

## Central Bedfordshire Council

### SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 12 July 2018

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**This report relates to a decision that is Key**

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#### **Purpose of this report**

1. The purpose of this paper is to provide the Sustainable Communities Overview and Scrutiny Committee (OSC) with a report on the development and implementation of the Highways Service Improvement Plan phase 1 (SIP1) and to advise of the actions in phase 2 (SIP2).

#### **RECOMMENDATIONS**

The Committee is asked to:

1. Review, acknowledge and comment on the progress made by the Highways Service Improvement Plan and comment on the outcomes of the SIP1.
2. Review and comment on the proposed actions for the 2<sup>nd</sup> phase of the Service Improvement Plan (SIP2).
3. Recommend that a performance update on the next phase of the improvement plan (SIP2) be delivered at a future meeting.

#### **Background to the Service Improvement Plan**

2. In order to address issues and make improvements to the Highways Service, the Executive Member for Community Services requested that a improvement plan was developed and its actions implemented.
3. The SIP was to address the following three main areas of concern;
  - Work taking too long
  - Lack of information on the service
  - Not demonstrating value for money

Item Reference	Contract Improvement Issue	Improvement Actions	Contract Improvement Output
A	Work Taking Too Long	Collaboration Accreditation - action plan Quality of information on task orders Roles and Responsibilities and structure resilience Target Cost process understanding and agreement	Meeting Contract KPIs Joint Organisation Chart Signed Off Target Cost Process (not interim)
B	Lack of Information on the Service	Members Portal implementation programme to be delivered Complete implementation of SIC version 2	Members Portal Live SIC2 Live
C	Not Demonstrating Value for Money	Road map of target cost for remaining services not yet using target cost Annual plan improvements (5 year) to allow economies of scale to be maximised Increasing use of the contract within CBC contract to allow economies of scale to be maximised Final Accounting releasing pain/gain pot	Programme of services to target cost 5 Year Plan Increased Contract Throughput Gain share valued and back in the service

## Progress

### Item Reference A - Work Taking Too Long

4. **Collaboration Accreditation** - The collaboration accreditation BSI ISO 44001 action plan has been developed and processes implemented. Phase 1 of the accreditation process has taken place. The accreditation audit passed with only 4 opportunities for improvement and 1 minor non-compliance. The second accreditation audit is scheduled for mid-June. This collaborative approach underpins and supports all working practices between CBC and RJ and supports a closer more integrated working relationship.
5. **Quality of information on task orders** - Existing guidance on how to raise task orders on the 'Insight' ordering system has been reviewed and updated. Included in this has been a specific piece on the provision of all of the information required to undertake each individual piece of work. This has been communicated to all staff who raise task orders.
6. This has resulted in an improved quality of task order with the relevant information being provided. The reviewed process and guidance has been in Insight.

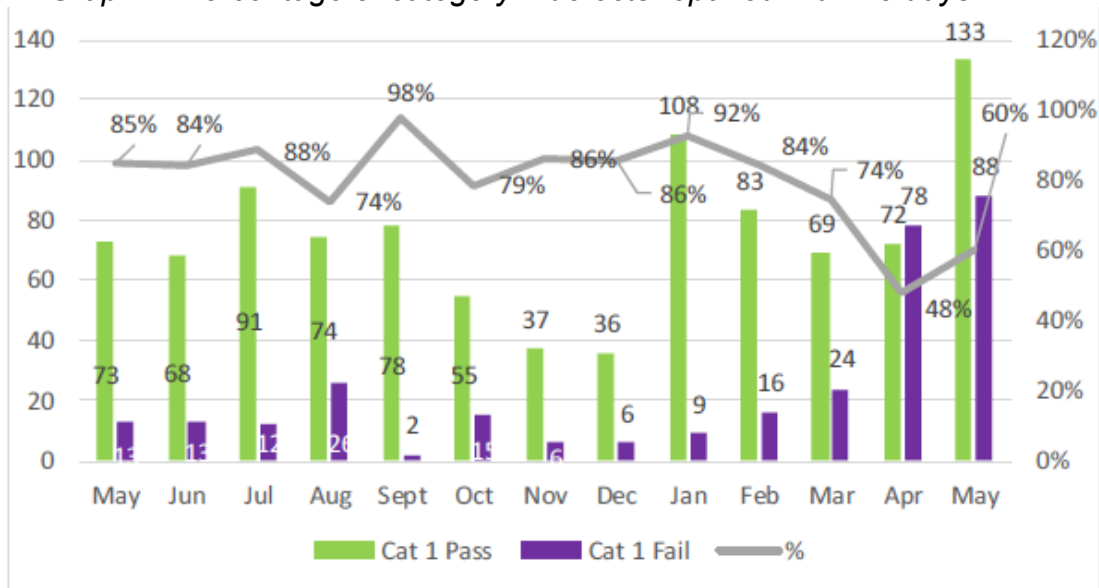
7. **Roles and responsibilities and structure resilience** – The restructure and relocation of teams has now been completed. This has provided greater resilience for teams.
8. The joint CBC/RJ organisation chart has been developed and has been circulated to all staff. In tandem with the co-location to Thorn Turn this has seen the beginnings of staff having a better understanding of areas of work, roles and responsibilities. This is helping to expedite work to the correct teams and individuals.
9. The joint structure chart needs to be regularly updated and staff kept informed as an ongoing item. Further promotion of the chart, individual work areas and roles and responsibilities is scheduled as an action in SIP2.
10. **Target cost process agreement and understanding** – A review of the process for producing an agreed target cost has been undertaken. Following this, a system change took place in April so that task orders to obtain target costs are now being raised using 'CEMAR'. CEMAR is a database solution which is used to manage the administrative demands of the Highways contract. It removes tasks for creating clause referenced documents of the NEC contract for each communication sent between CBC and RJ. It runs as a cloud based system which records and backs up all contractual communications.
11. There has been a considerable improvement in target costing of schemes to be constructed. The initial approach was fragmented with the main issue being that task orders were not being raised until all information is available. This has improved using CEMAR, but some delays in producing an agreed cost within the required time-frame is still an area requiring improvement.
12. Initial training has been provided to all staff on the target cost setting process and utilisation of the new CEMAR system.
13. It is proposed that this progress is further built upon in SIP2. The process will continue to be refined and reminder/update workshops held. The target cost process will be audited in September to ensure improvements are being made.
14. **Co-author a suite of integrated processes that provide inputs, outputs, controls, gates, clarity of organisational and team ownership** - Comprehensive processes have been written and mapped on flow charts for the task order, KPI submission and acceptance, routine maintenance, and final accounting processes.
15. The task order element has been further broken down to cover scheme design orders, construction orders and maintenance orders.

