

## Transport, Environment and Communities Select Committee 19 April 2016

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<p><b>7 TRANSPORT FOR BUCKINGHAMSHIRE UPDATE</b> A regular update with Transport for Buckinghamshire, following Committee items in 2015 which focussed on service improvements, changes to the Key Performance Indicators (KPIs) used in contract management and concerns around customer service standards.</p> <p><b>Contributors:</b> <b>Mr Mark Shaw, Cabinet Member for Transportation</b> <b>Mr Basil Jackson, Interim Director of Transport</b></p>	3 - 12



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## Buckinghamshire County Council Select Committee

Transport, Environment and Communities Select Committee

### Report to the Transport, Environment and Communities Select Committee

<b>Title:</b>	TfB Update
<b>Committee date:</b>	19 <sup>th</sup> April 2016
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<b>Cabinet Member sign-off:</b>	Mark Shaw

#### **Purpose of Agenda Item**

Following an update on the TfB Progress at the Environmental, Transport and Locality Services Select Committee in September 2015 Members requested an update on the performance of the service delivered by Ringway Jacobs throughout 2015/16. This report provides members with an update on TfB's progress.

#### **Background**

At the last Select Committee, Members were advised that there was recognition that the service area needed to be strengthened and both permanent and interim appointments have been made to various posts within the Client Team. The posts of Director of Transport and Head of Highways (Client) were filled on an interim basis, and interviews for permanent appointments of both roles are due to take place this month.

Also the Service Provider and Contractor to BCC, Ringway Jacobs, had a number of vacancies and a series of meetings have been held between the two parties to discuss future shared resourcing strategies including possible graduate placements, trainee programmes, placements/secondments, apprentices etc.



## **Summary**

The delivery of the TfB service in 2015/16 has been largely in accordance with BCC expectations and requirements, and shows signs of improvements in many areas.

The service has met the Council's strategic objectives, delivering the largest capital maintenance programme to date. Improvements have been made in the support systems and some processes, which now provide real-time insight into the service delivery particularly the response to customers and the repair of defects. The benefits of these upgrades have yet to be fully realised as work continues to improve the level of network asset intelligence and thereby focus resources, however plans are in place to address this in 2016/17.

There remain some service areas where improvements are still required; in particular, streamlining the customer engagement processes, improving pothole repairs and addressing the legal drainage issues across the County. These will be key areas of focus during 2016/17. TfB will also be working with the Council to consider whether there is scope to devolve some pothole repair works.

## **Contract Governance**

The Council's overall governance of Ringway Jacobs has been strengthened, with the arrival of Stewart Corbett (interim Head of Highways) and Basil Jackson (Interim Transport Director). A regularised Transport for Buckinghamshire (TfB) meeting structure is in place which ensures service issues are being addressed.

The TfB meetings interface effectively with the Transport Environment Economy Business Unit (TEE) governance structure (i.e. Asset Strategy Board etc.) and the Cabinet Member's own Portfolio Board. The effectiveness of this arrangement has already been tested, and was largely responsible for ensuring the Council was able to meet the changing highway funding requirements of the Department for Transport.

The contract governance will continue to improve during 2016/17, as the service performance is now more visible and will enable greater focus on quality, not just quantum.

## **Medium Term Financial Plan**

The Service has responded effectively to the Council's medium term budget objectives. Service efficiencies will be delivered through the development of the new IT system, Confirm. Some service reductions have however been necessary (e.g. grass cutting from 6 to 4 cuts and staff reductions). These changes have already been incorporated into the 2016/17 Annual Plan and are being closely monitored through specific Project Boards to ensure they are being delivered.



## **Customer Communication**

By reference to the Council's over-arching customer strategy of self-help through digitalisation and the ongoing customer journey project, a broad review on how the Council's customers interface with the services TfB provide has been undertaken. The review included the methods, type, and volumes of customer interaction.

TfB has high levels of regular public contact (between 5,000 and 7,000 formal enquiries per month). The majority of these enquiries are unavoidable and relate to statutory transaction requests (65%). The remainder has been identified as poor signposting (4%), unnecessary clarification (21%), or progress chasing (11%). This management information is now reviewed monthly and is being used to inform improvements to the existing communication strategy.

The review has resulted in a number of improvements which include:

- i. the rationalisation of over 1,000 web-pages to 300 and the determination of update owners.
- ii. the development of the "Maintain-my-Street" web based application to replace "Report-It".
- iii. The development of on-line tools to assist with the submission and tracking of insurance claims.

Further improvements are planned which will include upgrades to the Members pages, automated status updates to customers enquiries, and service data accessibility to the contact centres to increase the first time customer resolution rate from the current 52%.

