

Minutes of the Scrutiny Committee Meeting held on 20 December 2016 at 10:00 am in the Elisabeth Room, Endeavour House, Ipswich.

Present: Councillors Mary Evans (Chairman), John Field (Vice Chairman), Trevor Beckwith, Peter Beer, Kathy Bole, John Burns, Jessica Fleming, Sandra Gage, Michael Gower, Len Jacklin, David Ritchie and Robin Vickery.

Also present: Councillors James Finch, Sandy Martin and Graham Newman

Supporting officers present: Theresa Harden (Business Manager, Democratic Services) and Linda Pattle (Democratic Services Officer).

28. Public Participation Session

There were no applications to speak in the Public Participation Session.

29. Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Robin Millar (substituted by Councillor Michael Gower).

30. Declarations of Interest and Dispensations

There were no declarations of interest or dispensations.

31. Minutes of the Previous Meeting

The Minutes of the meeting held on 30 November 2016 were approved as a correct record and signed by the Chairman.

32. Highways Services Contract

At Agenda Item 5 the Committee considered a report providing an update on activities since October 2015, when the previous scrutiny review of the Highways Services Contract had taken place. The Chairman welcomed the following witnesses:

Councillor James Finch, Cabinet Member for Highways and Transport
Geoff Dobson, Director of Resource Management

And from Suffolk Highways:

Mark Stevens, Assistant Director (Operational Highways), Suffolk County Council

Jerry Pert, General Manager, Kier

Peter Ingram, Kier

Councillor Finch made some introductory remarks and Mark Stevens presented the Evidence Sets. Jerry Pert commented on the speed of change he had witnessed in relation to the Suffolk Highways contract, where an adversarial attitude between the two parties had changed over the previous 15 months to a much more collaborative approach. Committee members had an opportunity to ask questions and comment on what they had heard.

Recommendation: The Committee agreed:

- a) to recognise the work to date on rolling out the Highways Transformation Programme;
- b) to express concern, however, at the length of time taken on implementing all elements of the Highways Transformation Programme and ask the Director of Resource Management to ensure that the leadership team was adequately staffed and resourced to deliver the work in a timely fashion;
- c) to recommend the Assistant Director, supported by the contract management and legal teams as appropriate, to regularly review the contract to ensure the County Council's interests were protected and changes in policy and operational arrangements resulting from the Transformation Programme were appropriately recorded in line with the change mechanism in the contract;
- d) to request a diagram/schedule showing the management and accountability for "Suffolk Highways" (SCC and Kier), and confirmation of its legal status;
- e) to request an information bulletin describing the new structure, including arrangements for recruitment, as soon as this was available and ideally in time for the Committee's formal meeting on 8 March 2017;
- f) to request clarification of the relationship between Suffolk Highways and the Network Assurance Team;
- g) to request further information about how much of the highways contract was sub-contracted, in terms of financial value and workload, to whom, and how work was awarded and monitored and how much of that was further sub contracted (possibly in the form of a diagram);
- h) to consider scrutiny in six months' time of how some of the new integrated team arrangements were working (possible areas for scrutiny being drainage and/or local highways budgets);
- i) to recommend that the lead for the communications strand of the Transformation Programme should consult and work with councillors on major improvements in the sharing of information with councillors on highways works. This should include enhancements to the on-line reporting tool, seeking to equal or exceed the standards set by competing commercial reporting tools;
- j) to support efforts to clarify the term "Design Costs", and request a case study to demonstrate the elements of the preparation of a project covered by this phrase, along with data to demonstrate how "design costs" relative to total costs had declined/changed as a result of taking a more pragmatic approach;
- k) to request that, as planned highways works programmes became available, information should be shared at the earliest opportunity with councillors, District and Borough Planning teams, and the County Council's Strategic Planning team;

- l) that, in developing its system for data management, the new local highways budgets team should ensure that councillors had access to all the necessary information to enable them to control their Highways Budgets;
- m) to request further information about the work taking place on community engagement on highways issues and request that local councillors be kept informed of any pilot work taking place in their division;
- n) to recommend that efforts be made to improve communications between Parish Councils/Area Committees and Suffolk Highways, for example by holding training events/workshop events in accessible locations. The events could cover how to access information, seek feedback on what information was required from Suffolk Highways to enable them to keep the public properly informed and assess potential for devolving responsibilities for certain functions. A small fee to cover the costs of the training could be an option.
- o) to request sight, as soon as practical, of the programme of works for highways maintenance for 2017/18;
- p) to recommend that lessons learned from management of the highways contract and from the highways transformation programme be shared with the Procurement Team and they, in turn, should share these lessons in training and workshops with directorates and staff undertaking contracting and contract management.