16. These processes have been provided to both the Strategic Board and Operational Board. This clear understanding of process was agreed and signed off by members of the Operational Board.
17. Following this mapping process there is now greater clarity and understanding of requirements, pressures and pinch-points between client officers and contractors. This has smoothed the process and enabled improved co-operation leading to improved understanding between the CBC and RJ officers.
18. Now that these processes have been agreed and documented the service is now in a position to raise awareness and set these as usual practice to all staff.
19. The final accounting process has already delivered substantial improvements increasing final accounts from 0% (year 1) to 68% (year 2).
20. This work stream will be continued into SIP2 with CBC/RJ teams to be jointly trained to enable consistent understanding and implementation of the agreed processes. Changes to the written agreed processes to be modified and implemented as business as usual practice.
21. ***Develop statutory utility plans (Stats) provision resilience strategy*** – CBC resources have been re-allocated to assist with obtaining Stats plans in order that all of the correct information is made available for each stage of the task order design/target cost/construction phase of delivery. Implementing this approach has meant that Stats information is being obtained and work is not delayed on site.
22. A new Utilities Service Technician (UST) provider has been added to the RJ supply-chain to ensure there is sufficient resilience to support this area of work.
23. Joint CBC/RJ CDM training has been delivered to increase knowledge and understanding of CDM requirements. This has improved understanding between individuals and teams of CDM roles and responsibilities.
24. The Highways contract is CDM compliant and safe. The safety record is outstanding with 500+ clear days to date on this contract. However in order to ensure compliance with CDM regulations and improved safety records, a review of training and staff competency requirements has been carried out. This work has been built into the Highways staff competency framework and, where relevant, made a mandatory requirement for some roles.
25. As part of SIP2 CDM refreshers are to be scheduled as a 'business as usual' activity. All new staff will receive CDM training as part of their induction.

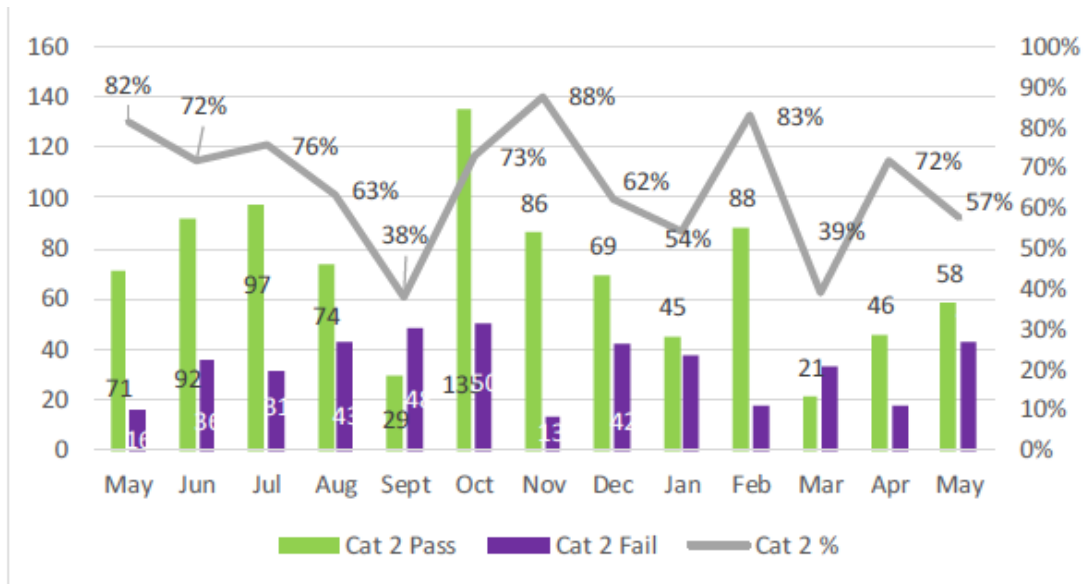
**Item Reference B – Lack of information on the Service**

