomes rather than outputs and consistency between LTPs, Business and Service Plans. In particular maximise contribution to corporate outcomes. Build upon the sustainability appraisal undertaken as part of the Review to establish greater employee involvement at the operational level and a targeted programme of improvements.
- Rec. 40** Obtain membership of National Benchmarking Schemes for both Design and Works, in accordance with recommendations of new Code of Practice for Maintenance Management and use the information obtained to improve the continuing process of comparison.
- Rec. 41** Ensure the ongoing delivery and monitoring of the Review Implementation Plan and the wider principles of Best Value, including the identification and sharing of best practice and active support for the Midlands Regional Best Value Group.

Business Management

- Rec. 42** Establish a programme for delivering efficient and consistent and integrated financial, administration and business management systems including time recording throughout the service, including upgrading of back-office systems where necessary to support service integration, performance management and the pursuit of continuous improvement.
- Rec. 43** Establish a relevant consistent regime of Quality management, including Quality Assurance (QA), building upon present systems within DLO and Design Services based upon ISO 9001:2000 to focus on the wider aspects of quality management throughout the service. Also build employee support for the regime.
- Rec. 44** Review document management and retrieval arrangements and secure necessary investment to improve consistency and efficiency.

Service Design and Priority

- Rec. 45** Continue increased investment programme on principal roads in order to improve structural condition and movement towards best quartile performance.
- Rec. 46** Continue increased investment programme on non-principal roads in order to improve structural condition and movement towards best quartile performance.
- Rec. 47** Pursue approved targets for number of road casualties per 100,000 population (KSI and Slight injuries) to sustain best quartile performance.
- Rec. 48** Pursue approved targets for BV105 (Damage to roads and pavements) and BV 165 to achieve best quartile performance.
- Rec. 49** Pursue approved targets for BV100 (Traffic sensitive streets) to improve present level of performance.
- Rec. 50** Pursue approved target for BV165 (percentage of pedestrian crossings with facilities for disabled people to achieve best quartile performance.
- Rec. 51** Complete review and implement outcome of highway safety inspection regime based on pilot study in Northern Division.
- Rec. 52** Implement direct management arrangements for winter maintenance, to deliver improved operational efficiency in line with the conclusions of this Review, including detailed implementation plan to allow initial priority improvements to be in place Winter 2002/03.
- Rec. 53** Following the acquisition and commissioning of the improved street lighting inventory system, review frequency of bulk bulb changing arrangements.
- Rec. 54** Complete review and implement outcome of street cleansing enhancement trial undertaken in Harborough District.
- Rec. 55** Acquire and introduce a Highways Maintenance Management System to deliver improved resource allocation and management.
- Rec. 56** Improve consistency in design standards and application of traffic management policies. Also ensure that “as built” and traffic management records are consistent and up to date.

- Rec. 57** Ensure that the agreed timetable for the processing and delivery of accident data to the Police is complied with and that maximum use is made of the information in project and programme development.
- Rec. 58** Ensure that safety audits are conducted on programme for all relevant schemes in accordance with service policy.
- Rec. 59** Review arrangements for the provision of legal support to traffic management and network management activity, to ensure that this does not unreasonably constrain the effectiveness of the Service, particularly in the light of changes in County-District Council service delivery arrangements.
- Rec. 60** Pursue opportunities for additional income from New Roads and Street Works Act (NRSWA) responsibilities identified by internal audit report.
- Rec. 61** Secure commercial sponsorship for landscape maintenance of roundabouts, wherever possible.
- Rec. 62** Pursue opportunities for additional income from highways development control regulatory activity including the use of commuted sums for future maintenance and a review of fees.

Procurement

- Rec. 63** Develop, gain acceptance for, and implement a procurement strategy for the future delivery of Highway Network Management Services in 2004-05, following the completion and stabilisation of all new organisational arrangements. The strategy will need to be approved by spring 2003.
- Rec. 64** Extend present contractual arrangements to secure continued delivery of capital programme commitments in the medium term pending the development and implementation of new procurement strategy.
- Rec. 65** Develop routine monitoring of out-turn costs for all schemes and services against tendered costs as part of an improved performance management regime.

4 CONCLUSIONS

- 4.1 The recommendations of the Panel have been incorporated into a Service Improvement Plan and Implementation Plan. This identifies some 65 possible opportunities for improvement, many resulting from information provided by users, stakeholders and employees, ranging from quite small changes of minimal cost to larger more complex issues.
- 4.2 The recommendations of the Panel are included as Section 3 of this report and have also been incorporated into the Service Improvement Plan. The key priorities from these have been identified and taken forward into a recommended Implementation Plan, summarised in Table 1. attached.
- 4.3 The Panel greatly appreciates the constructive and helpful contributions made to the Review in particular by service users, stakeholders and community representatives. Also for assistance received from other local authorities, specialist advisors and not least Leicestershire County and District Council employees.