

Scrutiny Report

**Call In – Highways Service
Delivery Structure**

**Notice of Motion –
Bromsgrove Highways
Partnership Unit**

***Report of the Overview and Scrutiny
Steering Committee***
December 2005

Overview and Scrutiny Steering Committee
Call In – Highways Service Delivery Structure
Notice of Motion – Bromsgrove Highways Partnership Unit

Executive Summary

Introduction

On 12 September 2005, the Cabinet approved proposals in relation to the Highways Maintenance Policy, Highways Management Plan and Service Delivery Structure. The decision relating to the new Highways Service Delivery Structure was subsequently called in. On 22 September 2005, Council supported a motion to establish a scrutiny to investigate whether residents of Bromsgrove are receiving value for money in regards to the performance of Bromsgrove Highways Partnership.

As the two issues are closely related and information for both investigations was likely to come from the same source, the details of information gathered, issues raised and any conclusions or recommendations on both are included in this report.

Findings and Recommendations

Call in – principles of decision making

Having examined the letter [explaining the proposed changes to Highways Service Delivery Structure] that was sent by Paul Jameson, Head of Highways and Transportation Management, in July 2005, the Overview and Scrutiny Steering Committee (OSSC) consider that it was not sufficiently explicit in requesting views or establishing a consultation process. It appears to be for information only. Although there was an offer of further discussion with chief executives, Mr Jameson agreed that he could have been more proactive in progressing this with District Councils. In addition, there was a general understanding that a formal consultation with staff would begin shortly after the letter was sent, although this has not yet been undertaken due to the call in. This might be one explanation why councillors did not submit views at this stage. It should also be noted that there was a short time period, given the members' summer break, between the despatch of the letter and the 12 September Cabinet meeting.

The OSSC's discussions with Highways Partnership Unit (HPU) Managers indicated that some did not consider they had been consulted. Although they had been made aware of the proposals, some had felt uninformed of the details and therefore had found it difficult to comment fully.

Overall the OSSC's discussions with HPUs and others were hindered by the fact that members and officers they spoke to were not aware of the details of the proposals and how they would be implemented in practice. This prevented an informed debate during the scrutiny about the proposed structures.

The principles of decision making expect Cabinet to take decisions following due consultation and the taking of professional advice from officers. The OSSC consider that, since HPUs are partnerships, more consultation on the proposals should have been undertaken with Districts and Parishes before the report went to Cabinet. It is acknowledged that the HPU Forum structure is not to be changed, however the OSSC consider that Forum members views should have been sought on the proposed HPU structures.

The OSSC therefore consider that the consultation that took place before the proposals were submitted to Cabinet was not sufficient. For this reason they consider that the Cabinet had not followed the principles of decision making in this instance. (para 22)

The OSSC recommends that the decision should be considered again by Cabinet, following a period of consultation on the proposals with District Councils, Parish Councils, HPU Forums and HPU Managers/staff. The purpose of this consultation would be to enable partners to comment on the proposal to reduce the number of HPU local offices from six to three, in order to help Cabinet assess whether this is the best way forward. (para 23)

Overall, the OSSC had some concerns about the pace and direction of the changes and in particular considered that the lack of consultation was detrimental to partnership working. (para 53)

Call in – Worcestershire Hub Issues

The OSSC noted that there were some reservations, particularly among HPU staff, about the transfer to the Hub, however it was reassured that sufficient arrangements were in place to integrate the HPU public enquiry system with the Hub and was satisfied that the Malvern trial should continue as planned. (para 36)

Notice of Motion – Value for Money of Bromsgrove HPU

The data the OSSC received gives a comparison between HPUs in order to assess approximate value for money, and it can be seen that Bromsgrove is about average in terms of spend and performance. It also receives an average number of enquiries. Whilst acknowledging that there are clearly concerns about the efficiency with the way queries and requests are handled by officers and communicated to members, on balance there is insufficient evidence to support the view that Bromsgrove HPU is providing poor value for money compared to the other HPUs in Worcestershire.

