



Scrutiny Report

Highways and Transportation

Consultancy Contract (Halcrow)

December 2007

Scrutiny Task Group Membership

Liz Tucker (Lead Member)

Tom Bean

Fran Oborski

Bill Hartnett

Edgar Harwood

Ed Moore

Ted Sheldon

Officer Support

Suzanne O'Leary, Overview and Scrutiny Manager

Stella Wood, Overview and Scrutiny Officer

John Evans, Scrutiny Liaison Officer (Environmental Services)

Further copies of this report are available from:

Overview and Scrutiny Team

Legal and Democratic Services

Worcestershire County Council

County Hall

Spetchley Road

Worcester

WR5 2NP

Tel: 01905 766916

E-mail: scrutiny@worcestershire.gov.uk

Website: www.worcestershire.gov.uk/scrutiny

Contents

	Page
EXECUTIVE SUMMARY	i
Introduction	1
Reasons for the scrutiny	1
Terms of Reference	2
Scrutiny Process	2
Has the new contract led to improved efficiency and better value for money?	3
Performance	3
Costs of using Halcrow	4
External v In house provision	4
Design and Build Contracts	5
Working with other local authorities	6
Summary	7
How effective is contract and project management and how good are relationships between partners?	7
Scheme supervision	9
Engaging the Public	10
Complaints	10
Consultation	11
Satisfaction	12
Conclusion	12

APPENDICES

Appendix 1: Range of services provided by Halcrow	13
Appendix 2: List of Evidence Sessions	15
Appendix 3: Documents circulated to the Scrutiny Task Group	17
Appendix 4: Summary of Case Studies	19
Appendix 5: Definitions of Key Performance Indicators – original and new	25
Appendix 6: Comparison with other local authorities	27

Highways and Transportation Consultancy Contract (Halcrow) Scrutiny Report

EXECUTIVE SUMMARY

Introduction

Halcrow provide highway design services including project design, implementation and supervision for both minor and major projects, traffic signs and markings, accident investigation and prevention schemes. The current contract is from 1 April 2005 to 31 March 2009 and in 2006/07 about £2.1m was spent on this contract.

Reasons for Scrutiny

Members had a number of concerns about the effectiveness of the previous term consultancy contract, for example lack of management control, project supervision and the adequacy of consultation on designed schemes. Members therefore wanted to find out what progress had been made in improving the delivery of highways design services and wanted to explore how the new contract is working, including the efficiency, effectiveness and economy of the design, construction and supervision of schemes. This involved investigating:

- whether the new contract has led to improved efficiency and better value for money;
- the effectiveness of management control and scheme supervision; and
- communication and the working relationship between the Highways and Transportation Consultancy Contractors (Halcrow), the Integrated Transport Framework Contractor (Laser), and the County Council.

Main Findings

The Task Group has found that concerns about lack of management control, project supervision, the adequacy of consultation on designed schemes and whether the new contract was delivering better value for money were initially justified. We concluded that the Key Performance Indicators in the first year have not ensured the contract achieved better value for money. However, we are reassured that the contract is now under continuous review and is being more effectively managed, especially after recent improvements driven largely by the Director. These include more outcome focussed Key Performance Indicators, understanding the need for clearer briefs, and clarity over which type of schemes Halcrow should be asked to design; better processes for change management; training for staff in a more commercial approach and a focus on managing, rather than monitoring, schemes.

Future changes, such as: taking responsibility for our own project supervision and consultation; improving how we engage with the public; using a standard suite of

designs; along with possible collaborative working with other local authorities, should result in a more effective and efficient way of delivering this work and increasing levels of satisfaction for the public..

Recommendations

1. We recommend that the Directorate should carefully assess exactly which projects would be most suited to design and build contracts. (paragraph 28)
2. We recommend that the Directorate fully explore the possible benefits of the 3 Counties Alliance approach (a joint framework contract with other authorities) well in advance of the Halcrow contract expiry date, to ascertain whether Worcestershire could benefit from similar ways of collaborative working. The Collaborative Working Centre should be invited to help with such a review. (paragraph 34)
3. We recommend that the Responsibility, Accountability, Consultation and Information (RACI) process be carried out to clearly identify and define roles at the start of all schemes. There should also be clear procedures for dispute resolution and we recommend that the Director puts these in place and communicates them to all parties. (paragraphs 41 and 42)
4. Changes to specifications by the Council are sometimes legitimate, for example after consultation, however we recommend that, to avoid unnecessary changes, a clear brief is agreed at the start of the project. (paragraph 48)
5. We recommend that there should be a single contact for the public to discuss issues with works and that a contact number is displayed on site during the course of the works. (paragraph 53)
6. We recommend that for appropriate projects (those likely to significantly affect the life of a town or community):
 - all stakeholders be identified at the start of each project; and
 - appropriate representatives are invited to join a community steering group, such as that formed for the Stourport Bridge scheme, to ensure full understanding of the reasons why and when work needs to be carried out, to assess views prior to work starting, and to act as a conduit for the community for problems which may arise. (paragraph 57)
7. We recommend that the Council find out the level of public satisfaction on issues such as consultation, information, quality of designs and workmanship and speed of scheme delivery. (paragraph 60)

Highways and Transportation Consultancy Contract (Halcrow) Scrutiny Report

INTRODUCTION

1. Worcestershire County Council manages the highways network and is responsible for Worcestershire's Local Transport Plan 2006 – 2011 (LTP2). LTP2 schemes are delivered by Worcestershire Highways, a partnership comprising:

- County Council
- Term Consultant, Halcrow
- Term Maintenance contractor, Ringway
- Integrated Transport Schemes contractor, Laser
- Street lighting contractor, Prysmian
- Traffic signals contractor, PEEK

2. As the term consultant, Halcrow provide highway design services including project design, implementation and supervision for both minor and major projects, traffic signs and markings, and accident investigation and prevention schemes. A wide range of other specialist support is also provided by Halcrow, including transport studies and funding bids, highway bridge assessments and inspections, feasibility studies, topographical and transport studies, public consultation, street lighting and checking of Section 106 and 278 schemes. It also provides laboratory engineering services, which include material trials testing and geotechnical engineering services. See [Appendix 1](#) for the full range of services provided under the contract.

3. The current contract was awarded to Halcrow from 1 April 2005 to 31 March 2009 with the option to extend for a further four years if an agreed performance score is reached. As the performance measures have recently changed (see paragraph 17), the Council is currently considering granting a one year contract extension in return for Halcrow's agreement to new ways of working. In 2005/06 about £2.2m was spent on this contract, and for 2006/07 about £2.1m.

4. Laser were awarded a two year Integrated Transport Schemes contract in 2006 and construct most of the schemes designed by Halcrow under the umbrella of the Integrated Transport Framework (ITF). These include accident reduction and sustainable travel schemes such as cycling networks, signing and school travel plan build measures.

5. Members had a number of concerns about the effectiveness of the previous term consultancy contract during the Safer Routes to School Scrutiny undertaken in 2004. Some of these concerns were also highlighted in the Best Value Review of Transport and Road Safety (approved by Cabinet in March 2004). These included, for example, lack of management control, project supervision and the adequacy of consultation on designed schemes.

6. The Best Value Review action plan, developed from the 2004 review, indicated that a new style contract - a New Engineering Contract (NEC) satisfying the "Excellence in Construction" (EIC) principles - would lead to improvements in these areas. Recent changes to the structure and policy of highways management, prompted by the action plan resulting from the Transport for Roads Laboratory (TRL) investigation in 2006, have also been introduced.

7. Members therefore wanted to find out what progress had been made in improving the delivery of highways design services and wanted to explore whether the new contract was delivering what was intended.

