

Case Study

Gloucestershire Highways

Participants

Gloucestershire Highways is a partnership between Gloucestershire County Council and Atkins, established on 1 April 2006.

Executive summary

Efficiency savings of 4.0% per year have been achieved in the first two years of the partnership through a range of initiatives including a significant re-structuring and rationalisation of the service. This has allowed Gloucestershire Highways to deliver consistently improved service standards that have met or exceeded the majority of customer satisfaction and LTP2 targets.

Gloucestershire's ability to respond to the impact of the summer 2007 floods emphasised the advantages of the partnership arrangements. Robust support was provided in helping GCC cope with and begin to recover from the most significant emergency in the county since the Second World War.

Brief background and context

Gloucestershire Highways (GH) was formed on 1 April 2006 to provide integrated highways and transportation services to Gloucestershire County Council (GCC). The innovative partnership has brought together responsibility for the management and maintenance of the highway network into a single integrated team comprised of 350 GCC and Atkins staff. The team is led by the Head of Gloucestershire Highways who is also a member of GCC's Environment Department Management Team.

The performance of GH is monitored by a Supervisory Board comprised of Lead Cabinet Members and Directors from GCC and Atkins. The Supervisory Board sets the strategic direction of GH including Key Performance Indicators (KPIs) linked to the overall objectives of the Council. The KPIs include 8 Strategic Performance Indicators that define the strategic outcomes to be achieved by GH including performance targets linked to customer satisfaction, LTP2 objectives and year-on-year efficiency savings.

25 output based Operational Indicators set targets for the operational performance of GH including public satisfaction with construction and maintenance works, the accuracy of target cost estimates, completion of safety defects on-time and robustness of winter maintenance activities.

Performance targets have been 'fine-tuned' over the first two years of the partnership and have been refined to reflect the changing needs and priorities of GCC. Additional indicators have been introduced, for example, to reflect the increased priority of flood alleviation work and the additional budgets made available for flood alleviation work.

Payments to Atkins are based on lump sums for maintenance works and the management of the services and target costs for capital maintenance and improvement works. Uniquely, profit is paid only on the achievement of Key Performance Indicator targets.

Improvements and efficiencies made

The performance management system has proved extremely effective in driving efficient working. Integrated team working has promoted effective planning and programming of work across the service to achieve high quality services that provide GCC with demonstrable value for money. Early Contractor Involvement, including input from collocated Key Supply Chain Partners, has allowed the most efficient allocation of resources against performance objectives. Resource Schedules are developed before the start of each financial year to allocate resources to each area of the service. An Annual Contract Review is prepared at the end of each financial year to examine the performance of GH and the achievement of best value. The review is audited by GCC Internal Audit and submitted for approval to GCC's Overview and Scrutiny Committee.

Over the first two years of the partnership efficiency savings of 4.0% per year have been achieved on an annual budget of £36.7m. Efficiencies have been substantiated and quality cross checks carried out using the Local Highways Efficiency Toolkit and by benchmarking performance with other authorities using data provided by the CSS South West Highway Service Improvement Group.

Particular issues addressed

A key area addressed by GH has been the need to balance minimising of whole life costs whilst maximising customer satisfaction. This has been achieved by developing a culture across GH that focuses on the efficient and consistent management of highway assets across the County whilst working with local councillors and communities to understand their needs. The number of depot based area teams has been reduced to three with Stakeholder Managers appointed to act as the local focal point for Members and local communities. Particular areas of success achieved in the first two years of the partnership have included:

- Improving the condition of Principal roads by 6%, Non-principal Classified roads by 5% and Unclassified roads by 7%
- Reducing the number of slight road accident casualties by 25%
- Minimising third party insurance claims - only £13,750 was paid out by the County between April 2006 and March 2008
- Increasing the number of public transport journeys by 15%
- Supporting GCC achieve 4* rating from the Audit Commission

Measurement and valuation of improvements and efficiencies

The setting of performance targets across the whole of the services before the start of each year has proved critically important. Performance targets are agreed by GH's Supervisory Board and published in an annual Business Plan for the service. The performance objectives in Business Plans are specifically linked to GCC, Environment Department and LTP2 objectives. Performance indicators are assigned to members of GH's Senior Management Team who report progress at monthly management team meetings. Ownership of performance targets is driven by linking targets to the personal objectives of operational teams and individual members of staff.

Contact for further information

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