Scrutiny Report

Introduction

1. On 12 September 2005, the Cabinet approved proposals in relation to the Highways Maintenance Policy, Highways Management Plan and Service Delivery Structure. The decision relating to the new Highways Service Delivery Structure (detailed in Cabinet Minute No 489 but set out briefly below) was subsequently called in by 14 councillors.
2. On 22 September 2005, Council supported the following motion: "This Council requires the Overview and Scrutiny Steering Committee (OSSC) to establish and agree the terms of reference of a Scrutiny Task Group to investigate whether residents of Bromsgrove are receiving value for money in regards to the performance of Bromsgrove Highways Partnership, in its proposed expenditure of £2,472,000." At its meeting on 14 October 2005, the OSSC agreed to undertake this scrutiny exercise itself.
3. As the two issues are closely related and information for both investigations was likely to come from the same source, the OSSC agreed to address issues relating to the value for money of Bromsgrove Highways Partnership Unit (HPU) alongside their wider discussions about the call in, although they noted that further work could be carried out on this scrutiny if necessary. The details of information gathered, issues raised and any conclusions or recommendations on the Notice of Motion are therefore included in this report.

Background

4. There are currently six Highways Partnership Units (HPUs) in Worcestershire, covering the six District Council areas: Bromsgrove, Malvern Hills, Redditch, Worcester City, Wychavon and Wyre Forest. Four of the HPUs are based in District Council offices, with the remaining two in Malvern and Kidderminster, in separate accommodation. The Units are made up of County Council staff and, briefly, are responsible for the maintenance and repair of highways, highway development control and traffic management.
5. Each HPU has a members' Forum attached, which consists of district and county councillors. HPU Forums have been established for a number of years to:
 - give guidance on the priority for minor highway improvements in the District
 - give guidance, when sought, on highways aspects of development control
 - give guidance on traffic regulation orders in the District for contentious items
 - receive petitions on District highways matters and give guidance on appropriate action
 - give guidance, when sought on District Council proposals affecting the highway, including parking charges, street charging and advertising

- give guidance on local priorities for maintenance and traffic regulation work within allocated budgets and Council policy
 - monitor comments on the work of the HPU
 - provide local input to determination of local policies on highways matters generally
 - act as a local sounding board for highway needs and priorities within the District area and especially to provide a string link between strategic policy and local service delivery.
6. The Cabinet Agenda report indicated that an in-depth review of the Highways Service had been prompted due to a number of challenges and pressures since the previous review in January 2002. These were:
- the advent of the Worcestershire Hub
 - the new term maintenance contract
 - the “Gershon” efficiency agenda
 - the new Code of Practice for Highways Maintenance and the Government proposals for a Corporate Manslaughter Act
 - a national skills shortage in development control staff and highway engineers.
7. In light of these challenges, and to ensure that the County’s Highways Maintenance, Traffic Management and Development Control Service is able to meet all the duties required of it, the Cabinet had agreed the following main changes:
- Use of the Worcestershire Hub as the primary public interface.
 - Reduction from six local offices to three having approximately equal workload.
 - Central operation of the development control function whilst retaining individual officers specialising in development control within each District.
 - Establishment of a central team to manage the highway term maintenance contract. Co-location of maintenance staff with the term contractor’s staff.
 - The present arrangements of a Highways Partnership Members Forum for each District will continue and a County Highways Forum will also be established.

Reasons for the Call In

8. The power for Councillors to call in Cabinet decisions was introduced in 2001 alongside new political management arrangements, as part of the process for holding the Executive to account. Call in is designed to be used in exceptional circumstances and normally only when there is evidence to suggest that Cabinet has departed from the following principles of decision-making:
- Due regard to all relevant material considerations and without regard to any irrelevant considerations;
 - Where appropriate, the realistic evaluation of alternatives;
 - Proportionality (i.e. the action must be proportionate to the desired outcome);

- Due consultation and the taking of professional advice from officers;
- Respect for human rights and equalities;
- A presumption in favour of openness;
- Clarity of aims and desired outcomes; and
- Reasons being given for the decisions, as appropriate.