Terms of Reference

8. In July 2007, the Overview and Scrutiny Steering Committee agreed to set up a Scrutiny Task Group to examine how the new contract is working including the efficiency, effectiveness and economy of the design, construction and supervision of schemes. This involved investigating:

- whether the new contract has led to improved efficiency and better value for money;
- the effectiveness of management control and scheme supervision;
- communication and the working relationship between the Highways and Transportation Consultancy Contractors (Halcrow), the Integrated Transport Framework Contractor (Laser), and the County Council.

Scrutiny Process

9. The Task Group has gathered evidence from a number of sources, including other local authorities. The details of the Task Group's activity is listed at Appendix 2 and the written evidence considered is at Appendix 3.

10. The Task Group wanted to examine in detail a cross section of case studies, and three schemes from the 2006 work programme were selected: Stourport Bridge, Pershore High Street, and St John's, Worcester signing, see Appendix 4 for details. For each case study the Task Group explored:

- the clarity of instruction (specification) from the County Council to Halcrow;
- the design time as a percentage of the time allowed for the overall work completion;
- the accuracy of initial cost estimates compared to actual costs of completed works;
- the adequacy of consultation and information to the public and local members;
- quality and availability of scheme supervision; and
- the appropriateness of the proposed scheme.

11. It became apparent during the scrutiny that the situation was changing quickly; discussions were ongoing between the County Council and Halcrow and new processes were being introduced - see paragraph 35.

HAS THE NEW CONTRACT LED TO IMPROVED EFFICIENCY AND BETTER VALUE FOR MONEY?

12. The Strategic Procurement Manager explained that an assessment had been made of whether the new contract would be more efficient than the old contract by costing the 2004/05 work programme as if the rules of the new contract applied. On this basis the new contract offered a 13% reduction in overall costs. The Scrutiny Task Group asked if a calculation could now be made to show whether the new contract is helping the Council achieve more work for the same budget. However it was explained that, due to the varying number and types of scheme which are given to Halcrow, comparisons with previous years were not possible. However, the costs of the contract have not reduced as anticipated. The Task Group has looked at a number of other factors to help assess whether the new contract provides better value.

Performance

13. One way to assess whether the contract is providing value for money is to look at whether Halcrow are performing as expected in terms of the quality and appropriateness of their designs, and whether the jobs they are supervising are being completed to an acceptable standard, on time and within budget.

14. Design quality is assessed by looking at the number and cost of design errors. Any changes resulting in additional costs above a scheme's original target price are recorded and variations are negotiated through Compensation Events. These are split into three categories:

- changes requested by the County Council;
- changes due to circumstances beyond either party's control (risk); and
- design errors.

15. The cost of fixing a design error is calculated and measured as a percentage of the original target price. In 2006/07 design errors cost the Council an extra 4.25%. Although there were slightly fewer actual design errors in 2006/07, the design cost for both periods stayed about the same. We tried to compare the cost of design errors with other similar authorities but found that most did not collect information in the same way. Only one could provide a comparative figure, which was calculated at about 4.5%

16. When introduced, the contract contained eight key performance indicators (KPIs). 2005/06 performance showed, for example, that 100% of major, strategic schemes and bridgeworks were completed on time as planned. However, it became clear that these KPIs do not indicate actual outcomes. For example, the assessment of whether a scheme was completed on time is based on end dates which can be varied during the scheme. So, although the Stourport Bridge scheme took 12 weeks longer than originally planned (for a variety of reasons), the KPI showed that it was only two weeks later than the amended end date.

17. Therefore we are pleased the Director of Environmental Services has developed with Halcrow a new set of KPIs, which were introduced in autumn 2007. These new indicators will show more clearly whether jobs start and finish

on time and if they are within budget. The new indicators will, for example, measure programme reliability as actual progress against planned progress, expressed as a percentage. A new health and safety indicator has been introduced to ensure all active sites are checked at least once per week. In addition, new financial KPIs have been designed to ensure greater spend certainty by measuring all schemes' outturn costs against budget. Innovative design and build ideas will still be encouraged by the additional need for 3% cashable savings per year. The original and new KPIs are defined at [Appendix 5](#).

18. We also reviewed the level of Halcrow's fees (e.g. including feasibility, design and supervision) compared to the overall cost of schemes. This varies widely from scheme to scheme. The total cost for Stourport Bridge amounted to about 15% of the total scheme costs, which was felt to be fair and reasonable by the Council's scheme owner. In contrast, for St John's signing scheme in Worcester, Halcrow's fees amounted to about 65% of the total project costs. Smaller projects are likely to have a higher proportion of design costs and this brings into question the need to use Halcrow for the design of smaller schemes.

Costs of using Halcrow

19. The contract details the expected skill levels for each grade of staff working on schemes. It should therefore be possible to estimate the number and level of staff required to support each individual scheme (i.e. the number of hours estimated for each level of staff). Halcrow were keen to highlight their ability to draw on staff skills from across the country when needed. However we found that there is a perception within the Council that designers with inappropriate levels of experience have sometimes been assigned to schemes.

20. The Task Group compared the hourly rates for Halcrow and Council staff (these are commercially confidential and therefore not attached to this report). Taking into account on costs, we found that for some grades Halcrow were cheaper. We also compared Halcrow's rates with consultants used by other local authorities. This indicated that Halcrow compared favourably, but these comparisons should be treated with extreme caution as the amount of work done by each different staff level can vary enormously.

21. It is currently difficult for the Council to control design costs, as the number of hours it takes to complete design work is not being controlled very effectively at present. Although generally lower cost, if projects run longer than anticipated, it may not necessarily result in better value for money to use Halcrow staff.

22. We therefore support the Director in his efforts to introduce a more commercial dynamic and greater cost certainty into the relationship between Halcrow and the Council. We are pleased that Halcrow have agreed to quote fixed prices for design work from 17 December 2007. This should help ensure that a designer with the most appropriate skill level is identified for the job, as it will be more cost effective for them to do so.

External v in house provision of design and supervision services

23. The Council had its own professional design service up to the early 1990s when the service was contracted out to the private sector. At that time

responsibility for the motorway network transferred to the Highways Agency and the Council could not justify employing the full range of skills needed. County Council staff were transferred to Halcrow via the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), which preserve employees' terms and conditions. Currently, the Council employs qualified engineers whose roles have inadvertently evolved to manage and administer small schemes and oversee the work of external engineers. In addition, they are involved in consultation exercises.

24. Most of the other local authorities we have heard from (eight out of 11 of nearest neighbour authorities) believe they achieve better value by maintaining some in house designers and engineers (a comparison with other local authorities is at [Appendix 6](#)). For example, Oxfordshire have in house design teams doing smaller works and use an external design consultant for larger strategic design works. Similarly, the Head of Property Services believes it is good value to keep in house architects for building designs as it means costs can be benchmarked with the private sector and staff can be kept up to date with latest standards and good practice.

25. It is clear that better value is likely to be achieved when staff carry out work for which they are best skilled, and it does not appear to be good value for money for the Council to employ engineers to oversee the work of other engineers. In particular, with smaller, straightforward schemes there is a high proportion of design costs and potential for duplication in putting together specifications. There is a perception by officers that we are paying Halcrow for designs from scratch every time and that this is not always necessary. It would seem much more cost effective to use standard rather than bespoke designs where appropriate. We therefore support the Director in his new approach of asking Council engineers to produce a standard suite of designs for straightforward schemes, such as crossings, junctions and signing. However we consider there will need to be a change in culture with some training so that engineers can re-focus to produce sharp and accurate designs. A small element of supervision/audit of this 'in house' design team will be included to ensure new standards in minor works are up to date.

