

## Agenda No

### AGENDA MANAGEMENT SHEET

**Name of Committee** Environment Overview and Scrutiny Committee

**Date of Committee** 17<sup>th</sup> January, 2006

**Report Title** Final report following the Single Issue Meeting held to scrutinise the Management of the Highways Maintenance Contract

**Summary** This report outlines the recommendations made at the single issue meeting of the Environment Overview & Scrutiny Committee, held on 21<sup>st</sup> November, 2005 to scrutinise the management of the Highways Maintenance Contract.

**For further information please contact:**

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

**Background papers** Single issue meeting of the Environment Overview & Scrutiny Committee on 21<sup>st</sup> November, 2005

#### CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees	<input type="checkbox"/>	
Local Member(s)	<input type="checkbox"/>	
Other Elected Members	<input checked="" type="checkbox"/>	Cllr Browne, Cllr Chattaway, Cllr Lea, Cllr Goode,
Cabinet Member	<input checked="" type="checkbox"/>	Cllr Heatley
Chief Executive	<input type="checkbox"/>	
Legal	<input checked="" type="checkbox"/>	Ian Marriott
Finance	<input type="checkbox"/>	
Other Strategic Directors	<input checked="" type="checkbox"/>	David Clarke, John Deegan, David Carter
District Councils	<input type="checkbox"/>	

Health Authority

Police

Other Bodies/Individuals  Garry Rollason (Treasurers), Peter Samwell (PTES)

**FINAL DECISION** **No**

**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 & Scrutiny Committee

### Final report following the Single Issue Meeting held to scrutinise the Management of the Highways Maintenance Contract

#### Report of the Strategic Director of Performance & Development

**The Environment Overview and Scrutiny Committee is recommended to:**

- (i) adopt the observations in Section 2 of this report
- (ii) request a report within six months on the contract assessing progress on the matters included in the report submitted to the Committee on 21st November
- (iii) request that it be consulted on improvement priorities for 2006/7 before they are determined through the contract mechanisms

### 1.0 Background to the scrutiny exercise

In February 2005, following receipt of an independent review of the progress on the implementation of the new Highways Maintenance contract conducted by Dr Neil Jarrett (Collaborative Working Centre, Warwick University) and Alan McFarland (Arup) the Environment & Rural Affairs O&S Committee resolved:

*'to note the Consultants' work for the Highway Maintenance Review and agree to a further progress report on the highway maintenance contract being made to the Committee as soon as practicable after the May elections.'*

On 21<sup>st</sup> November, 2005 a ½ day meeting was conducted by the Environment Overview & Scrutiny Committee to scrutinise the management of the Highways Maintenance Contract. It was conducted in private session (based upon paragraph 7 of Schedule 12A to the Local Government Act 1972: likely disclosure of information relating to the financial or business affairs of a person other than the County Council (i.e. Carillion) and to complement the spirit of the Highways Maintenance contract was carried out in a "spirit of mutual trust and co-operation".

## **2.0 Detailed findings**

Following the successful conclusion of the Single Issue meeting The Environment Overview & Scrutiny Committee the Chair drafted the following observations to encapsulate the views of the Committee:

- 2.1** The Committee thank the participants in the Scrutiny Review for the full and frank way in which they provided evidence.
- 2.2** The Committee recognises that there were difficulties experienced at the start of this contract and during the first year. These were caused mainly by the lack of familiarity in operating this type of contract.
- 2.3** The Committee notes that PTES have taken and continue to take action to safeguard the interests of WCC. Eg. Withholding money until sufficient proof that costs are legitimate is provided.
- 2.4** The Committee supports the action taken by PTES (with the support of the Treasurer), particularly through the Financial Management Board, to resolve the financial reporting problems. The Committee notes that considerable progress has been made and is continuing to be made in addressing this issue and that the majority of problems are reducing.
- 2.5** The Committee agrees that, although progress on resolving the financial and other issues has been slow in year one and the contract was in “pain”, the potential future benefits of the contract justified entering into such a contract.
- 2.6** The Committee supports the action being taken to bring about continuous improvement by driving out waste. Members acknowledge that securing these improvements will inevitably mean changes in the work carried out by operators of the contract. These changes will need to be managed but there may be concerns from employees who do not fully understand the ethos of continuous improvement.
- 2.7** The Committee wish to record that the process undertaken for this particular scrutiny event worked well and, perhaps, could be used as a model for the future and wish to commend all the officers involved in supporting this process.

David Carter  
Strategic Director of Performance and Development

January, 2006