9. The reasons cited by the members who had called in the decision were:

- Insufficient evidence to demonstrate that the decision to reduce the number of HPUs will improve performance;
- No recommendation to reduce the number of HPUs in the Best Value Review of Transportation and Road Safety;
- Insufficient information as to how the “front desk” service to be provided through the Worcestershire Hub will be integrated with the HPUs;
- Lack of formal consultation with District Councils;
- Concern that local knowledge will be lost.

Scrutiny Activity

10. The OSSC examined the decision taken by Cabinet at its next scheduled meeting on 14 October 2005. This initial meeting involved a presentation by those Members calling the decision in, and discussions with Councillor John Smith, the Cabinet Member with Responsibility for Environment and Paul Jameson, the Head of Highways and Transportation Management. The Head of Highways explained the reasons behind the proposals and the process that had been followed in the lead up to the Cabinet report.

11. Following the initial meeting, the OSSC sought evidence from:

- Members of HPU Forums
- HPU Managers
- Worcestershire Hub (at its meeting on 10 November 2005) and
- Chief Executives of District Councils
- Parish Councils were also given the opportunity to comment.

What consultation was undertaken before decision was made?

12. Members asked what discussions had been held in the lead up to the Cabinet meeting on 12 September 2005. The Head of Highways explained that there had been discussions with the Cabinet Member with Responsibility during the summer and that he had written on 26 July 2005 to all county councillors, District Council chief executives, and corporate directors, outlining the proposed changes. (Letter attached at Appendix 1) The proposals had also been copied to HPU managers and Unison a few days earlier. Subsequent communication had taken place with some, but not all, chief executives either by phone or in person and there had been one written response from a county councillor.

13. The OSSC asked District Council chief executives what action had occurred following receipt of Mr Jameson’s letter. Three chief executives responded. They confirmed that they had viewed the letter as one of information rather

than consultation. It was believed that a formal consultation exercise would take place at a later stage, although some comments were returned to Paul Jameson. In Wyre Forest the chief executive had forwarded the outline proposals to key officers, members, and group leaders.

14. The Head of Highways advised that on-going discussions took place with HPU Managers for some months regarding the emerging pressures for change. He had had an informal discussion with HPU managers on 20 May 2005 where they talked through the options of two HPUs or three HPUs. It was following this meeting that three HPUs emerged as the preferred option, and this had largely been based on ensuring that each HPU had similar budgets and workloads. He also has monthly meetings with service unit managers (including HPU managers) and with maintenance managers, and the changes had been discussed at the 20 July and 6 July 2005 meetings respectively.
15. There had been no consultation with HPU Forums, although all county councillors had been made aware of the proposals both in July and via the 12 September 2005 Cabinet agenda. OSSC Members met members of each of the six HPU Forums, who welcomed the opportunity to offer comment. However, the majority of Forum members did not know the detail of the proposals, or even in some cases that a decision had been made by the Cabinet. Many had believed that the OSSC was conducting the consultation. Most Forum Members could not, therefore, offer full comments on the feasibility of the proposals, although some concerns were expressed (see "Proposed HPU Structure" section below).
16. The OSSC was also made aware that Parish Councils had not been consulted and were similarly unaware of the proposals.
17. At the time of submitting the proposals to Cabinet, there had been no formal consultation with staff and unions. During the scrutiny, Unison wrote to the Chief Executive and OSSC members, outlining extensive concerns regarding this fact. The Head of Highways explained that further detailed work on the proposals, which would enable formal consultation with unions on specific staffing issues, had not yet taken place due to the call in.
- 18. Having examined the letter that was sent by the Head of Highways in July 2005, the OSSC consider that it was not sufficiently explicit in requesting views or establishing a consultation process. It appears to be for information only. Although there was an offer of further discussion with chief executives, Mr Jameson agreed that he could have been more proactive in progressing this with District Councils. In addition, there was a general understanding that a formal consultation with staff would begin shortly after the letter was sent, although this has not yet been undertaken due to the call in. This might be one explanation why councillors did not submit views at this stage. It should also be noted that there was a short time period, given the members' summer break, between the despatch of the letter and the Cabinet meeting.**