26. To get full value from the contract, the Council should be very clear on the type and level of work it asks Halcrow to undertake and we agree with the Director that Halcrow should only be asked to work on strategic studies and projects that are large, complex, or specialist. The Directorate needs set out clearly the criteria for deciding which schemes Halcrow should undertake.

27. A further option would be to establish a panel of approved consultants to tender on a fixed price basis for certain design works, as this would be more competitive and could introduce better value for money.

Design and Build Contracts

28. The Task Group discussed whether it would be better value for money to have design and build contracts with one contractor, rather than using separate designers and build contractors. This was strongly supported by the Cabinet Member and Director both of who considered that design and build contracts were efficient and worked well. Advertisements for tenders for design and build

contracts for intermediate schemes are underway. **We recommend that the Directorate should carefully assess exactly which projects would be most suited to design and build contracts.**

Working with other local authorities

29. The Task Group explored whether a joint framework agreement with other local authorities could provide better value for money than a single Worcestershire County Council contract.

30. Derbyshire, Leicestershire and Nottinghamshire County Councils have established the 3 Counties Alliance (3CA), which is a collaborative working partnership for professional design consultancy services. We spoke to the lead officer, Leicestershire's Assistant Director (Highways). He explained that, following the Latham and Egan reports¹, emphasis on collaboration, Leicestershire began to look at how it could collaborate with neighbouring authorities on procurement. Concurrently, the Highways Agency was renewing its Midlands works framework contract for highway maintenance and was (with central government encouragement) happy to collaborate with local authorities in joint working. As a consequence, Leicestershire helped bring together a new partnership, the Midlands Highway Alliance (MHA), comprising nine East Midlands Councils, one East of England Council and the Highways Agency. The East Midlands Centre of Excellence are supporting the Alliance, providing over £200,000 in grant funding.

31. The MHA hopes to make efficiency gains of 10% on contracts, improve quality and speed up the procurement process, through the regional procurement and delivery of highways maintenance and capital works through framework agreements. Participating local authorities have a formal agreement which sets out the aims and objectives and the financial contribution all members must make for the funding of an Alliance Manager to co-ordinate the various work strands. Authorities use the framework contract through a collateral agreement between the Secretary of State for Transport, the selected framework contractor and that local authority. The MHA has five working groups which focus on improvement and efficiency savings in the following areas:

- Major Schemes (works >£8m)
- Medium Schemes (generally, works >£500k but <£8m)
- Term Contract (maintenance) (up to £500k)
- Commodities, and
- Professional Services.

32. Under the professional services working group, Nottinghamshire, Derbyshire and Leicestershire established the 3CA to develop a joint consultancy contract. Potential opportunities identified for the 3CA framework agreement include the sharing of in-house resources, rationalising systems and procedures, providing commonality and consistency in approach as well as becoming a model for future regional partnerships. The 3CA was recently identified by Constructing

¹ The 1994 Latham report, 'Constructing the Team' and the 1998 Egan report, 'Rethinking Construction'

Excellence to be a Demonstration Project.² Leicestershire advised that the Collaborative Working Centre³ had helped them develop this collaborative approach.

33. It is expected that local authorities from the West Midlands will become involved in the future, given their early participation in discussions when the MHA was first mooted. The Director has been asked to lead on a West Midlands Highways Alliance (WMHA) and met the West Midlands local authorities in June 2007 to discuss the MHA developments and share best practice. The WMHA is not as advanced in its development although it is split into groups focussing on different aspects, each with a lead authority as follows:

- Consultancy (Coventry)
- Quick wins (Shropshire)
- Product and commodities (Warwickshire)
- Process and strategic improvement (Worcestershire)
- Reactive Works (Walsall)
- Planned Maintenance (Staffordshire)

34. We asked the Director whether he felt there would be any benefit to Worcestershire having similar joint arrangements to the 3 Counties Alliance with neighbouring authorities. He was concerned about a possible loss of control and lack of a close relationship with a contractor. Nonetheless, **we recommend that the Directorate fully explore the possible benefits of the 3CA well in advance of the Halcrow contract expiry date, to ascertain whether Worcestershire could benefit from similar ways of collaborative working. The Collaborative Working Centre should be invited to help with such a review.**

Summary

35. We have been unable to establish whether the new contract has directly resulted in lower costs to the Council, but have concluded that the key performance indicators in the first year have not ensured the contract achieved better value for money. However, we are assured that improved performance should result from the new key performance indicators which are much clearer and more focussed on outputs. We are pleased with the many other recent developments which should achieve better value for money including:

- the recent move to fixed price costing for schemes;
- the shift to designing minor schemes in house;
- using a standard suite of designs;
- ensuring that the Council's staff take on appropriate work in which they are skilled, particularly in engineering and consultation; and
- using more efficient design and build contracts.

² Demonstration projects are live construction projects that are innovating or are applying an element of best practice. Project participants commit to learning from and sharing with each other and other highway authorities.

³ The Collaborative Working Centre is the consultancy arm of Constructing Excellence.

Consideration of the establishment of a panel of approved consultants and exploration of further efficiencies through collaborative working with other authorities, could also lead to better value for money.

HOW EFFECTIVE IS CONTRACT AND PROJECT MANAGEMENT AND HOW GOOD ARE RELATIONSHIPS BETWEEN PARTNERS?

36. There are two elements to contract management: the Council's contract monitoring and management arrangements, and the Council's management of individual schemes. To support both of these it is vital that there is good relationships and communication between the Council, Halcrow and Laser, and that all parties recognise that culture, attitude and behaviour are as important as the terms of the contract. The main thrust of the 1996 Latham report was that contractors and clients should work together rather than against one another and the New Engineering Contracts provide incentives to do this.

37. At the top level, the Halcrow director meets with the Council's senior contracts manager once per week. For each scheme, Halcrow has a scheme owner who manages the scheme and there is also a Council scheme owner who keeps a watching brief through regular progress meetings and can input and make suggestions where appropriate, but who does not project manage the scheme. The two scheme owners meet regularly and co-location helps with this.

38. The Directorate has recently been carrying out process mapping exercises, partly to explore how the Council instruct Halcrow and how it can become a more intelligent client. For example a new change control mechanism was introduced last year. This is an improvement on previous ways of working as any changes to a scheme (i.e. time, cost etc) now have to be recorded and agreed between the Council and Halcrow.

39. This type of process is a helpful monitoring tool, but the Task Group considered that partnership working creates a non-adversarial culture in which officers were not as proactive in project management as they should be. For example, time extensions to schemes were sometimes accepted without apparent challenge. This is significant as Halcrow are paid by the hour, not as a fixed price. In private industry there are penalty clauses if jobs are not delivered on time, but these do not apply to the Halcrow contract. If officers are to take a more proactive, commercial project management approach, they need to have the skills necessary. We were pleased to hear the Director is developing training to provide officers with these skills and that the Partnership and Contracts Manager's team will be responsible for delivering the projects and checking that work is done on time, is of sufficient quality and within budget.

40. The Council's relationship with Halcrow appears to be evolving and improving, largely driven by the Director, and the Council has become more proactive in managing the relationship and expressing its needs more precisely. Laser noted that Council officers were now managing the whole programme more effectively. More contact between Laser and the Council had led to an improved relationship. There was stricter management of the programme giving greater certainty to when projects would start and finish. Internal perception surveys are to be carried out and will form part of a KPI. The scheme owner will complete a questionnaire on, for example, their perception of the skills of the designer. Other

monitoring is being introduced, such as the Time Quality Cost reporting system, which more closely monitors work on specific projects. Responsibility for reporting is clearly assigned to named individuals from the Council and each of the partner organisations.

