



Leicester
City Council

**WARDS AFFECTED
ALL WARDS (CORPORATE ISSUE)**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

7 November 2002

**BEST VALUE REVIEW – HIGHWAYS AND TRANSPORTATION
PRESENTATION OF FINAL REPORT**

**Report of the Service Director (Highways & Transportation),
Environment, Regeneration & Development**

1. BACKGROUND AND PURPOSE OF REPORT

1.1 Purpose of Report

To present the Final Report of the Review providing the opportunity for Members to scrutinise and challenge the Improvement Plan and to inform Members of the Best Value Inspectors' provisional feedback and score awarded.

1.2 Background

The Highways and Transportation Review is a Year 2/3 Review which is now complete. The Fundamental Challenge, Final Scope and Routing for the Review report was agreed at Cabinet on 30th July, 2001, Directors' Board approved the Review Programme, and the Terms of Reference for Phase II of the Review at the meeting on 4th December, 2001.

The Interim Report of the Review was approved by Cabinet at its meeting on 20th May, 2002. The Review, including the Service Director's Draft Final Report, was inspected as part of the City Council's Comprehensive Performance Assessment in the first week of July (1st to 5th). On the 23rd July the Inspectors returned to present their "Interim Challenge" stage report giving their score for the service.

2. RECOMMENDATIONS

2.1 Members are recommended to scrutinise and challenge the Final Report, provide comments and approve the report and Improvement Plan contained therein.

2.2 Members are recommended to note the Best Value Inspectors' comments regarding the under-funding of highway maintenance, in particular the low revenue spend compared to the Standard Spending

Assessment, that 20% of the increased supplementary Credit Approval for the Local Transport Plan had been diverted to the Single Capital Pot and the bottom quartile performance related to the condition of both principal and non-principal roads and the significant public dissatisfaction with footways.

3. REPORT

3.1 Final Report

- 3.1.1** The aims of the Final Report are to clearly set out the strategic case for the provision of Highways and Transportation services, describe the services provided, report on the assessment of how the services are performing and to propose an Improvement Plan to drive continuous improvement.
- 3.1.2** The first section of the report explains the strategic context for the provision of Highways and Transportation services.
- 3.1.3** In the second section of the report the strategic framework within Leicester City Council that guides the delivery of these services is explained and the service profile of the business units involved within the Review is covered in detail.
- 3.1.4** Evaluation of the services using the four “C’s” framework is covered in Section 3. The Final Report explains how “Fundamental Challenge” concludes that all existing services within the scope of the Review should continue to be provided. Assessment of the service with regard to Compare, Consult and Compete including areas for improvement and links to the Improvement Plan are detailed.
- 3.1.5** Summary reports of each of the task groups, again detailing strengths, areas for improvement and links to the Improvement Plan addressing the key issues are included in Section 4.
- 3.1.6** The Improvement Plan for the service as a whole and the Improvement Plans for each of the six key issues together with the initial project programme to deliver the Improvement Plans are included in Section 5.
- 3.1.7** Since the production of the report, further amendments have been made to the Improvement Plan. These are Appended to this report, with a final timetable for delivery.

3.2 Programme

3.2.1 The Service Director's Draft Final Report of the Review was submitted to the Best Value Inspectors on 31st May, 2002. Discussions were held with the Inspectors regarding the status of the Report and the covering letter accompanying the Final Report confirmed that the Report was the Service Director's Draft and that consultation and political approval would be on-going after their inspection.

3.2.2 The Inspectors returned to the Council to present the "Interim Challenge" stage report on 23rd July. The Inspector's report has been considered and a response forwarded. At the time of writing, officers are waiting for the opportunity to discuss the report with the Inspectors. As it stands, the report contains a number of issues which at least require clarification.

3.3 The Inspection

3.3.1 The Service was inspected in the week beginning the 1st July 2002. The Inspectors assessed many aspects of the Service by way of a bus tour around the City on the first day of the week followed by interviews with managers and focus groups with frontline staff and various stakeholders.