While digital improvements are being made, improvements are still required to ensure service messages are consistently delivered to a high standard by front line staff, to reduce the number of customer complaints. Actions are being taken to address and will involve working closely with the Council's complaints team.

## **The Capital Maintenance Programme**

The 2015/16 capital maintenance programme was the largest ever delivered by TfB since the contract started in 2009, at circa £31m. This included market testing £10m of surfacing works.

A total of 335 individual schemes were successfully constructed across the County throughout the year, which were monitored by the Client's supervision team.

Improvements have been made in the general implementation of schemes with the introduction of tighter quality procedures. There is however further improvement still



required in the timing of follow-on activities (i.e. the adjustment of ironwork and laying white lines) to complete schemes. These will be addressed in 2016/17.

### **Area Schemes**

110 individual local schemes were successfully delivered in 2015/16, which included 42 LAF schemes and 20 parking schemes (the highest number delivered in one year to date). This has been due to TfB investing additional resources and implementing a number of process improvements, which have increased delivery confidence levels. A further 80 schemes are in progress and are expected to be completed in 2016/17.

Improvements are still required in communication, particularly the provision of quotations, and there remain a small number of legacy schemes that need to be resolved. These will be reviewed as part of the 2016/17 programme of work.

### **Routine and Reactive Maintenance Works**

This service area has been delivered with a degree of mixed success. On a positive note the grass cutting and gully cleaning operations (both rural and urban) have been largely delivered to programme, which has resulted in a reduced number of complaints compared to previous years. The Service has also worked collaboratively with the devolution project team, and while there was some early confusion on responsibilities, these were quickly resolved. This approach has extended into the second tranche of devolution for 2016/17 and has taken on board some of the lessons learned from 2015/16, particularly with regard to maintenance specifics.

The number of potholes repaired in the year has increased by 71% compared to previous years. Given these volumes the quality of repairs has not been consistent across all areas and requires improvement. An action is being developed with TfB to address this which will be closely monitored by the Client team.

This volume of potholes is in part due to a updated highway maintenance policy (which was introduced in November 2015, and includes both next day and within 28 days repairs) but also a general reflection on the condition of the network in some areas. The new capital plan and patch programme should help to address some of these “pothole farms”.

### **Street Lighting**

The 3 year replacement programme of the old orange sodium street lights with LEDs on the county’s A and B roads is substantially complete, with only 90 of the 10,300 lanterns still to be installed.

However there remain an unacceptably high number of outstanding responses to historical lighting enquiries. These will need to be addressed by TfB staff in the first half of 2016/17.



## **Winter Maintenance**

This 2015/16 winter season has been mild when compared to previous years and resulted in a lower than average number of gritting runs being undertaken (approximately 80% of the norm).

A proportion of the existing winter maintenance fleet requires replacement as some vehicles have now reached the end of their operational life. Ringway Jacobs is investing in 5 new gritters to replace the old fleet which will arrive in 2016/17. The remainder will undergo substantial refurbishment prior to the next winter and will ensure the resilience of this service until at least 2023.

A full winter service review will be conducted during the summer of 2016, to verify the service is meeting the County's needs.

## **Asset Management**

The Service continues to build towards the adoption of asset management principles, with the engagement of members, through the successful implementation of the 3 year rolling programme. This will continue into 2017/18.

Changes have been made by the Department for Transport (DfT) to the highway maintenance funding arrangements, which requires Councils to adopt asset management as a core strategy to their highway maintenance programmes. Failure to reach the required standard could result in a substantial reduction in funding (circa £1.7m).

TfB staff, with the support of the TEE and Council governance arrangements, have met the DfT requirements for 2016/17, and therefore the Council will not incur any funding deductions.

This challenge will continue into 2016/17 and will require the adoption of asset principles for all highway assets. TfB staff, with the client team, have an action plan and established a specific project board to ensure progress towards these objectives is being made.

## **Apprentices**

TfB have successfully recruited and retained 6 apprentices during 2015/16, and is the largest number of apprentices employed to date by TfB in single year. This is the result of providing training opportunities in both the conventional on street operations and now office based activities. All of the apprentices live local to Buckinghamshire.

## **12 Point Improvement Plan - Update**

By reference to the 12 point improvement plan that was tabled to the committee in 2014, an update is included in Appendix: 1 attached.