41. However, one concern is whether there is a lack of clarity around ownership of schemes. For example, it has been very difficult to find out who is responsible for fixing snagging problems with Pershore High Street, Phase 1. We asked what should happen if the Council and Halcrow scheme owners cannot agree and found that there was some confusion about how to escalate a dispute through the Council. Reorganisation within the Directorate has added to the confusion for the Council scheme owner to identify the relevant line manager. All stakeholders should be identified at the start of a project. This must be in writing and show clearly who is responsible for what, who is accountable in the Council, who should be consulted and when, and what information should be shared with whom and when and should follow the principles of RACI - Responsibility, Accountability, Consultation, Information. **We recommend that this process be carried out to clearly identify and define roles at the start of all schemes.**

42. There should also be clear procedures for dispute resolution and we recommend that the Director puts these in place and communicates them to all parties.

Scheme supervision

43. Halcrow are contracted to supervise works undertaken by Laser (and other contractors) and are responsible for checking the quality of work and adherence to specification. A major issue that the Task Group wanted to look into was the quality of scheme supervision.

44. Members were aware that there had been problems with the quality of workmanship in the Pershore High Street Phase 1 scheme. The Task Group spoke to parties involved in the scheme. Halcrow noted that one of the Laser gangs had carried out poor quality work, but that they (Halcrow) had negotiated to ensure that that gang was removed and that the work was rectified. The Council's scheme owner told us that, on occasion, poor levels of site supervision by Halcrow meant that it was difficult to sort out problems on site. The District Liaison Engineer walked the site and agreed jobs had not been done properly, however Council staff felt they were left to find ways round fixing faults that should have been noticed and put right by Halcrow. Laser explained that Halcrow's supervisors would normally visit the site daily and how it was much less costly to rectify problems if they were pointed out at the time, rather than being presented with a long snagging list at the end of the job.

45. It was felt that the partnership caused confusion about supervision on occasions. For example, if surfacing was needed, in the past Laser would have prepared the surface and supervised Ringway as a sub-contractor laying the new surface. Now Ringway are expected to do the job with no input from Laser, which they feel has caused problems in continuity, resulting in some work not being completed as originally envisaged. This has also led to some confusion over who should supervise these elements of work as Halcrow do not have a close contractual relationship with Ringway.

46. Given these difficulties, we discussed with the Director whether it would be more effective for Council engineers to supervise jobs, especially as they would be visiting the sites to report on time, quality and cost of projects. There were some concerns about their capacity to supervise both in terms of the number of schemes and the level of skill required. However, we suggest that where Council staff are of sufficient calibre, they should supervise whenever appropriate.

47. A further issue raised during the scrutiny, was that of the clarity of the specifications from the Council given to Halcrow at the start of a project. Our case studies showed that the clarity of briefs was variable. For example, with hindsight the Council scheme owner felt that the brief for St John's pedestrian signing scheme⁴ should have been clearer and should have set out exactly which routes were to be signed before briefing Halcrow. This would have prevented some of the numerous different designs having to be made.

48. Although Halcrow are responsible for some design errors, one issue that they raised was that the Council change the specifications leading to several designs having to be made. Changes are sometimes legitimate, for example after consultation, **however we recommend that, to avoid unnecessary changes to the specification, a clear brief is agreed at the start of the project.**

ENGAGING THE PUBLIC

49. Although not a separate part of our remit, members were particularly concerned about the way the public was involved in highways projects. For example, if there was poor workmanship or other concerns, how were their complaints handled. How well are they consulted by Halcrow and the Council, and are the public's views or satisfaction taken into account as a measure of Halcrow and Laser's performance.

Complaints

50. The lessons learned meeting involving all partners for the Pershore Phase One Project produced the top ten concerns. Top was complaints from residents, businesses and the general public and how these were dealt with.

51. The public may want to contact the Council about routine maintenance issues, scheme proposals, or issues arising from schemes that have been carried out. In relation to routine items, there are many ways to access the Council including the Hub, the County Highways Liaison Engineers, direct liaison with County Councillors etc. In relation to scheme proposals, we acknowledge the Director's view that the first port of call for the public should be County Councillors, as the Council should emphasise its ownership of projects. However members may not be fully up to speed with progress on a scheme and can struggle to find out what's happening. It is therefore essential that the County

⁴ Which was 'To sign footpath links in the area of St. John's which assist in providing signed connections to local schools, shopping areas and other facilities. Further investigation to take place to ascertain whether these alleyways were DDA compliant and whether any of the shortcuts had potential to be used by cyclists also.'

Councillor is supported by the relevant officer and kept in the loop about scheme proposals.

52. In relation to defects or other issues arising in works that have been carried out on schemes, whilst we are pleased that the Director is discussing whether the Highway Control Centre could handle queries with extended opening hours from 7am - 7pm and on Saturday, we feel that complaints should be handled by those with relevant knowledge. The Council should be actively interested in hearing complaints from the public and should put in place arrangements to ensure that these are logged and dealt with effectively to the satisfaction of the public.

53. The Task Group recommend that there should be a single contact for the public to discuss issues with works and that a contact number is displayed on site during the course of the works. Clearly the Hub (and the Highway Control Centre) should play a key part in this. However, as we are concerned about the current responsiveness of the Hub, our suggestion is that the contact point should be someone directly linked with the scheme, i.e. the County Highways Liaison Engineer, or member of the project team, whichever is most appropriate.

Consultation

54. During our case studies we saw examples of good and not so good consultation with the public. The Council scheme owner for the Stourport Bridge scheme had ensured that the implications of the bridgeworks were carefully considered well in advance, and the project was developed through community involvement. A Steering Group was set up with representatives from 16 different groups including the Town Centre Forum, Emergency Services, public transport, freight transport, and residents. The Steering Group led the decision about what time of the year the contract could be executed so that the impact could be minimised.

55. In contrast, the Pershore Phase 1 scheme had no such steering group. Although information leaflets about the scheme were distributed locally, Pershore's Chamber of Trade was not officially contacted. Also, the Council's original scheme owner retired a few months before work began. This exacerbated the problem of work having to be completed very quickly to coincide with the opening of the new Pershore hospital in Autumn 2006.

56. It is clearly vital to consult as early as possible on projects, and to take advantage of local knowledge – including that of local members. It is also important to feed back information to those who have fed in to consultations. This is important not least because the public's view of how works are carried out impacts on their perception of the Council. Members felt that the Council's reputation has suffered as a result of projects not being completed on time and a failure to explain reasons why.

57. We recommend that for appropriate projects (those likely to significantly affect the life of a town or community):

- **all stakeholders be identified at the start of each project; and**

- **appropriate representatives are invited to join a community steering group, such as that formed for the Stourport Bridge scheme, to ensure full understanding of the reasons why and when work needs to be carried out, to assess views prior to work starting, and to act as a conduit for the community for problems which may arise.**

58. The Task Group consider the Directorate could utilise the Council's experienced and knowledgeable consultation team in Research and Intelligence, to carry out public consultations rather than using Halcrow. We spoke to Halcrow about this and they also think Council staff are best suited to carry out this task. However, we feel strongly that the Highways staff managing a scheme should maintain ownership of public consultation and that Halcrow (when involved in a scheme) would still need to be present at public information events. The Environmental Services Directorate also needs to ensure there is sufficient capacity within the Council to carry out this function.

Satisfaction

59. We explored whether public satisfaction is taken into account in assessing performance of the contract. The previous KPIs tried to score public perception of whether a scheme design and delivery met users expectations and needs by calculating the number of positive and negative responses to sample consultation exercises. However, there are many variables affecting public perception of a scheme, and it is difficult for a member of the public be able to assess whether a design was good, or whether a delay to the delivery of a scheme was caused by the contract's performance or unforeseen site problems. Therefore the KPI has been removed.

60. We recommend that the Council find out the level of public satisfaction on issues such as consultation, information, quality of designs and workmanship and speed of scheme delivery.