Reason for recommendation:

- a) The Committee acknowledged that a great deal of progress had been made over the previous twelve months. In October 2016 the Cabinet had agreed that the Highways Services contract with Kier be extended by five years, to its maximum 10-year duration, and Kier was now looking to invest for the remaining 7 years of the contract. Members heard that the original contract had placed most of the risk on Kier, which had had a number of unintended consequences. The relationship between the two parties had changed and they now had an agreed set of shared values and behaviours. Employees of the County Council and of Kier had started working as integrated teams in a number of areas, and this had proved very successful. There was evidence to show that significant savings were being made, a number of which were sustainable. Members were pleased to hear that Suffolk Highways had won a number of awards in recent months.
- b) Members were aware that the intention had been that all elements of the Highways Transformation Programme would be completed by the end of March 2017. However, they heard that it would now be difficult to meet that target, as there had been delay in establishing a new organisational structure. A staff consultation process was due to start on 16 January 2017. Most, but possibly not all, staff would know by the end of March 2017 how the reorganisation would affect them. The Committee was aware that much of the work involved in the reorganisation fell to the Assistant Director, Operational Highways, supported by a recently appointed Project Manager and staff from HR. The Committee heard that by the end of February the Assistant Director would also have the support of a senior management

team, but members considered that, in the short term, the structural re-organisation was a significant additional workload.

- c) The Committee was aware that changes had been and were continuing to be made to the working arrangements and relationships between the County Council and Kier. The Committee heard that decisions on such matters were made by an Operations Board and a Strategic Board. The decisions were duly recorded and were reflected in exchanges of correspondence. The Committee wished to highlight the need for the Assistant Director to review the contract regularly in consultation with colleagues in the Contract Management Team and Legal Services, in order to protect the Council's legal position.
- d) The Committee heard that the most appropriate description of Suffolk Highways was as an "alliance" between the County Council and Kier, and that staff at head of service level would in future be managed jointly by the Assistant Director, Suffolk County Council and the General Manager, Kier. It was confirmed that the County Council remained the commissioner of all highway infrastructure services required of Kier. However, members considered that greater clarity was needed as to whether or not "Suffolk Highways" had a legal identity.
- e) The Committee was aware that the planned reorganisation of the workforce would involve the establishment of integrated teams focusing on functions including, for example, surface dressing, footways, and carriageways. The aim would be to co-locate employees of Kier and the County Council in depots at Rougham, Halesworth and Phoenix House, Ipswich. Members were assured that in this way local geographical knowledge about highways would be retained and shared. The Committee was aware that by the end of March 2017 some posts within the new structure might remain vacant. Members therefore wished to be informed as soon as possible about the new structure and about plans to fill any remaining vacancies.
- f) The Committee was aware that part of the role of the Network Assurance Team was to liaise with Suffolk Highways and utilities companies in order to manage roadworks and minimise disruption to traffic flows. Members expressed some concern that roadworks had over-run and the public perception had been this was down to Suffolk Highways, when it was actually due to utilities works. Members were also concerned that signage for roadworks should make clear who was responsible for works. Members heard that there was a need for Suffolk Highways Conditions Technicians to work more closely with the Network Assurance Team. They wished to have a better understanding of the relationship between Suffolk Highways and Network Assurance.
- g) The Committee was aware that some of the work for the County Council was sub-contracted by Kier to other companies, and that in some cases the sub-contractors had not met the standards expected. Members heard that in recent years Kier had reduced its supply chain and that it planned to increase its direct workforce to improve resilience. The Committee wished to know more about the proportion of Suffolk Highway's work carried out by sub-contractors and about the arrangements for awarding and supervising sub-contracted work.

