



Environment & Transport Select Committee

23 October 2013

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Highways Strategic Peer Review

Purpose of the report: Scrutiny of Services and Budgets

To update the Select Committee on the recommendations of the Strategic Peer Review, the actions taken to date in response, and the planned next steps

Introduction

- 1 The Strategic Peer Review was 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 six local authorities and a representative from the Contractors term maintenance association, the HTMA.
- 2 Surrey were the first Council to undertake the review, and it has subsequently being used by Blackpool, Oxfordshire and Cambridgeshire to help them improve their services.
- 3 The focus of the Surrey peer review was the improvement proposals that were presented to Select Committee and approved by Cabinet earlier this year, including the five-year Capital programme, changes to the Surrey Priority Network, changes to reactive maintenance and inspections, and the planned introduction of the Permit Scheme.
- 4 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
- 5 The team were in Surrey from 14 November to 16 November 2012, and in those three 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 November.

- 6 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.

Recommendations of the Strategic Review and Actions Taken

- 7 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 (now Kier)
 - There is a clear direction of travel; a key focus of this is a shift from a short term, reactive approach to a 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
- 8 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
- 9 In response to the recommendations of the review, an action planning workshop was held on 11 February 2013. The senior management teams from Surrey Highways and Kier attended the workshop, as well as the peer review team to provide external challenge. This workshop explored the following issues in response to the recommendations made by the review team:
 - Are we clear about the purpose of the new approach?
 - Is the message clear across the organisations?
 - Is there clarity of expectations & ownership of roles
 - Does openness, honesty & trust underpin collaboration?
 - Do we have the right skills and capabilities?
- 10 A number of key actions were agreed at the workshop, predominantly focussing on ensuring we are clear about the vision and the outcomes sought for highway

services in Surrey; improving communication both internally and externally; ensuring we understand the risks and challenges we face in achieving the desired outcomes; and developing our organisational capability.

- 11 Further details on our response to these issues is set out below

Integrated Team Working

- 12 A key issue raised in the peer review was the effectiveness of our working with our contractors and suppliers. To improve joint working and early contractor involvement two integrated teams have been formed, that will work together to deliver Capital and Revenue activities. These teams will initially focus on:
- Operation Horizon – this team was formed in June this year, and brings Surrey, Kier, Aggregate Industries and Marshalls staff into a single unit to deliver the Horizon programme.
 - Safety Defects – we are currently consulting with staff on a team structure for managing the safety defects service, which will be implemented once the transition to a five-day response has been approved.
- 13 We intend to undertake formal reviews of the effectiveness of these two areas after 12 months of operation. For Operation Horizon, this will be in June 2014, and for safety defects it will be in October 2014.

Customer Service Excellence

- 14 The peer review highlighted the need to improve communication, both internally and externally. This issue has also been raised as a key issue by members, including the Select Committee.
- 15 To ensure this issue is addressed properly, we are using the Customer Service Excellence standard to provide a framework for improving our customer service, including internal and external communication.
- 16 A report on the Customer Service Excellence project is due to be presented to Select Committee in December 2013.

People Strategy

- 17 A key recommendation of the peer review was that we need to consider whether we have the capability within our organisation to deliver our plans, and we have therefore undertaken organisational development analysis to evaluate this further.
- 18 This analysis was informed by the recommendations of the peer review and the action planning workshop, a number of workshops run with groups of staff and a questionnaire completed by Group Managers and Team Leaders.
- 19 An organisational development plan has been developed, which focuses on six key areas:
- Culture
 - Leadership and management

- Communication and engagement
- Skills and competency
- Staff and opportunities (including succession planning)
- Customer service (as part of the Customer Service Excellence project)

Next Steps – Developing a longer term vision for highways

- 20 The key vision that underpins our approach is 'less reactive, more planned'. In March Cabinet approved two significant proposals to implement this vision, these were Operation Horizon, our five-year Capital Maintenance Programme, and a change in response time for safety defects from 24 hours to five days to improve the quality of repairs. The proposals that have been detailed above will help ensure that we are able to deliver these changes effectively.
- 21 Our proposals for a five-year programme have enabled us to achieve significant efficiencies and improvements in service delivery, however evidence from other sectors, most notably the Water sector, indicates that a longer term plan could potentially provide additional benefits.
- 22 To further explore the opportunities this could bring, Surrey have worked with Infrastructure UK, using their 'Infrastructure Procurement Routemap', to consider a 15-year plan for the management of the highway network. Infrastructure UK were established within Treasury to improve the way both the public and private sectors in the UK manage infrastructure. They have developed the routemap to assess the readiness of an organisation to construct new infrastructure, or to significantly change the way they manage their existing infrastructure. Surrey are the first Council to apply the routemap to highway services, and this has provided us with a robust mechanism to further test the observations made in the peer review.
- 23 As part of the routemap process, Infrastructure UK examined evidence about how we currently manage the highway network, including the outcomes of the peer review, and interviewed a number of people from within Surrey and across our supply chain. A two-day workshop was then held in July 2013, to feedback on the observations they have made, and to agree the key areas for focus for Surrey.
- 24 Infrastructure UK presented their findings to the Cabinet Member for Transport, Highways and Environment on 9 September 2013. Their recommendations will form the basis of an improvement programme that will enable us to plan our management of the network on a longer term basis, with the aim of achieving greater effectiveness and efficiency.
- 25 The key areas that Infrastructure UK identified as being essential to achieve our vision were:
- Consultation and lockdown of requirements and outcomes;
 - Development of a robust business case;
 - Establishment of a clear and empowered governance structure to support communication and timely decision-making;
 - Moving toward a better understanding of the asset;

- Embedment of an appropriate asset management strategy;
- Development of a Programme execution plan and a programme management approach, with clear outcomes and measures;
- Increased understanding of the current and required workforce capability and the establishment of the right interfaces and relationships
- Realistic planning and budgeting for resource development.

26 It is proposed that a detailed report on the outcomes of the routemapping, and the proposals for a longer term vision for Surrey Highways, be presented to Select Committee in early 2014.

Financial and value for money implications

27 Financial and value for money implications will be considered as the longer term proposals are developed further.

Equalities Implications

28 Equalities implications will be considered for each of the projects detailed above when recommendations and decisions are made.

Risk Management Implications

29 The approach set out in this paper is judged to be the most effective way for Surrey to manage the risks associated with its duties as a highway authority.

Implications for the Council’s Priorities or Community Strategy/Local Area Agreement Targets

30 None

Recommendations

That the Select Committee endorses the approach set out in this paper, and that more detailed scrutiny is given to the following individual proposals at the dates set out below:

- Customer Service Excellence (December 2013)
- Proposals for development of a longer-term approach to management of highways (February 2014)
- Review of first 12 months of Operation Horizon (June 2014)
- Review of first 12 months of new approach to safety defects (October 2014)

Next steps

The service will continue to develop and implement the proposals set out in this paper.

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Sources/background papers:

Presentation given by peer review team to Cabinet Member, Strategic Director and Assistant Director