CONCLUSION

61. The Task Group has found that concerns about lack of management control, project supervision, the adequacy of consultation on designed schemes and whether the new contract was delivering better value for money were initially justified. However, we are reassured that the contract is now under continuous review and is being more effectively managed, especially after recent improvements driven largely by the Director. These include more outcome focussed Key Performance Indicators, understanding the need for clearer briefs, and clarity over which type of schemes Halcrow should be asked to design; better processes for change management; training for staff in a more commercial approach and a focus on 'managing' rather than 'monitoring' schemes.

62. Future changes, such as: taking responsibility for our own project supervision and consultation; improving how we engage with the public; using a standard suite of designs; along with the consideration of collaborative working with other local authorities, should result in a more effective and efficient way of delivering this work and increasing levels of satisfaction for the public.

Services provided by Halcrow under the contract:

- pre-design and feasibility work
- investigatory work and surveys
- structures inspections
- design and supervision of highway improvements
- street lighting, traffic signs/signals and Accident Investigation and Prevention
- laboratory engineering services

Paragraph 10.2 of the contract document describes the services required in more detail. Output specifications are provided for the following:

Surveys, Studies and Services

Traffic Models
Highway Structures Assessments
Highway Structures Inspections
Feasibility Studies
Topographical Surveys
Public Consultation
Street Lighting and Illuminated Signs
Traffic Signs and Markings
Accident Investigation and Prevention
Traffic Signals
Transportation Planning support
Checking of Section 38 and 278 Schemes

Project Design and Implementation

Design of Minor Highways Projects
Design of Major Highways Projects
Design of Structures
Supervision of Minor Highways Construction Projects
Supervision of Major Highways Construction Projects
Supervision of Structures

Laboratory Engineering Services

Materials Engineering Services
Geotechnical Engineering Services
Material Trials Service
Laboratory and Site Testing

More detail of general services anticipated as part of the contract are in the Preamble to the Specification (para 18, pg 34 of the contract document).

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APPENDIX 2

List of Evidence Sessions and Task Group Activity

Date	Purpose	Present
20 July 07	Background/Terms of Reference /planning and scoping /information requirements Introductory discussion	Scrutiny Task Group
31 Aug 07	WCCs perception - the effectiveness of the Contract and Performance Information Consider questions to ask	Michael Howard, Strategic Procurement Manager Nick Yarwood, Contracts Manager (WCC) Peter Jago, Principal Engineer, Project Management (WCC) Ed Dursley, Principal Engineer
7 Sept 07	Trawl through the draft year 2 programme of work (May 2006) to better understand the range of work of Halcrow to choose projects for case studies.	Nick Yarwood, Contracts Manager Stephen Harrison, Development Team Leader, Transport
14 Sept 07	Tour of Halcrow's offices followed by meeting to examine Halcrow's perception of the effectiveness of the Contract and Performance Information	Halcrow staff: Ray Charlton, WCC Framework - Project Director and Associate Director Transportation Neil Davies, Principal Consultant Cullan Riley, Regional Director Transport Planning Jamie Wyllie
21 Sept 07	Stourport case study - WCC project owner's perspective	Richard Attwood, Senior Engineer, Highway Works
5 Oct 07	Halcrow's perspective on the 3 case studies of Stourport Bridge, St John's signing and Pershore Phase 1	Chris Kearns, Regional Director Derek Carter, Framework Director Ray Charlton, WCC Framework - Project Director and Associate Director (Transportation) Andy Waite (Project Manager) and Tony Rich (Scheme Owner) for Stourport Bridge Alan Swaddling (Scheme Owner) for St John's signing project Jamie Wyllie (Project Manager) for Pershore Phase 1 project
19 Oct 07	Leicestershire visit – Framework agreements, 3 Counties Alliance	Mark Stevens, Assistant Director, Highways, Leicestershire CC

	and Midlands Highway Alliance	
2 Nov 07	St John's signing case study - WCCs scheme owner's perspective	Lynsey Keir, Senior Project Engineer Madeleine Hinde, Delivery and Operations Project Officer
2 Nov 07	External view on judging effectiveness	John O'Flynn (Penmark Limited)
8 Nov 07	Oxfordshire visit to share findings from their review of other authorities delivery arrangements in advance of re-letting their contracts.	Brian Fell, Assistant Head of Transport, Oxfordshire CC
9 Nov 07	Pershore High Street Phase 1 case study -WCCs scheme owner's perspective	Dave Clee, Accident Studies Manager
15 Nov 07	Discussion with Director of Environmental Services and Cabinet Member with Responsibility for Environment	John Hobbs and Cllr Derek Prodger, MBE
23 Nov 07	Laser's perspective on the contract and relationships	Darren Kite, Operations Director
15 Dec 07	Discussion of draft report	Scrutiny Task Group

List of key documents consulted during the scrutiny

Worcestershire County Council Documents

- WCC's Highways and Transportation Consultancy Contract
- Instructions to Tenderers
- The Operational Performance Annual Report - Year 1 2005/06
- New from 1 Sept 2007 – Revised Halcrow Key Performance Indicators (KPIs)
- Other new processes - Time Quality Cost Reporting (TQC) on works projects (dashboard style) and a flow chart showing the process for using Halcrow on Highways Project Delivery
- Best Value Review of Transport and Road Safety – Appendix 5 details comments by the Environment Scrutiny Panel (approved by Cabinet on 15 March 2004)
- Relevant extracts from Provisional Local Transport Plan 2 (2006-2011)
- Halcrow costs (commercially confidential) - Analysis of Halcrow costs by Nick Yarwood
- TRL Road Death Investigation – Review of Highway Maintenance Policies, Procedures and Practices within Worcestershire, 31 March 2006
- Progress on recommendations of TRL review
- Cabinet agenda and minutes of 20 July 2006 in which the Director of Environmental Services recommends that the Transport Research Laboratory (TRL) report be accepted
- Cabinet minutes and agenda of 9 February 2007 in which progress with Transport Research Laboratory (TRL) was reported
- Safer Routes to School Scrutiny – November 2004 (issues about design and project supervision)
- Minutes of the Environment Scrutiny Panel 24 November 2003 – Professional Design and Supervision Services – issues to consider

National Documents

- 'You and Your Contractor' - A manual of best practice for contract and relationship management practitioners, 1st edition spring 2007, London Centre of Excellence

Other Documents

New Initiatives – best practice

- Press release – 'Construction News' (East Mids Centre of Excellence) on Midlands Highway Alliance - East Midlands Framework Contract for the procurement of highways Professional Design Services
- Draft press release - "3 Counties Alliance Partnership" - Leicestershire CC, Derbyshire CC, Nottinghamshire CC, with Scott Wilson as support consultant

Other local authorities' scrutinies or work on professional design services:

- Joint Oxfordshire City & Oxfordshire County Council Scrutiny Review of the Cornmarket Street Reconstruction Scheme (February 2005)
- Herefordshire Review of the Strategic Service Delivery Partnership, April 2006 –

see section 11 re concerns about completion on time and within budget (para 11.7)

- Wiltshire annual review of performance by scrutiny committee and proposals for reporting on the new Highways Consultancy and Works contracts (9 November 2006)
- Shropshire's scrutiny panel report (20 March 2007) - quality issues with designs
- Kent's reviewed KPIs for 2007/08 (approved April 2007) and its new holistic approach
- Suffolk Audit Committee report on Highways partnership performance – issues with performance (11 July 2007)

Summary of Case Studies

The Scrutiny Task Group wanted to examine in detail a cross section of case studies, and three schemes from the 2006 work programme were selected. Members of the Task Group spoke to Halcrow and County Council scheme owners separately about their perspectives on the schemes.