- h) The Committee recognised the importance of the integration workstream to the success of the Highways Transformation Programme, in terms of making savings and improving efficiencies. Members therefore wished to scrutinise the new arrangements as soon as was practical.
- i) The Committee heard that within the new structure there would be a Head of Strategic Services who would focus on customer liaison, including liaison with councillors. Members expressed concern that to date the appropriate level of information had not always been made available to them. They therefore wished to highlight the need for the new communications lead to discuss with councillors how much information could practically be shared with them. The Committee acknowledged that the new in-house online tool had made it easier for members of the public and councillors to report highways defects, but members had suggestions, from the user's perspective, about possible enhancement of the tool, which could assist in its further development.
- j) County and parish councillors had in the past expressed their concerns about the high "design costs" associated with relatively minor pieces of work, such as the installation of a new pedestrian crossing or the introduction of parking restrictions. Members were aware that Suffolk Highways was making efforts to be clearer about the meaning of the term "design costs". They heard that whilst it did include some true design work, it also included elements such as: carrying out a site survey; investigation of options; consultation; preparation of Traffic Regulation Orders, and job specification. The Committee wished to receive a case study to demonstrate the various steps and costs of preparing a project.

The Committee heard that recently design costs had been somewhat reduced by seeking to produce work which was "fit for purpose", rather than "gold standard". Members wished to receive data to show the effects of adopting this more pragmatic approach.
- k) The Committee was pleased to hear that work was taking place to develop integrated works programmes which would make it possible for tasks to be organised efficiently, for example by arranging for drainage work on a road to be scheduled before, not after, surface dressing. Programmes of work were now being published on the Council's website in order to improve transparency. Members wished to highlight the need for Suffolk Highways to share its plans with county councillors, district and borough planning teams and the Council's strategic planners, so that all parties could be aware of the implications that major strategic schemes (such as housing developments) would have on highways work, and vice-versa.
- l) The Committee recognised that a new integrated Local Highways Budgets (LHB) team had been established in May 2016, and that it had made good progress in reducing the backlog of schemes which were earmarked to be funded through LHB. An up-to-date programme of all schemes had been placed on the County Council's website in mid-November 2016 to clarify where all such schemes had reached in terms of implementation and the related dates for such schemes. It was intended that this programme would be updated on a monthly basis for the 2016/17 schemes. Nevertheless, members were not currently satisfied with the level of control they were able

to exert over their individual LHBs, for example in terms of having information available such as contact details, progress with requests for schemes and a clear indication of costs incurred and budget still available. They considered that councillors should be consulted about ways of keeping them better informed about their Budgets.

m) The Committee heard that further work was required to make progress on community engagement work. Some parish councils were willing to consider taking on tasks such as the cleaning of road signs or the cutting of verges, and Suffolk Highways was not opposed to this in principle, but there were a number of practical issues which still required attention. Whilst some members reported local interest in taking tasks on, others were clear that local communities would not wish to do this without additional funding. Community engagement would come within the role of the customer liaison officers in the new Service Delivery Centres. Members wished to highlight the need for these officers to keep local councillors informed of any developments within their divisions.

n) Members considered that representatives of parish councils and area committees would welcome the opportunity to attend meetings where there could be a dialogue with Suffolk Highways about ways of improving information exchange on a range of issues, such as: how to report defects, how to monitor progress; and what local people themselves could do to improve their highways both legally and safely. The Committee recognised that such meetings would need to be held in accessible locations, and that there might need to be a small charge to cover the costs.