**12 Month Progress Update: Select Committee Inquiry – Transport for Buckinghamshire (Ringway Jacobs contract)**

Lead Policy Officer: Kama Wager  
 Date reported to Cabinet: 13<sup>th</sup> January 2014  
 Lead Cabinet Member for response: Mark Shaw  
 Lead Officer for response: Basil Jackson

Recommendation	Status	Agreed Yes/No	12 Month progress Update March 2016
<p><b>1: The committee request to receive updates on the implementation of the following recent/current reviews around TfB operation and perception:</b></p> <ul style="list-style-type: none"> <li>• Quarterly updates on all actions within the external consultant review of TfB and its implementation plan, commencing in February 2014</li> <li>• Quarterly updates on the internal BCC Communications and Customer Focus review, commencing in February 2014</li> <li>• An update on the implementation of the new role for Local Area Technicians in February 2014 with an additional 6 month update on progress.</li> </ul>	Complete	Agreed in part	<p>The transformation of the service has continued throughout 2016. These continue to be targeted at enhancing and improving customer focus and communication.</p> <p>The following provides an overview of progress across the work streams. More detailed information is given against each of the other 11 recommendations where appropriate.</p> <p><b>Re-organisation</b> - The re-organisation of TfB is complete. The recruitment of vacancies is now a matter of business as usual. Further changes are being considered, as part of the MTFP process and will only affect localised areas of the service.</p> <p><b>Customer Journey</b> – This area has moved on significantly since the last report, as the Council is moving all customer tools onto its own platform. This will include the replace of the Report-It App as well as rationalised web-pages. Interfaces are being built with Confirm to provide real-time visibility of TfB staff of compliance with agreed service levels.</p> <p><b>Contract Review</b> – The original contract review has been concluded with the appropriate changes now formalised. A further review is being undertaken which will be fed through the strengthened contract governance process.</p> <p>The 3<sup>rd</sup> Party commissioning process has been refined and additional resources recruited. This has improved the credibility and confidence of delivery, and is now providing better support to the TEE teams.</p> <p>The Contract Performance Indicators (CPIs) have been reviewed by both BCC and TfB. Further work is required to move towards forward looking outcomes in addition to compliance.</p> <p>Outstanding historical TfB commercial matters have been largely resolved, and agreed contract clarifications / changes made.</p> <p><b>Information Flow</b> – Confirm has now fully replaced Symology, 4G enable tablets have been deployed and a new workflow software implemented. Work continues on addressing legacy behaviours and practices, which are has become more visible through service dashboards. The next focus is on asset data, which has been identified as a general target for all TfB staff.</p> <p><b>Culture Change</b> – the cultural change programme has continued throughout 2015, at all levels. Improvements have been made at all levels through joint workshops, staff conferences and other resident focused events. The main focus is now on front line operatives, with an emphasis on quality.</p> <p><b>VMF/Efficiency</b> – The benchmarking process is now a matter of business and usual. The emphasis is now focused on making better use of the report, and includes wider inclusion from other similar highway authorities.</p> <p><b>Policy &amp; Strategy</b> – All highway related BCC policies have been reviewed jointly with TfB and published. .</p>

Recommendation	Status	Agreed Yes/No	12 Month progress Update March 2016
<p><b>2: We recommend that the service ensure effective long-term planning (a 4 year plan which fits with the Council's Medium term plan and budget proposals) to guide the annual planning activity, with particular emphasis on efficiencies, value for money and longer term development of the transport network. The Environment, Transport and Locality Services Select Committee should receive a written update on any forthcoming long-term plans.</b></p>	Complete	Agreed	<p>The four year plan has been presented to the Strategic Board and is focused on the MTFP requirements. These have been incorporated into the 2016/17 annual plan, and governance structures are in place to move key service improvements / changes forward.</p>
<p><b>3: We recommend that all future KPIs evolve to place greater emphasis on long-term outcomes and improvements and that future setting/amending of KPIs be subject to wider Member involvement to inform the decision making process of the Strategic Management Board. The Cabinet Member should put forward options for this by February 2014 for the Environment, Transport and Locality Services Committee to comment on and agree.</b></p>	Complete	Agreed in part	<p>The original Key Performance Indicators (KPIs) have been aligned to Alliance Performance Indicators (API's) and Contract Performance Indicators (CPI's). These align with the Council's corporate objectives. A further review was conducted in March 2016, and an action plan is being finalised to include forward looking outcome based indicators. Performance is reviewed at every level of service governance.</p>
<p><b>4: We recommend that KPI figures and values need to be properly audited on an annual basis, for example through internal audit or the client team, in order to ensure that the decision making around payments and extensions is robust. A written report of the findings should go to the Strategic Management Board and also monitored by this select committee.</b></p>	Complete	Agreed in part	<p>Joint audits by BCC &amp; TfB are being undertaken throughout the year and annual basis. Enhanced client resources are undertaking a robust and detailed check and challenge to the achievement of performance targets to ensure figures and results.</p>
<p><b>5: We recommend that the Cabinet Member for Planning and Transport retains a Member-led system for road maintenance but:</b></p> <ul style="list-style-type: none"> <li>• reviews the definition of Member-led currently used in the context of prioritising road maintenance to allow for greater flexibility in the approach and,</li> <li>• examines the proportion of budget allocated between local member priorities, and a countywide strategic management approach.</li> </ul> <p><b>We request that the Cabinet Member commission a report on this topic, referencing national practice, and further options for road maintenance prioritising.</b></p>	Complete	Agreed in part	<p>The continued engagement of Members in the review of the capital maintenance schemes is crucial to the understanding the local priorities and thereby the success of this programme. This approach was again adopted for the 2016/17 programme.</p> <p>TfB have adopted a sustainable formalised whole asset management approach in the determination of schemes, and these are being shared positively with Members through the 1-2-1 process.</p>
<p><b>6: We recommend that at least two BCC elected Members are re-appointed to the Strategic Management Board (or an alternative Member involvement option) in order to strengthen democratic representation, as recommended by the 2011 TfB scrutiny review.</b></p>	Complete	Agreed in part	<p>Both the Cabinet Member and his deputy are formal members of the contracts Strategic Board.</p>
<p><b>7: We recommend that the Strategic Client function should be sufficiently resourced to ensure the necessary client capacity and in-house skills are in place so that the client can effectively manage the contract and provide robust check and challenge of delivery.</b></p>	Partially Complete	Agreed – subject to resources	<p>The new organisational structure for the Client is largely complete. While all permanent appointments have still to be made, the client team is fully resourced. The Client structure is now:</p> <p>Director of Transport Services – Basil Jackson (Interim)  Head of Highways – Stewart Corbett (Interim)  Operations Manager – Jayne Dando (Permanent)  Quality Manager – Paul Turney (Permanent)  Compliance Manager – Raj Rajkumar (Interim)</p>