STOURPORT BRIDGE

Scheme background and brief

No major work had been carried out on the Bridge since it was built out of cast-iron in 1870. An inspection revealed cracks and corrosion causing concerns about the structural safety. This was followed up with a complete structural assessment of the Bridge and the parapet strength to comply with current design codes.

The Brief was to design a scheme to ensure the structural elements are preserved.

- Installation of a new structural slab beneath the carriageway surfacing and waterproof membrane
- Refurbish and provide secure fixings for the ornamental features to the outer arch ribs
- Maintain and accommodate new statutory services
- Painting the structure
- Resurfacing of the carriageway

Findings

The scheme did not start and finish on time or within budget. However, the project had worked relatively well with apparently legitimate reasons for delays and additional costs. We are advised this is not unusual for a scheme of this type. Some examples of problems encountered were: the start of the work was delayed for two weeks due to an extension of the tender evaluation period by the County Council; BT had 18,000 pairs of cables to be relocated under the Bridge and this took slightly longer than anticipated; Central Networks had 47 metres of copper cabling stolen from the site; the road surface had set like glue in the corroded ironwork so took longer to dig out; snow in February meant that the concrete couldn't be poured at the programmed time; the concrete eventually poured on to the new surface of the road was found to be faulty and had to be dug up; floods earlier in the year (2007) caused delays; the extent of the repairs to the decorative roundels and rosettes again took longer than anticipated.

The assessment of whether a scheme was completed on time is based on end dates which can be varied during the scheme. Variations must be agreed by WCC with the contractor and are recorded as a 'Compensation Event'. So although the Stourport Bridge scheme took about 12 weeks longer than originally planned the KPI showed that it was only two weeks later than the amended end date.

Clarity of roles

Roles could become fudged resulting in different messages, say for designs, from Client (WCC scheme owner) and Consultant (Halcrow scheme owner). It was therefore considered important that the final agreed brief clearly defined the roles of the WCC scheme owners and the Consultant's staff.

The total cost for Stourport Bridge amounted to about 15% of the total scheme costs, which was felt to be fair and reasonable by the Council's scheme owner.

The project was developed through community involvement. A Steering Group was set up with representatives from 16 different groups including for example, the Town Centre Forum, Emergency Services, public transport, freight transport, residents and others.

Dates

A sign showing that works would begin in 09 06 (meaning September 2006) had led local people to believe that work would start on 6 September 2006. Work was originally due to start on 19 September 2006 but was delayed due to an extension of the tender evaluation period. Work actually began on 2 October 2006. This had led to some public dissatisfaction with the information about the works on Stourport Bridge. In future, public information signs should show the month of start and finishing dates in words rather than numbers.

Halcrow added value

To comply with modern regulations, bridge parapets had to have sufficient strength to prevent motorists crashing through in the event of a collision. Halcrow's suggestion of using a type of raised kerb which could then be bolted to the deck of the bridge (protecting the parapet from any impact) achieved savings for WCC as it removed the costly requirement to strengthen the parapet. Halcrow felt this was a good example of how their experience had added value.

Effect on the life of the Town

Members queried whether enough emphasis had been given by WCC and Halcrow of the effect on the life of Stourport Town and the loss of trade to local businesses. Richard Attwood (WCC scheme owner) felt that every option had been explored and was confident that the job was carried out the best way it could have been. A group called Stourport Forward, which included representatives from the local business community, had communicated effectively with businesses in the area.

ST JOHN'S SIGNING

Scheme background and brief

The Brief was given to Halcrow in June 2005. This was 'To sign footpath links in the area of St. John's which assist in providing signed connections to local schools, shopping areas and other facilities. Further investigation to take place to ascertain whether these alleyways were DDA compliant and whether any of the shortcuts had potential to be used by cyclists also.' The Scheme was part of the Choose How You Move project to improve modal shift by:

- raising awareness of pathways;
- indicating the walking time to the place e.g. shops 3 minutes;

- branding the signs with the Choose How You Move logo.

Tagged on to the brief was additional work to relocate walking signs between the two Worcester train stations. There was disagreement over the need for relocating the signs. Halcrow felt it was acceptable to have signs on one side of the road and expect pedestrians to walk on the other side, whereas Council staff felt that the signs encouraged pedestrians to unnecessarily cross the road, making crossing at junctions more difficult; another example of where clarity of brief and consultation in the first instance could have prevented this work.

Findings

Halcrow's fees amounted to about 65% of the total project costs.

Project could have improved by:

- earlier contact with DfT to get approval for sign design,
- earlier consultation at concept stage with local Councillors and public; and
- establishing exactly which routes should be signed before briefing Halcrow.

Halcrow were keen to move to a fixed fee for design work although would need a fixed scope for this to happen. Halcrow were aware of the need for local knowledge and communication with the contractor and with WCC. A Project Team involving these stakeholders was needed from day one.

Consultation with local members and the public took place too late to have any impact on the scheme. Councillors should be involved during the very early stages from the concept design stage, before a brief was drawn up for Halcrow. No such early involvement took place. New process forms will ensure that this would happen in future.

To monitor how effective the scheme was in promoting walking and cycling, usage surveys should be carried out at the same time of year on the same day with similar weather conditions if possible. When asked why this had not happened it was explained it could possibly be due to staffing issues.

Given the delays and additional cost caused by: original designs not gaining permission from the Department for Transport and having to be redesigned; lack of clarity over which routes to sign; staff absences; and the inclusion of relocating signs between the two Worcester train stations; it is safe to conclude that the scheme cost more and had taken longer than was originally intended.

There were concerns about lack of knowledge, and about lessons learned being recorded and shared.

PERSHORE HIGH STREET PHASE 1

Scheme background and brief

Pershore's Cottage Hospital had originally been built between 1883/93. The District Council agreed in 2000 that a new hospital was needed. A suitable site was identified and planning permission sought in November 2004.

Architects were commissioned to produce designs for a new hospital and by Spring 2005 the job was put out to tender.

Meanwhile, Halcrow had been commissioned to carry out accident studies on Pershore High Street. They were asked to identify measures to reduce accidents and produced reports by February 2006.

For Pershore High Street Phase 1, alterations to Station Road junction were proposed. Phase 2 involved accident reduction measures for Pershore High Street.

Work started on building the Hospital in October 2005. One of the planning conditions was to improve traffic flow through Pershore and this meant that MOVA linked traffic signals were needed on the Station Road junction. These type of signals could identify length of queues and adjust the timing of red and green lights to improve traffic flows. The junction would encourage traffic to turn towards Pinvin, to then meet up with the A44 main road to Evesham. It was hoped this would help relieve traffic volume on Pershore High Street. Another planning condition was to install a pedestrian crossing on the High St near to Priest Lane.

The District Council was very keen to combine the work required as part of the hospital development with the accident studies project. This would again be combined with High Street enhancements, funded by regeneration grant money.

The funding allocated for the MOVA traffic signal and junction improvements and crossing came to £240,000 for the combined proposals (crossing improvements helped justify some funding from the accident studies budget even though this was not part of the original accident studies improvement scheme). The District Council offered to contribute £54,000.

There was perceived to be a lack of flexibility with funding from the District Council. WCC did not want to hold up development and agreed to go ahead with the combined proposals, despite concerns over the low contribution from the District Council.

Findings

The scheme was not completed on time or within budget.

Problems were caused by: combining three strands of work, namely accident studies, new hospital and regeneration work; continuity problem after retirement of WCC project leader; snow; a traffic accident (causing a few days delay); utilities (had less urgency to turn up on time and not doing jobs in the required time slots); increased costs due to night working for resurfacing work; restricted hours to compensate traders; traffic problems in Pershore; and poor quality of workmanship.