19. The OSSC's discussions with HPU Managers indicated that some did not consider they had been consulted. Although they had been made aware of the proposals, some had felt uninformed of the details and therefore had found it difficult to comment fully.
20. Overall the OSSC's discussions with HPUs and others were hindered by the fact that members and officers they spoke to were not aware of the details of the proposals and how they would be implemented in practice. This prevented an informed debate during the scrutiny about the proposed structures.
21. The principles of decision making expect Cabinet to take decisions following due consultation and the taking of professional advice from officers. The OSSC consider that, since HPUs are partnerships, more consultation on the proposals should have been undertaken with Districts and Parishes before the report went to Cabinet. It is acknowledged that the HPU Forum structure is not to be changed, however the OSSC consider that Forum members' views should have been sought on the proposed HPU structures.
22. The OSSC therefore consider that the consultation that took place before the proposals were submitted to Cabinet was not sufficient. For this reason they consider that the Cabinet had not followed the principles of decision making in this instance.
23. The OSSC recommends that the decision should be considered again by Cabinet, following a period of consultation on the proposals with District Councils, Parish Councils, HPU Forums and HPU Managers/staff. The purpose of this consultation would be to enable partners to comment on the proposal to reduce the number of HPU local offices from six to three, in order to help Cabinet assess whether this is the best way forward.

Worcestershire Hub

24. A number of concerns about the role of the Worcestershire Hub were raised by the members calling the decision in and at meetings with HPU forums. In summary these were:
 - the Hub, and in particular the IT systems, were not yet ready for the transition of public enquiries from HPUs;
 - Customer Service Advisers would have insufficient local and technical knowledge to obtain the appropriate details, which would ultimately impact on the quality of response to the enquiry;
 - loss of 'the personal touch';
 - the proposed HPU structure relied upon successful integration with the public enquiry system in use by the HPUs, which was still at the trial stage;
 - the ability of the public to deal with the new system;
 - the ability of reporting systems to collect enquiry data from all sources (and not just telephone or website);
 - the Hub was taking on too many new services, too quickly;

- each area has its own nature of enquiries and there was concern regarding arrangements to equip Hub staff with the relevant information;
 - Wychavon District Council operates a different telephone exchange system to the other districts, which would mean its HPU enquiries would need to be dealt with separately to the remaining HPU calls.
25. The ability of the proposed system to generate reports and track enquiries was welcomed. It was also acknowledged that management of enquiries by the Hub would free up considerable time for HPU staff.
 26. The OSSC explored these concerns with E-Government Programme Manager Rachel Hill, E-Shop Project Manager Matt Nichols and Network Control Manager Jon Fraser at their meeting on 10 November 2005.
 27. It was pointed out that the Council had already agreed that the Worcestershire Hub would be the way council services would be accessed by the public. Highways were the next big service for action and plans had been underway for approximately a year. An audit inspection of highways maintenance in 2002 had identified inconsistencies regarding the complaints system, which had resulted in the introduction of a public enquirer software system. Integration of this system with the Hub was the next stage of managing public enquiries for the HPUs and IT integration had recently been completed.
 28. The system had been developed in liaison with HPU Managers, particularly the Malvern Hills HPU Manager, who had been nominated by Highways as a 'lead contact'. The Malvern HPU Manager would then update other HPU Managers at monthly meetings between the Head of Highways and HPU Managers. It was not known what subsequent communication had been made with Members regarding development of these plans.
 29. It was emphasised that the Hub would address the 'front office' part of enquiries received by HPUs and that the overall system would be based on clear relationships and interface between the Hub and the Highways service. Calls would be answered by a Customer Service Advisers and not an automated message. Telephone numbers would remain unchanged and for Emergency Services, Elected Members and other professional bodies, there were no plans to change current communication routes. Customer Service Advisers were used to dealing with complex enquiries. Many had been in employment for over a year and had built up considerable local knowledge. Details captured by Customer Service Advisers would be passed directly to Highways staff as appropriate, using the customer relationship management system. The E-government Programme Manager confirmed that the Hub would have the capacity to deal with the expected number of public enquiries on highways.
 30. Training was also planned for HPU staff before 'go-live' dates. There was a clear process of information flow between the Customer Service Advisers and the HPU, including built in time frames for updating information.
 31. It was acknowledged that the system was only as good as the information provided and relied on appropriate updating from HPU staff. The E-

