



## Environment and Transport Select Committee

6 March 2013

### Informal Briefing: Highways Strategic Peer Review and Service Improvement Priorities 2013/2014

**Purpose of the report:** This informal paper is intended to provide the Environment and Transport Select Committee with information on the following:

- A summary of the key issues and recommendations of the Strategic Peer Review
- An overview of the service improvement priorities for 2013/14

#### Strategic Peer Review

##### Background

1. The Strategic Peer Review has been developed by the Highways Maintenance Efficiency Programme, and is based on the Local Government Association (LGA) peer review methodology. The LGA were part of the team that developed the review, which also included 6 local authorities and a representative from the Contractors term maintenance association, the HTMA.

##### Surrey Peer Review

2. The focus of the Surrey peer review was the improvement proposals that have recently been presented to Select Committee, including the 5-year Capital programme, changes to the Surrey Priority Network, changes to reactive maintenance and inspections, and the planned introduction of the Permit Scheme. The peer review team comprised:
  - Mark Kemp, Assistant Director Oxfordshire County Council
  - Tom Blackburne-Maze, Assistant Director Cambridgeshire County Council
  - Mac McGuire, Deputy Leader Cambridgeshire County Council
  - Paul Clarke, LGA

3. The team were in Surrey from 14<sup>th</sup> November to 16<sup>th</sup> November 2012, and in those 3 days they spoke to approximately 30 people, including Highways staff, Members and Contractors, and reviewed evidence presented to them, including performance data and improvement plans. The review team presented their findings to the Chief Executive, Transport and Environment Cabinet Member, Strategic Director and Assistant Director on 16<sup>th</sup> November.
4. The review was followed by an action planning workshop with the Highways senior management team, senior representatives from May Gurney and two members of the peer review team. This action planning workshop was held on 11<sup>th</sup> February 2013.

### Key Issues and Recommendations

5. The peer review team made a number of observations about the highways service in Surrey. These were:
  - There is a strong political steer, ambition and passion for highways
  - There is a commitment to becoming the most innovative and effective highway service in England
  - Our transformation programme is relevant to the challenges we face, is good practice and in many cases is innovative
  - The strength and shared vision of the partnership between Surrey and May Gurney
  - There is a clear direction of travel; a key focus of this is a shift from a short term, reactive to long term, planned approach.
  - Localism and collaboration are key features of future thinking, and both are seen as means by which to ensure services are delivered in the most effective way
6. The key recommendations made by the review team were:
  - Being clear about our vision, particularly the outcomes expected, and consider if the pace of change is quick enough
  - Improving communication at all levels
  - Considering where and when innovation is required and the risks and implications that this might bring
  - Consider the guidance given to Local Committees on financial implications of decisions
  - Accelerate our thinking on organisational capability

### Next Steps

7. Key actions in response to the peer review recommendations were developed at the action planning workshop held on 11<sup>th</sup> February, and these will be developed into a detailed action plan. Full details of the peer review and the action plan will be reported to a future meeting of the Select Committee.

## **Service Improvement Priorities for 2013/2014**

8. A key priority for the service, particularly in the first three months, will be the successful implementation of the initiatives recently presented to Select Committee. These are:

### Implementation of the Permit Scheme

9. The introduction of a Permit Scheme has been approved by Cabinet, and the service is now preparing for its implementation, which is planned for December 2013. Significant work is required to ensure that adequate systems and processes are in place and that staff are trained. Changes will also be required to the way we manage our own works, as these will also require permitting.

### Implementation of Operation Horizon

10. Operation Horizon (the five year Capital Programme) has been approved by Cabinet (following the agreement of the budget for this programme), and the service is now working with May Gurney to mobilise the programme ready to start in April 2013. Operation Horizon offers the opportunity for a reduction in cost of at least 16%, and this will be dependent on effective management of the programme. The programme will be closely monitored to ensure savings are being achieved.
11. Operation Horizon is one of a number of 'Trial Projects' currently being monitored by Cabinet Office and Treasury, and we will be working closely with the Trial Projects Support Group who will be providing independent assessment of the programme.
12. We are currently consulting with the Local Committees on the roads planned to be treated in their areas, with the aim of having the programme finalised by the end of March.

### Implementing Changes to the Management of Safety Defects and Reactive Maintenance

13. Subject to approval by Cabinet, the service will make changes to the way reactive maintenance is undertaken, including the revised inspection frequencies and changes in response times. This will improve risk management and lead to improved quality of repair. Monitoring will be in place to ensure these benefits are realised.
14. Changes to the management of reactive repairs will be phased in over the first few months of 2013.
15. In parallel with the changes to reactive maintenance the service will also be implanting the changes to the SPN. If approved by Cabinet these will be phased in over 2013, to ensure the transition is managed effectively.

### Localism Initiatives

16. The increased budgets for Local Committees have been agreed, and the service will continue to work closely with Local Committees to ensure the money is spent effectively.
17. A number of Parish Councils have submitted proposals for highway activities they would like to undertake in 2013. If the funding is approved by the Local Committee then the service will work with them and the Divisional Member to ensure these initiatives are implemented and managed effectively.
18. In addition, we will continue to work with colleagues in the Borough and District Councils to identify opportunities for them to deliver highway services and to improve collaborative working.

### Improving Communication and Engagement

19. It is acknowledged that the service needs to improve its communication and engagement with Members and the public. This issue has been raised by Members through the Select Committee and the Local Committee Chairs.
20. The service will work closely with Members to ensure improvements are realised in this area.

### Reviewing and Improving Performance of Tree Management and Gully Cleansing

21. Two key areas where performance needs to be improved is in tree management and gully emptying. Both these activities, and the contract arrangements used to deliver them, will be reviewed during 2013.

### Laboratory

22. We are considering options for the future of the materials laboratory at Merrow. The intention is to increase the income generated by the laboratory, whilst also developing its capability to provide materials consultancy advice for Surrey and SE7 partners that will enable us to be more innovative.
23. Final proposals will be developed by May 2013.

### SE7

24. Our work with the SE7 authorities will focus on the following three areas:
  - Analysis of cost/quality/customer satisfaction data – the 7 Councils all collect data on their expenditure, network condition and customer satisfaction. Comparing performance between the authorities will help us to identify areas for improvement and good practice that can be shared between the authorities.
  - Supply chain management group – we have formed a supply chain management group, comprising all 7 Council and 5 of our 1<sup>st</sup> Tier

Contractors. This group is currently looking at our use of recycled material, as the opportunity exists to significantly increase the amount of recycled material we use, potentially reducing our costs and providing an income stream.

- Staff development – the MSc in Highway Engineering now has 25 students, and we will continue to develop this course. We will also start to look at developing programmes at other levels, starting initially with a Level 3 qualification (Technician level)

### Asset Management

25. The service will continue to develop its asset management strategy, particularly focussing on a move to an outcomes based approach. This will provide greater clarity for Members and the public about the level of service they can expect, and will help ensure investment is properly targeted across all assets.

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