Traffic management around the junction caused severe delays and made access to the shops very difficult and traders complained. As a result, work was paused in December to help the traders. This pause allowed Halcrow and WCC to review how to improve the site works for the remainder of the duration of the job.

This part of the project took 12 weeks to complete, two weeks longer than had originally been planned.

There were occasions when the Halcrow supervisor was not immediately available. There was a perception by the WCC scheme owner that supervision had not been adequate.

WCC paid for site supervision by Halcrow. Errors were spotted by the Council's Highways District Liaison Officer and reported to the WCC scheme owner, who then took steps to put these right (eg position of zebra beacon globe lack of visibility). Other snags took a long time to fix and some are still ongoing (December 2007). Halcrow as supervisors should ensure work is completed satisfactorily by the contractor, and that snagging lists are chased up properly.

Halcrow explained that there was a need for more effort earlier in feasibility studies. Also, that a Laser gang had carried out particularly poor quality work and Halcrow had negotiated to ensure that the gang was removed. Halcrow agreed it was responsible for checking that the work carried out by Laser was completed to specification and had carried out a recent audit in response to their concerns. A plan had been drawn up showing actions which needed to be taken, and by whom, to avoid a repeat of those issues arising in Phase 2.

For example, to avoid bad publicity and complaints from the public and additional disruption and potential loss of business due to works, a site liaison officer should be on hand to deal with any issues arising and act as a link between the public, the contractor, WCC and Halcrow. This person should come from WCC staff. To reduce the disruption to businesses and the public a clear works programme showing dates and duration of closures would be required.

The number of activities to be carried out during any road closure should be maximised. Input was needed from WCC Network Control Managers and from Laser.

The location of the crossing specified by the Hospital developers as part of a planning condition had not been feasible. Members commented that Pershore residents had therefore been consulted originally on a scheme that later turned out to not be deliverable and questioned why WCC highways engineers had not consulted with Halcrow before District Council planning conditions were agreed.

Members further questioned whether WCC considered consulting designers generally before planning conditions were agreed in District Councils. Halcrow advised that although District Councils now received advice from WCC network staff, they did not necessarily have the depth of experience that Halcrow had. More discussions were needed at the concept stage with the detail of the design and the designers.

Key Performance Indicator Definitions (2006-07 to 2007-08)

Key Performance Indicators 2006 - 07		Key Performance Indicators 2007 - 08	
Outcome	Definition	Outcome	Definition
Programme reliability	Comparing actual progress made on a scheme against the planned progress.	Programme reliability	<p>Start date - Comparing actual progress against planned progress for each phase of scheme to give percentage lateness.</p> <p>$\frac{\text{Planned start date} - \text{actual date}}{\text{Number of days in plan}} \times 100$</p> <p><i>Example</i> Planned date 10/05/2007 5 days late starting Actual date 15/05/2007 Planned days = 15 $\frac{5}{15} \times 100 = 33\%$ Scheme is 33% late starting</p>
			<p>Completion date - Comparing actual progress against planned progress for each phase of scheme to give percentage lateness.</p> <p>$\frac{\text{Planned completion date} - \text{actual date}}{\text{Number of days in plan}} \times 100$</p> <p><i>Example</i> Planned date 10/05/2007 5 days late completing Actual date 15/05/2007 Planned days = 15 $\frac{5}{15} \times 100 = 33\%$ Scheme is 33% late completing</p>
Health and Safety	To ensure all schemes comply with Construction Design and Management regulations. Site inspections with 25% of schemes to have 1 inspection per week.	Health and Safety	<p>Health and Safety site inspections -Ensure all schemes are inspected (at least once per week) for compliance with H & S regulations.</p> <p>Inspections x 100 Live sites</p>
			<p>Health and Safety inspection effectiveness - Measure the effectiveness of site supervision through measurement of quality of the H & S site inspections (via a weighted score).</p>

Key Performance Indicators 2006 - 07		Key Performance Indicators 2007 - 08	
Outcome	Definition	Outcome	Definition
Financial	Assessment of selected fee and works scheme outturn costs against budget on selected schemes as agreed by both parties.	Financial	<p>Budget spend certainty – Assessment of fee and works scheme costs as a percentage of scheme original budget.</p> <p>$\frac{\text{Scheme outturn cost}}{\text{Scheme original budget}} \times 100$</p> <p>$\frac{\text{Scheme outturn cost}}{\text{Scheme original budget}} \times 100$</p>
Innovation	Continuous monitoring of innovative ideas to be implemented under the contract and where possible added to the process handbook	Innovation	<p>Encourage innovative thinking – Deliver minimum 3% cashable saving per year (expected expenditure) through implementation of innovative idea(s)</p> <p>$\frac{\text{Cost including innovative idea}}{\text{Original cost (excluding i.i.)}} \times 100$</p>
Design quality	Reduce the total value of foreseeable Compensation events caused by having to correct design errors or having to deal with inadequate designs as a percentage over target price.	Design Quality	<p>Cost of design compensation events – reduce target price increases through the monitoring of design compensation events against original target price.</p> <p>$\frac{\text{Cost of design compensation event}}{\text{Original target price}} \times 100$</p>
		Design Quality (continued)	<p>Number of design compensation events – reduce the number of design compensation events as a percentage of total compensation events.</p> <p>$\frac{\text{Number of design compensation events}}{\text{Total number of compensation events}} \times 100$</p>
Public perception	Ensure service meets the user's needs and expectations	Discontinued	
Contract profitability	To measure the percentage profit by the consultant in delivering the Professional services Contract		

Nearest Neighbour Authorities Professional Design Services Research – Comparison

APPENDIX 6

Nearest Neighbour Authority	Name of Head of Highways	In House/ External Design services	Date started	Review Date	Future Plans What would be your preferred way of operating in future - would you consider an arrangement such as the 3 counties alliance (as in Leics, Notts and Derbys).	What is good/bad about your arrangements? In your opinion, are you happy with your current arrangements? What most helps your current arrangements work effectively and achieve best value for money? What are you most proud of? What would you change?
Warwickshire CC	Graham Fitton/	Both in House and Partnership Arrangement with Arups	2006	2011 (5yrs)	No plans for alliance working - happy the way current arrangements work. Aware that J Hobbs is chairing a regional meeting on this subject soon	Like co-location - work in partnership - have good working relationship.
Suffolk CC	Andrew Guttridge	Both (in house/ external partnership)	2001	2009	The Partnership combines the Council's in-house staff with private consultants, Mouchel Parkman, Faber Maunsell and The Landscape Partnership. Unlike the other highway partnerships, this is exclusively a professional services partnership.	The external partners cover the fields of transport strategy and planning, traffic management and safety, bridge and general civil engineering design and environmental and landscape advice. Typical financial values to the external partners have varied but are typically in the range of £1m-2½m per annum. There is no guaranteed level of works to the external partners.
Oxfordshire CC	Brian Fell	In house and external	1999	2009	Like how Gloucestershire operates with Atkins Would consider 3 Counties Alliance Jacobs (since bought out by Enterprise) are external consultants for designs -Also use Halcrow but only to provide transportation studies	Working hard to change culture so that best individual is assigned to a job regardless of whose payroll he is on. Place high value on relationships rather than agreements. Would like more commercial clout

