

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Highways and Transport Scrutiny Committee
Date:	20 April 2015
Subject:	Future Service Delivery

Summary:

This report provides an update to the Highways and Transport Scrutiny Committee on the ongoing work with Cranfield University and the recent Highways Maintenance Efficiency Programme (HMEP) Peer Review of highway services.

Actions Required:

Members of the Highways and Transport Scrutiny Committee are invited to consider and comment on the report.

1. Background

- 1.1 The Highways Service has engaged in a variety of benchmarking activity to provide assurance that it is delivering effective, efficient and value for money services. These include comparative benchmarking of tender and scheme costs, Frontier Benchmarking through the Highways Maintenance Efficiency Programme (HMEP) and a Strategic Value for Money Review by Cranfield University. The outputs from this activity all indicate that the current delivery methods such as the Highways Alliance provide class leading levels of efficiency.
- 1.2 Whilst much of the benchmarking activity provides assurance about the current levels of value for money, the work with Cranfield University and the recent HMEP Peer Review offer guidance on service changes which have the potential to improve the quality of services, the value for money they offer or a combination of both. This report therefore focusses on the work with Cranfield University and the recent HMEP Peer Review.
- 1.3 Cranfield University

The work with Cranfield University began in 2013 with a Strategic Value for Money Assessment of the Highways Service indicating a medium-high

rating for both economy and efficiency and identifying options for business and operating model changes including:

- Improved processes training and compliance
- Service quality promotion
- Structural consolidation
- Lean Processes redesign and improvement
- And material re-use and innovation

The identified options resulted in a number of actions including:

- A further programme of process training for staff and an enhanced compliance framework
- A reduction from four to two divisions
- Lean process reviews for service areas
- And a comprehensive programme of schemes such as retread and recycling to improve our material re-use.

Current work is focussed on supporting our existing move to become a Commissioning Council, the segregation of reactive and programmed structures and the potential efficiencies offered by a move to two divisions.

1.4 HMEP Peer Review.

A Peer Review of the highways service was undertaken between 3rd and 5th March. Undertaken by a team of six reviewers they were asked to focus on five main areas of the services:

- i) The strategy for the highways service and contribution to the council's overall corporate objectives (with respect to moving to a commissioning model) and the Service's ability to contribute to the growth agenda
- ii) How the work done by Cranfield provides additional assurance about their contracting arrangements to ensure potential from all of our arrangements is being maximised.
- iii) Whether the service is doing enough in relation to shifting the balance of delivery from reactive into preventative maintenance and its strategic and operational approach to asset management
- iv) Validating the potential to Lincolnshire from regional consolidation as one of the emerging solutions to the financial challenge. This is also with reference to the emerging outcomes from the HMEP Frontier Benchmarking work
- v) To recognise and validate improvements and any notable practice whilst also signposting to practice from elsewhere which would be of benefit to Lincolnshire

The Review Team fed back their findings at the end of the three day review and a copy of their feedback presentation can be found in Appendix A.

The Review Team returned for an Action Planning day on 31st March 2015 to look at each of the areas for consideration highlighted in the review and how and when they would be taken forward. Work is ongoing in developing this further and progress will be reported in more detail at the next scrutiny meeting.

2. Conclusion

The work with Cranfield University and the HMEP Peer Review will act as the foundations for how we deliver the service in the future with regular reports to scrutiny on how we are progressing.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Highways Maintenance Efficiency Review Feedback Presentation

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Paul Rusted, who can be contacted on 01522 553071 or paul.rusted@lincolnshire.gov.uk.

This page is intentionally left blank