The Committee heard that work was continuing through the Communications Workstream of the Highways Transformation Programme to clarify what would and would not be done on highway maintenance matters, and the maintenance programme for 2016/17 was now available online. The programme for 2017/18 was being developed, and members wished to have access to this as soon as possible.

o) The Committee was aware that in recent years the way in which Suffolk County Council provided services to its residents had changed significantly. Whereas previously most services had been delivered “in-house”, now most of them were delivered through external contracts, equating to expenditure of approximately £475m each year. Consequently, it was becoming increasingly important that the Council should be able to carry out effective and efficient procurement and contract management. Members considered that it was essential that the Procurement Team should understand the lessons, both positive and negative, learned from the Highways Contract, and that the Team in turn should ensure that the lessons were shared with officers involved in procurement and contract management.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

Councillor David Ritchie left the meeting at 12:33 pm. The meeting adjourned for lunch from 12:55 to 1:45 pm. When it reconvened the following Committee

members were present: Councillors Mary Evans, John Field, Kathy Bole, John Burns, Jessica Fleming, Sandra Gage, Michael Gower, Len Jacklin and Robin Vickery.

33. Highways Infrastructure Asset Management

At Agenda Item 6 the Committee considered a report providing information about the Council's developing approach to Highways Asset Management.

The Chairman welcomed the following witnesses:

Councillor James Finch, Cabinet Member for Highways and Transport

Mark Stevens, Assistant Director (Operational Highways)

John Clements, Highways Maintenance Specialist

Mark Stevens presented Evidence Set 1. Committee members had an opportunity to ask questions and comment on what they had heard.

Recommendation: The Committee agreed:

- a) to congratulate officers on the work which had taken place to date to develop an asset management approach to maintaining Suffolk's highways infrastructure;
- b) to recommend to Cabinet and the Corporate Management Team that officers undertaking consultation exercises should refer to good practice advice available within the County Council and externally such as the Cabinet Office Principles;
- c) to recommend, where correspondence was being drafted by Suffolk Highways for councillor led projects, that reference should be made in the correspondence to local councillor involvement
- d) to support work taking place to improve plain English communications on highways issues.

Reason for recommendation:

- a) The Committee heard that every local authority was expected to apply the principles of asset management with regard to its highways network. Previously, the Council had been slow to develop a risk-based approach to highways maintenance, but in the last 18 months significant progress had been made. Highways officers were currently gathering information in order to establish what maintenance work was required and when was the optimal time to carry it out. Members recognised that this was a challenging task which was likely to take three to four years.
- b) In July 2016 the Cabinet had authorised public consultation on a draft Highway Infrastructure Asset Management Plan and a Highway Maintenance Operational Plan. Members were disappointed to hear that few members of the public had taken the opportunity to give their views. The Committee suggested that a better response might have been achieved through reference to good practice guidance, for example on issues such as timing, communications, and seeking the views of minority groups. Members wished to ensure that, throughout the Council, officers undertaking consultations referred to good practice advice available internally and externally.

- c) The Committee was aware that occasionally in the past Highways officers had sent residents letters which gave information about projects instigated by the local county councillor, but which omitted to make any reference to the councillor. Members wished to ensure that where councillors had led on highways projects, this was made clear to residents.
- d) Members suggested that one of the reasons for the poor response to the consultation could have been that the language used was very technical. The Committee recognised that officers had tried to make the consultation more easily understandable by producing a summary document. However, members considered that there was generally a tendency in the highways industry to use language that was too technical, and they wished to encourage all officers to use plain English wherever possible.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

Councillors Michael Gower and Robin Vickery left the meeting at 3:58 pm.

34. Information Bulletin

The Committee received an Information Bulletin at Agenda Item 7.

35. Key Decision Forward Plan and Scrutiny Forward Work Programme

At Agenda Item 8 the Committee received the Key Decision Forward Plan and the Scrutiny Committee forward work programme.

Decision: The Committee agreed:

- a) That it would wish to scrutinise progress with Broadband in Suffolk soon after the County Council elections in May 2017.
- b) That early in 2017 it would have an informal discussion about ways of making Scrutiny Committee meetings more effective.

Reason for decision:

- a) The Committee recognised the importance of good internet connections in supporting the local economy and therefore wished to give a high priority to scrutinising progress made by the Better Broadband programme.
- b) Members agreed that they would welcome an opportunity to discuss ways of maximising the time available for questioning and ways of making their questions more incisive.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

36. Urgent Business

There was no urgent business.

The meeting closed at 4:12 pm.

Chairman