Government Programme Manager also undertook to look into concerns regarding the different nature of enquiries received by each HPU.

32. Meetings had taken place with HPU staff but it was acknowledged that reservations remained. There had been significant changes within HPUs over recent years and uncertainty regarding the current proposals had not helped to boost morale.
33. The E-Government Programme Manager noted that the configuration of HPUs had no impact on the Hub's ability to handle highways enquiries from the public.
34. Regarding the different system in operation at Wychavon District Council, Highways related public enquiries would be managed separately at Bridgewater House, Worcester.
35. The Head of Highways gave his assurance that roll-out to HPUs would not be contemplated until successful completion of the trial exercise with the Malvern Hub.
36. **The OSSC noted that there were some reservations, particularly among HPU staff, about the transfer to the Hub, however it was reassured that sufficient arrangements were in place to integrate the HPU public enquiry system with the Hub and was satisfied that the Malvern trial should continue as planned.**

Value for Money of HPUs

37. The Notice of Motion agreed by Council on 22 September asked the OSSC to investigate whether residents of Bromsgrove are receiving value for money in regards to the performance of Bromsgrove Highways Partnership, in its proposed expenditure of £2,472,000. In order to deal with this, data was obtained from all HPUs on:
 - Staff Numbers
 - Road length
 - Staff to road length ratio
 - Budget
 - Budget to road length ratio
 - Number of enquiries from public per week(see table attached at Appendix 2).
38. It should be noted that some HPU Managers cautioned against using certain comparison data, such as road length, in view of the very different natures of, say a small urban area and a large rural area. Urban areas may have less road length but much greater traffic volume and demand on road area. Some HPUs had additional areas of work such as carrying out local searches.
39. Best Value Performance Indicators for 2001 – 2005 were also considered (see attached chart at Appendix 3). In general the results place Bromsgrove HPU in the middle ground, suggesting that the performance of this unit is similar to that of others.

40. The OSSC asked Bromsgrove HPU Forum members how they viewed its performance and value for money. Some Forum members were concerned that the HPU was unable to fulfil its obligations because there were a number of examples of requests not being dealt with or there being a very long delay in action following the request.
41. Some members felt there was a lack of communication between the HPU and members on the status of enquiries, which caused problems when dealing with the public, although with some projects there had been very good communications. Forum members also noted that the Bromsgrove HPU budget was very limited, in particular the traffic budget. A number of vacancies in the traffic section had recently been filled, although members queried whether five staff were needed to spend the relatively small budget.
42. It was explained that delays were generally caused by staff shortages, but also there were long lead times due to getting traffic orders and manufacturing signs. It was also confirmed that following inspection, some requests did not meet the criteria for provision.
- 43. The data the OSSC received gives a comparison between HPUs in order to assess approximate value for money, and it can be seen that Bromsgrove is about average in terms of spend and performance. It also receives an average number of enquiries. Whilst acknowledging that there are clearly concerns about the efficiency with the way queries and requests are handled by officers and communicated to members, on balance there is insufficient evidence to support the view that Bromsgrove HPU is providing poor value for money compared to the other HPUs in Worcestershire.**

