

AGENDA MANAGEMENT SHEET

Name of Committee Environment and Economy Overview and Scrutiny Committee

Date of Committee 4 March 2010

Report Title Effectiveness of the New County Highways Structure

Summary Warwickshire's highway maintenance organisation - County Highways - was restructured in July 2009, reducing the number of administrative areas from five down to two, based on a North/South split of the county. The Environment and Economy Overview and Scrutiny Committee identified the effectiveness of the new structure as a matter it wished to consider after a reasonable settling in period had passed.

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Would the recommended decision be contrary to the Budget and Policy Framework? Yes/No

Background Papers None

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees

Local Member(s)
(With brief comments, if appropriate)

Other Elected Members Councillor M Doody
Councillor R Sweet } for information
Councillor J Whitehouse }

Cabinet Member Councillor A Cockburn – for information
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)

Chief Executive

- Legal I Marriott – agreed.
- Finance
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES/NO** (*If 'No' complete Suggested Next Steps*)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

**Environment Overview and Scrutiny Committee –
4 March 2010**

Effectiveness of the New County Highways Structure

**Report of the Strategic Director for
Environment and Economy**

Recommendation

That Members note the financial savings and improvements in performance achieved through the restructuring of County Highways and consider the effectiveness of the new structure in delivering the highway maintenance service in Warwickshire.

1. Background

- 1.1 In 2008, a review of the Environment and Economy Directorate's priorities and services was carried out in order to identify £6 million savings that could be made over a three-year period. The 'Future Service Delivery' (FSD) project was established with the creation of a Project Board, consisting of senior staff and Portfolio Holders, to consider savings proposals identified through a range of service reviews.
- 1.2 One such review was that of County Highways, Warwickshire's highway maintenance organisation, which looked at how savings could be achieved by reorganising without compromising the service provided. The FSD Project Board supported the proposals put forward and, following a period of reorganisation, the new structure was implemented in July 2009.
- 1.3 Environment and Economy Overview and Scrutiny Committee identified the effectiveness of the new County Highways structure as a matter it wished to consider when it met to discuss its future work programme in July 2009. The new structure has now been in place for seven months, providing opportunity for an early assessment of its effectiveness and performance to be made by Members.

2. Reorganisation of County Highways

- 2.1 A review of the highway maintenance service concluded that efficiency savings could be achieved by reducing the existing administrative areas from five down to two, without compromising the service provided. The restructuring would achieve savings due to reduced duplication, two sets of overheads instead of five and increased productivity as a result of a tighter reporting structure.

- 2.2 The existing area structure, based on the five district and borough administrative areas, had been in existence since 2003 following termination of the Agency agreements with Nuneaton and Bedworth, Rugby, and Warwick. The areas were administered by five Area Teams, based at and managed from offices in Coleshill (serving North Warwickshire and Nuneaton and Bedworth), Rugby, Warwick and Wellesbourne.
- 2.3 The expected outcomes of the reorganisation were reported to Members in November 2008 as follows:-
- (i) A two-area structure with main offices at Coleshill and Budbrooke and 'hot desk' facilities available elsewhere to enable staff to work flexibly and maximise our capacity.
 - (ii) The creation of joint delivery teams with the term contractor, Carillion, to ensure greater emphasis on planning of work to achieve improved gang outputs.
 - (iii) Medium term proposals for a replacement depot at Rugby, to allow a future sale of the Dunchurch site and managing without a depot in Nuneaton.
 - (iv) Insurance claims management to be streamlined with a dedicated team of two, dealing with claimants and evidence gathering.

3. Effectiveness of the Reorganisation

- 3.1 Members had indicated that through the FSD Project, they were keen to preserve core front-line services as far as possible and so the approach to reviewing the highway maintenance organisation has been to achieve savings through improved ways of working where possible.
- 3.2 The effectiveness of the re-organisation can be assessed in terms of both the financial savings achieved and improving performance in the delivery of the highway maintenance service.
- 3.3 The re-organisation has allowed County Highways to operate with fewer staff and has yielded revenue savings of some £300,000 on the salaries budget.
- 3.4 A reduction in the number of administrative areas, from five down to two, has produced the following revenue savings to date in administrative overheads:

Vacating office accommodation at Rugby Town Hall	£10,000
Disposal of rented temporary office accommodation at Budbrooke Depot	£18,000
Vacating office accommodation at Wellesbourne Depot	£5,000
Total	£33,000

- 3.5 The review also identified the closure of St Mary's Road Depot, Nuneaton as an efficiency saving, although implementation of this was considered to be in the medium term, to allow time to plan the change. It is expected that the depot will be vacated by June 2010 and will result in a further saving of some £54,000.
- 3.6 In summary, the reorganisation of County Highways has produced the following financial savings:-

Salaries	£300,00
Accommodation changes	£33,000
Vacating Nuneaton Depot (June 2010)	£54,000
Total	£387,000

- 3.7 For the purpose of evaluating the effectiveness of the new County Highways structure since its implementation in July 2009, a number of indicators have been selected to enable a reasonably objective comparison to be made with the structure pre-reorganisation.

- (i) Average number of days taken to resolve public enquiries.

This is the average time taken to investigate, resolve, respond to and close public enquiries received through the Customer Service Centre.

- (ii) Average time taken to complete planned maintenance works.

This is the average time taken between a highway defect being identified and logged and a repair being carried out.

The following table compares the performance since re-organisation with the full year preceding it and indicates a marked improvement in resolving enquiries and reducing the time taken to programme and carry out repairs to the highway network.

	July '08 – June '09	July '09 – Jan '10
Average No. days taken to resolve highway defect related enquiries	8 days (approx 14,000)	6 days (approx 7,000)
Average time taken to programme and complete repairs	28 days (5773)	20 days (2713)

- 3.8 In assessing performance, it is also worth considering the new structure's capacity to effectively manage significant weather events. The prolonged snow and ice conditions earlier in the year presented a significant challenge to the organisation, in terms of treating the network, managing the availability of rock salt and repairing the subsequent potholes.
- 3.9 During the worst excesses of the snow and ice conditions, County Highways mounted a 24 hour/7 day response, with the network being treated up to four times a day. Through the responsible and effective management of the salt stock and by securing additional supplies when required, Warwickshire has been able to continue treating all of its primary gritting routes throughout the period.

3.10 Following the thaw, the highway maintenance service has turned its attention to dealing with the emergence of numerous potholes and has since carried out temporary repairs to approximately 4100 potholes, thus ensuring the network remains safe for all road users.

4. Summary and Conclusion

- 4.1 The re-organisation of County Highways has delivered significant financial savings for the authority by reducing the number of administrative areas, allowing the service to operate with fewer staff and requiring less depot and office accommodation.
- 4.2 The reduction in administrative areas from five down to two has also enabled a tighter management and reporting structure to be established, removing some duplication of effort and streamlining decision making processes.
- 4.3 The creation of joint delivery teams, with Warwickshire and the term contractor's staff working alongside each other, has enabled better planning and programming of work to be carried out, resulting in improved outputs, as evidenced by an improvement in the time taken to programme and complete works on the ground.

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15 February 2010