3.3.2 On 23rd July the Inspectors returned to the City for the 'interim challenge' when feedback was provided and the initial score of 'a fair service' and 'promising prospects for improvement' was tabled. This translates as "one star for the service, and two stars for the improvement plan". Unfortunately, the Inspectors were not able to provide their Draft Inspection Report at the meeting but planned to forward the report within a couple of weeks. The report was received on 5th September, six weeks after the meeting.

3.3.3 In summing up, the Inspectors noted that the Best Value Review had been a serious exercise used to transform the service and drive it forward, the Review had identified and focussed on issues of most importance to the public, the service has a history of embracing technical innovation and that staff at all levels are committed to improvement.

3.3.4 The only significant negative comment in their summary feedback was that increased revenue support for highway maintenance is not available. The Inspectors' noted the low revenue spend compared to the Standard Spending Assessment, that 20% of the increased supplementary Credit Approval for the Local Transport Plan had been diverted to the Single Capital Pot and the bottom quartile performance related to the condition of both principal and non-principal roads. However, the Chief Financial Officer has noted the following quote from the government white paper " Strong Local Leadership – Quality Public Services" from the DTLR in December 2001.

“There are a number of specific problems with individual SSA formulae. In the government’s view there are also more fundamental problems. First, SSA had been presented as a measure of “spending need”. This is highly misleading. The government does not claim to know how much an individual authority should spend on a particular service. The reality is that SSA is merely a means of distributing government grant, which is then topped up by local authorities from Council Tax. In their spending decisions, both central and local government are taking a view on what is affordable, as well as assessing cost pressures. In designing the new grant system, we shall seek to make the status of the grant formulae clearer.”

Though in the light of the comments above the government would agree that the amount of SSA spent on a particular issue is a matter of local priority, the Inspectors have clearly identified a correlation between the amount of money spent on roads in Leicester and the condition of the roads.

Whilst it is clear that Members will continue to make decisions based on local priorities, if the backlog in highway repairs is to be addressed, then this can only be done by expending adequate amounts of money.

- 3.3.5** A full and detailed response to the Interim Challenge report has been sent to the Inspectors along with a request that they postpone publishing their final report until the various areas in need of clarification have been resolved.

3.4 Delivering the Improvement Plan

- 3.4.1** The following project management arrangements have been adopted to ensure successful delivery of the Improvement Plan:

Project Board	E, R & D Directorate Team
Project Director	Alistair Reid, Service Director
Project Manager	Mark Wills, Head of Construction Services
Project Team	Highways and Transportation Divisional Management Team.

In addition to this, the delivery of the plans will be monitored by internal audit and reported to the Members Best Value Working Group on a quarterly basis.

- 3.4.2** The preliminary briefs for the projects within the Improvement Plan and the Improvement Plan Programme are included in Section 5 of the Final Report.

4. FINANCIAL IMPLICATIONS

- 4.1** The financial savings target set for the Review was £214,000 which included a target saving of £126,000 for the review of the client/consultant/contractor split. The Improvement Plan identifies actions which aim to achieve the savings required.

4.2 The budget for the review was set at £21,000 for staffing costs and £3,000 for the Independent Consultee and stakeholder input. However, the staffing costs for the lead officer were in excess of £30,000 and the costs associated with the Independent Consultee and stakeholder input in excess of £4,000. The service area will be funding the shortfall.

5. CONSULTATION

5.1 A wide variety of stakeholders have been consulted during the development and delivery of services and during the work of the Review. The Interim Report was presented to the then Cabinet Lead for Highways and Transportation, Councillor Subedar, the Highways and Transportation Scrutiny Triumvirate, Unions, Peter Connolly the Director of Environment, Development & Commercial Services, and Mike Forrester the Scrutiny Director, and was presented to staff, for consultation purposes during March/April.

5.2 Consultation on the Service Director's Draft Final Report, including the Improvement Plan, consisted of four stakeholder workshops held at the end of June involving over 200 staff and 40 stakeholder representatives.

6. REPORT AUTHOR/OFFICERS TO CONTACT

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DECISION STATUS

Key Decision	Yes
Reason	Part of policy and budget framework
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)