Proposed HPU structure

44. The OSSC's investigations have revealed concerns with the proposed HPU structure. Although it was not part of the OSSC's remit to comment on the feasibility or desirability of the proposals, it is hoped that highlighting the points raised will prove useful for the future development of HPUs by the Environmental Services Directorate. These key issues are summarised below:
45. Proposed Structure - Particular concern was expressed regarding the loss of close contact between staff functions, which enabled a seamless approach to responding to public enquiries. Central location of Development Control staff for even part of the working week would impact on communication with this group, and ultimately, on service provision. There was concern about travel requirements, which may be imposed on staff. It was felt that proposals had been rushed through without full consideration of all available options and of how working practices would operate further down the line. Comments were made that the lack of consultation and current uncertainty had impacted on staff morale.
46. With regards to which HPUs should be amalgamated with which other(s), members from Malvern Hills expressed concern about the proposed merger

with Worcester City as they felt the two areas were very different. One suggestion was that Malvern Hills may be better suited to merger with Wychavon as both areas are fairly rural. Most feedback showed a preference for three over two HPUs, if these were the only available options. One Manager queried how the proposed structure of three HPUs would integrate with the North/South set-up of the new maintenance contract. It was acknowledged that with a set-up of two HPUs there would be a substantial budget imbalance.

47. Impact of recruitment problems – Several HPUs had experienced significant vacancy levels. It was uncertain how centralisation would assist recruitment problems as the same number of staff would still be required and by separating some staff groups there would be less opportunity to gain knowledge across the different functions. One HPU had introduced a trainee post, which was felt to work well. Re-structuring may also make jobs less varied and therefore less desirable.
48. Co-location of maintenance and contractor staff - Some HPU Managers believed this would strengthen necessary working links between these groups and better operation of the new engineering contract, which relies on close working. However, the current system of working side by side provided a seamless approach and pooled local knowledge facilitated a speedy approach to problems. Links between maintenance and traffic management would be reduced and there were some concerns that relocation may have an impact on the working environment.
49. Loss of local knowledge - HPU Forums all stressed concerns that centrally based HPU staff would not have the same level of knowledge, or that their priorities would change. The characteristics of each HPU area varied considerably and the original reasons for localising HPUs should not be forgotten. Irrespective of the proposed HPU amalgamation, there was concern that staff should continue to specialise in the work of individual districts to maintain specific local knowledge.
50. Budgets – Considerable concern was expressed that pooled budgets would be detrimental to service provision. Prioritisation of work would take longer and smaller projects would be lost in the budget assessment process. There was some concern regarding indicators used to establish budgets – for example, an urban area may have less road length but a far higher degree of road usage and traffic congestion. There were concerns that the six HPU Forums would be unable to operate effectively if there were amalgamated budgets. Several suggestions were therefore made for ring-fenced budgets for each of the six areas.
51. Parish Councils - have been given the opportunity to comment on the HPU call-in. Some HPU Forum members have suggested that Parish Councillors should participate in HPU Forums. Their contacts with Forums appear to vary and there are huge differences between the numbers of parishes within each HPU area (Wychavon has over 70, Redditch has 1). The Wychavon HPU Manager valued liaison with parishes, which also played an important part in managing public enquiries, but this had considerable resource implications.

52. Role of HPU Forums – The OSSC found that the way HPU forums work varies across the county, in terms of numbers of meetings and how they are chaired and administered. In general Forum Members valued their Forums and their relationship with HPU staff. There was some variance in how Members perceived their role, in particular their level of input to decisions on planned HPU work. One HPU had experienced problems where its Members felt they should be able to take decisions, rather than just give advice. Many Forums met once a quarter, but in one area the meetings had been less frequent than this, which meant delays in receiving information.

53. Overall, the OSSC had some concerns about the pace and direction of the changes and in particular considered that the lack of consultation was detrimental to partnership working.

Supporting Information

The following appendices are attached:

- Appendix 1 – Letter from the Head of Highways and Transportation Management to District Council Chief Executives and County Councillors
- Appendix 2 – Background Factual Information to HPUs
- Appendix 3 – Best value Performance Indicators for 2001 – 2005
- Appendix 4 – List of sources of information considered by the Overview and Scrutiny Steering Committee