- 26. **Members portal implementation programme to be delivered** – Owing to various technical and resource difficulties there has been a delay in providing the portal to allow Members to view planned works. This is now at a stage where testing is shortly due to commence with the full roll-out target date of 23<sup>rd</sup> July.
- 27. The improved public facing ‘Report It’ (Service Information Centre 29SIC2)) module is due to be operational on 23<sup>rd</sup> July. Prior to this date there will be a two week familiarisation/test period for users to provide feedback.
- 28. **Agreed KPI framework with performance improvement measures included** – The KPI definitions have been agreed at Operational Board and the framework agreed at Strategic Board.
- 29. It is proposed that this workstream carries over into SIP2 with a view to ensuring achievement of the KPIs. This will focus on category 1 and 2 improvements, 7 day response improvements as well as target cost setting and final accounting is suitably established.
- 30. The graphs below show that there remains under-performance in ensuring that category 1 and 2 defects on the highway are being repaired within the specified timescales to achieve the 95% KPI standard required.

*Graph 1. Percentage of category 1 defects repaired within 5 days.*



*Graph 2. Percentage of category 2 defects repaired within 28 days.*



### Item Reference C – Not Demonstrating Value for Money

31. **Road map of target cost for remaining services not yet using target cost** – A roadmap based on expenditure codes has been developed using as many schemes as possible and their associated time frames.
32. This workstream has uncovered various issues principally around methods of work costing and ordering. There was a lack of understanding of the contract aim to utilise Option C (target costing) as a method of ordering work to a greater extent than on the previous contract.
33. This has improved as contractual and procedural knowledge has been disseminated which has resulted in an increase in schemes ordered using Option C from 40% previously to 60% currently.
34. This workstream will be carried forward into SIP2 particularly focussing on cultural improvements and contract utilisation knowledge at training workshops and communications to staff. In addition, the method of measurement of this needs to be incorporated in order to better gauge progress.
35. **Increasing use of the contract within CBC to allow economies of scale to be maximised** – Work to produce a third party user guide and align services with ‘account managers’ has commenced but is still an ongoing piece of work to be agreed, signed off and communicated to the relevant parties. This workstream is to be continued into SIP2.
36. **Relocation to Thorn Turn as part of the overall Central Bedfordshire Highways Contract accommodation strategy** - CBC and RJ teams have now moved in to the new state of the art facility at Thorn Turn facilities. This will enable a collaborative working environment with teams being

better integrated allowing a stronger working partnership and has improved our ability to work as one team.

37. Lessons learned from the delivery of the Thorn Turn depot are being utilised for the delivery and mobilisation of the North Depot at Sandy; these actions are captured in SIP2.

## **Conclusion**

38. SIP1 has delivered some of its objectives particularly where there has been collaboration and urgency demonstrated by both Client and RJ.
39. SIP1 has uncovered a number of complicated processes which have been reviewed and improved. Implementation of these processes will be undertaken through training workshops and seminars jointly to CBC and RJ staff as part of SIP2.
40. Of the 32 actions in SIP1; 22 have been completed with 10 being carried forward for implementation in SIP2.
41. Critical to the ongoing success of SIPs is relationship building and measures to encourage a collaborative working ethos throughout the service. Whilst there is an aspiration of 'working together in a spirit of mutual trust and cooperation' this requires continued work in SIP2 to encourage this attitude to staff at all levels.
42. *Whilst some improvements have already started to be realised it will not be until the delivery of the actions developed under SIP1 through the SIP2 process that more significant improvements will be gained.*

## **Reason/s for decision**

43. The reasons for the decisions set out in this paper is to enable the Highways Service to become a more efficient and resilient service and to continue on track to retaining Band 3 Well Managed Highways authority, and to help secure Incentive Funding from the Department for Transport.

## **Council Priorities**

44. The recommendations within this paper will facilitate a more efficient and responsive highways service that provides great resident services and enhances Central Bedfordshire.

## **Corporate Implications**

45. None

## Legal Implications

46. As the local highway authority Central Bedfordshire Council is responsible for the maintenance and improvement of the public highways within its administrative area under the Highways Act 1980.

## Equalities Implications

47. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Highways Service Improvement Plans, Highways Communications Plan and associated documentation will ensure that due regard is given to the requirements of equality legislation.

## Financial and Risk Implications

48. Non-adoption of the commuted sum calculator will mean that savings budgeted for will not be realised.

## Next Steps

Event	Date
Develop and implement SIP2	25/05/18 - 25/05/19

## Appendices

**Appendix A:** SIP2 framework

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