Nearest Neighbour Authority	Name of Head of Highways	In House/ External Design services	Date started	Review Date	Future Plans What would be your preferred way of operating in future - would you consider an arrangement such as the 3 counties alliance (as in Leics, Notts and Derbys).	What is good/bad about your arrangements? In your opinion, are you happy with your current arrangements? What most helps your current arrangements work effectively and achieve best value for money? What are you most proud of? What would you change?
Staffordshire CC	James Bailey	In house and external			<p>The Staffordshire Highways public-private sector partnership utilises a mix of internal and external design resources. The County Council, as one of the three parties in the contract, has retained a significant in-house design capability. However, the requirements of Staffordshire LTP programme far out-weigh the provisions of this resource and accordingly the supply chain of the two Contractors to the partnership (Accord and Wrekin) can also be utilised.</p> <p>Staffordshire Highways believe that the current arrangements provide the best (most flexible) fit of ensuring timely and efficient quality design. Whilst Staffordshire Highways would be interested to learn of the potential efficiencies of the 3 Counties alliance, but concerned about the conflicting demands of the three Clients on the available resource - in particular how this resource will be managed to provide the greatest efficacy to those utilising the design services.</p> <p>Project Management is all internal to Staffordshire Highways - and not necessarily a County Council employee!</p>	<p>Staffordshire Highways are very proud of the Staffordshire Highways partnership</p> <p>4 star CPA score for Environmental Services; - DfT centre of excellence for LTP planning and delivery, resulting in 15% pa increase in IT element of 2006-2011 LTP; - 9th in National (Gershon) League tables for Highway Service efficiencies.</p> <p>The flexibility of the partnership is currently allowing us to pursue even closer integration of the teams, in order to reduce duplication and associated waste of roles. As an example we currently have a number of 'secondments' between the partnering organisations where employees of one or the other partner are fulfilling duties traditionally provided by the other. E.g. the culture is the best individual for the role in respect of the greater interests of Staffordshire Highways - regardless of who's payroll the person is on. Whilst this culture has been very difficult to achieve we are improving all the time and with this opening more and more doors to new, improved ways of delivering the whole spectrum of highway services.</p>
Nottinghamshire CC	Phil Rankin	Some in house and external	Jul 07		Was in house and external - now in 3 Counties Alliance with Leics CC & Derbys CC and consultant Scott Wilson	

Nearest Neighbour Authority	Name of Head of Highways	In House/ External Design services	Date started	Review Date	Future Plans What would be your preferred way of operating in future - would you consider an arrangement such as the 3 counties alliance (as in Leics, Notts and Derbys).	What is good/bad about your arrangements? In your opinion, are you happy with your current arrangements? What most helps your current arrangements work effectively and achieve best value for money? What are you most proud of? What would you change?
Northampton shire CC	Paul Tysoe	external – Atkins	2001	2007	Currently being tendered. New contract to begin in April 2008	Good and bad. One of the problems was how things were priced - either pay in lump sum (cyclic and winter maintenance) - or schedule of rates for smaller schemes. Larger schemes based on target cost. Actual costs for feasibility studies. Lump sums included network management and had led to arguments about what was and wasn't included. Target costs normally ended up being higher than anticipated. 40k to 50k The contract was let on the basis that design work was diminishing. Transferred all staff and had an all encompassing contract. Since then have had money from developers and spending has increased from 20m to about 50m. Had 5 and 3 yr extension therefore re-tendered. On the design side we would like to see expertise brought in. Eg our consultant is reluctant to say bring in an expert in asset management from their B'ham office, as they would get charged for his time.
Cheshire CC	Steve Kent	All in House	Always		Currently reviewing - whether to go into partnership or secondment model. Current staff have 75fte including bridge engineers. Use external consultants as and when required eg major schemes about £1/2m	Relatively happy - Transforming Cheshire - looking for efficiencies improvements - Think we provide good service - but doing business process re-engineering - Beginning to have problems retaining staff. Main offices based in Chester - younger element more willing to move for higher wages. Single status downgraded 20% caused ill feeling

Nearest Neighbour Authority	Name of Head of Highways	In House/ External Design services	Date started	Review Date	Future Plans What would be your preferred way of operating in future - would you consider an arrangement such as the 3 counties alliance (as in Leics, Notts and Derbys).	What is good/bad about your arrangements? In your opinion, are you happy with your current arrangements? What most helps your current arrangements work effectively and achieve best value for money? What are you most proud of? What would you change?
Gloucester Shire CC	Ben Walker, Service Manager	We operate under an NEC3 TSC form of contract. Atkins are a 'single service provider',	April 2006, term 5 years, with option to extend by further 2, then further 3yrs (10 yrs in total). We will review performance end of yr 3	April 2009	At the start of year two our agency agreements with Cheltenham and Gloucester terminated and much of the work was brought into Gloucestershire Highways, hence our contract has been the subject of much change/expansion and there are still areas to understand and streamline. By the end of year three we'll know more about the future direction we'll take. We are still working up an effective CE process. We have hundreds of schemes, most of which are subject to a change of some sort. All change is recorded and evidenced on the scheme's file. Schemes are 'adjudicated' regularly by GH (Atkins and GCC) so the process is controlled in this manner. As an <i>Employer</i> , we do not actively track price change of individual schemes, rather ensure confidence that the full programme is deliverable and will meet the outcomes. The various process and systems need work. Currently much of this is excel or paper based but we are investing heavily in software solutions. There is still much to do. We are pleased with the level of information we now have available, including the clarity and detailing of costs together with emphasis on performance.	Atkins (about 240) together with the Asset Management team (GCC about 100) make up 'Gloucestershire Highways' (GH). GH 'self-certifies' much of the work. GCC's Service Manager, finance, performance and audit teams are able to probe any part of the process/detail at any time It is important to appreciate a bit about our payment mechanisms - otherwise the model may at first appear to have weakness: No fee percentage is applied to any of the Prices and Atkins only get paid Defined Cost they can demonstrate. The Prices for engineers etc are the average SCR for those individuals. The other Prices are either LPM or passed straight on from smaller sub contractors. Atkins Fee is paid as a separate set annual lump sum (paid monthly). Profit is only recovered through performance against a set of largely outcome based performance indicators. GCC is therefore less concerned with whether a scheme went up in price due to compensation events, because ultimately Atkins is driven to do the very best they can. There is no reward for wasting budget, no fee or profit on cost spent. Consequently, every penny is aimed at achieving maximum performance against PIs.
Derbyshire CC	Mike Ashworth	In house and external	Jul 07		Now in 3 counties Alliance with Leics CC and Notts CC (Scott Wilson are term consultant)	

Nearest Neighbour Authority	Name of Head of Highways	In House/ External Design services	Date started	Review Date	Future Plans What would be your preferred way of operating in future - would you consider an arrangement such as the 3 counties alliance (as in Leics, Notts and Derbys).	What is good/bad about your arrangements? In your opinion, are you happy with your current arrangements? What most helps your current arrangements work effectively and achieve best value for money? What are you most proud of? What would you change?
Leicester Shire CC	Matthew Lugg	Mostly in house, some external	Jul 07		Now in 3 counties Alliance with Derbys CC and Notts CC (Scott Wilson are term consultant)	
Kent (<i>not a nearest neighbour</i>)	David Thomas	External - Jacobs			Our new contracts are based on NEC Option C target price/actual costs and this enables us to be flexible with the resource/quality input....the KPI's are also linked to contract extension (up to 10 years) and also payment of any gain through the target price/actual cost comparison process	We have taken a different approach to KPIs and also the governance of the contract....we have created an Alliance Board that includes the Cabinet Member and UK Directors of Ringway (our contractor), Jacobs (our consultant) and TSUK (out traffic systems provider) and focuses on a set of indicators that are a holistic view of the service...these are reported monthly and the Alliance Executive (that sits below the Board and is made up of the local managers for the Alliance) then deliver 'connected performance' that links the Board KPI's to staff at grass routes/front line and deals with the detail.... See our Alliance Board KPI's to get a feel of what we are doing.....we established early on that the public outcome indicators were what should drive the service and any consultant or contractor specific ones were always influenced by the performance of the client in any case!