Recommendation	Status	Agreed Yes/No	12 Month progress Update March 2016
<p><b>8: We recommend that the TfB report for the Strategic Management Board on the approval of the yearly contract extensions be circulated to the Environment, Transport and Locality Service Select Committee in order to inform the decision making process of the Strategic Management Board on the approval of contract extensions.</b></p>	Not agreed	<b>Not Agreed</b>	<p>The issue of contract extensions is no longer automatic and now requires the approval of the Strategic Board.</p> <p>No further action is envisaged</p>
<p><b>9: We recommend that a schedule of areas for financial benchmarking against other Local Authorities be agreed between TfB and the Strategic Client. This should be reviewed annually by the Strategic Management Board to provide clarity over benchmarking activity to ensure contract compliance and value for money.</b></p>	Partially complete	Agreed	<p>Benchmarking reports of Ringway Jacobs' contracts are being issued on a regular basis, as commercial in confidence. BCC's recent inclusion in the East Midlands Highways Alliance will enable high level benchmarking with other similar highway authorities. This may require changes to the detail within the current report.</p> <p>The benchmarking document however provides a useful indicator of areas for exploration for potential operational improvement and future efficiency and will continue to be improved.</p>
<p><b>10: We recommend that an external value for money review be undertaken (over the first half of 2014) to ensure and satisfy the client (BCC) that it is getting best value for money from the contract for elected Members and the residents of Buckinghamshire and that the committee receive a briefing on the findings of this review.</b></p>	Complete	Agreed	<p>Formal market testing of conventional surfacing works has been undertaken as part of the 2015/16. Three discrete packages of work were issued for competitive tender. One was awarded to Tarmac the other two to Eurovia. Value for Money to the Council has been reasonably demonstrated by reference to the requirements of the contract and by comparison between the different procurement models. Further discussion is required to verify risk the sharing / incentive management.</p>
<p><b>11: We recommend that the contractual obligation for a year -on -year 3% efficiency saving should be reviewed to allow for greater opportunity for cumulative and sustainable efficiency savings over a number of years. Alternative options should be drawn up by the Cabinet Member by the end of the 2013/14 financial year.</b></p>	Partially complete	Agreed	<p>The contract provisions in relation to the 3% efficiency saving is being included in the wider contract review. Any changes will be agreed with the Strategic Board prior to any formal change being issued.</p>
<p><b>12: We recommend that all learning points from the TfB arrangement to date are used to inform future operation of the Council as it moves to become a commissioning/contracting organisation, in particular:</b></p> <ol style="list-style-type: none"> <li><b>1) securing providers who are able to work in a democratic environment,</b></li> <li><b>2) securing providers who can set out how they will meet strategic longer-term outcomes sought by the client, and</b></li> <li><b>3) the need for a high-level contract management prepared to use contract clauses to meet requirements.</b></li> </ol>	Complete	Agreed	<p>The learning achieved from this process has been fed back into the Council and will assist the authorities "Future Shape" programme.</p>

