



## Efficiency Case Study

Local Authority	Essex County Council
Region	South East
Sector	Highways
Theme	Cashable Efficiency
Savings / Benefits	Targeting £7 million of inefficiencies savings / Improved customer services over three years.
Publication Date	October 2010

## Key Lessons

- Creating capacity for change will involve prioritising internal resources and also external facilitation and challenge
- A culture of collaboration is need with existing contractors to look at end to end processes and not just one side of the fence
- Moving to focusing on outcomes for the customer rather than inputs/outputs requires trust with contractors performance
- Programme and project management must drive the improvement programme to realise full benefits - weekly reporting has made our progress very visible
- Staff engagement must include direct face to face briefings as well as inclusive workshops and consultation

## Summary

**Highways and Transportation is undergoing fundamental changes to the way it works as part of the wider 'EssexWorks: Customers First' transformation programme being implemented by Essex County Council. The vision for Highways and Transportation is to improve the quality of services to the residents of Essex through two key programmes delivering change to the organisation, the Highways Improvement Programme (covering the next two years) and the Highways Strategic Transformation Programme (a new operating model starting on 1 April 2012).**

## **Background**

The two new initiatives, being the Highways Improvement Programme and the Highways Strategic Transformation Programme have been developed as part of Essex County Councils' drive to become more customer focused, changing how they work so that the customer sits at the heart of everything they do. This approach will also help the Council to meet the difficult budget pressures during these challenging times, and they are on target to eliminate £7 million of inefficiencies from their business.

## **Drivers for Change**

The new 'EssexWorks: Customers First' transformation programme gave the Highways and Transportation department the opportunity to review their working practices. Following this review, they recognised that their current services delivery model - relying on more than ten different contracts – had become inefficient in terms of both cost and capability. The proposed new delivery model focuses on one strong and customer focused strategic partnership, with the ability and experience to deliver the majority of the services within the Highways and Transport department. This means working side by side with one supplier to deliver services. In time it is envisaged that this strategic partnership may evolve into a Joint Venture.

Under this new structure, Highways and Transportation will be transformed into an efficient and effective commissioning function with 'seamless' interfaces to their customers, partners and other shared services. A joint team of Essex County Council employees and their strategic partner's employees (an alliance) will be responsible for high-standard delivery of services to residents. Similar models are working in Buckinghamshire, Gloucestershire and more recently Oxfordshire – they will learn from this and make sure they design the best solution for Essex. Initially employees will remain Essex County Council employees but will be co located with the strategic partner.

## **Improvement action**

### Highways Improvement Programme

The Highways Improvement Programme HIP is made up of 26 projects that focus on a number of key areas:

- Reviewing how highways is organised and moving to a structure that reflects commissioning and delivery roles
- Improving performance in areas where there are income opportunities such as Traffic Management Act and where subsidies need to be removed such as Civil Parking Enforcement
- Improving how they work with their contractors by finding different ways of working to make efficiency savings, including more mobile working
- Working with partners, such as districts/boroughs to release costs from current delivery of services
- Making better use of IT and improving the IT they currently use
- Enabling themselves to deliver statutory requirements adequately and at reduced cost

- General preparation in order to ensure Highways is ready for the Highways Strategic Transformation, for example by reviewing current management reporting, data storage and review of existing applications.

Already progress has been made in the delivery of these projects, for example, Contact Essex now processes all emergency fault reports and transmits the details to their inspectors on site, they have reduced the backlog of insurance claims, the first phase of the Development Management review has been delivered and they have taken decisions that should improve the performance of the asset management system. Over the next three years (up to April 2012) £ 7million of inefficiencies will be driven from the business and enable them to provide improved customer services.

#### Highway Strategic Transformation

Because the majority of Highways and Transportation contract arrangements end in March 2012, the Council saw this as an opportunity to find innovative long term ways for delivering value for money in line with the EssexWorks programme. Furthermore, to achieve further efficiencies and best value for money by working jointly and collaboratively with partners and providers to deliver excellent and seamless services to their residents.

The Highway Strategic Transformation programme is a joint initiative with IBM. The aim is to design and implement a delivery model which best fits the future demands of their residents, whilst remaining in line with Essex County Councils' strategy and financial constraints.

The long term vision of Highways and Transportation is to be best in class in planning and managing highways and transportation and to be seen as an exemplar amongst its peers in this area.

Throughout the Highways Strategic Transformation programme there will be numerous opportunities to take part in the transformation/ change process:

- Workshops to help them define what they need from a strategic partner
- Employee communication forum – they will need reps from each area to represent staff on the forum
- Change champions – supporting the programme team during the transformation process
- There will be additional face to face briefings throughout the programme, supported by electronic communications
- Closer to the selection of the partner they will run workshops with preferred bidders so that they can get to know them better and begin to build common understanding

#### **Barriers**

- Lack of staff engagement and consultation
- Traditional client/contractor relationships must be shifted towards partnership and collaboration
- Many contracts do not incentivise improvement and efficiencies
- Enablers, such as IT, must be available and functional

- Lack of capacity to resource change
- Insufficient internal and external challenge

## **Outcomes**

The expected outcomes from these new ways of working are as follows

- Significant contribution towards Essex County Councils' £300m saving target until 2012/13 and beyond
- Increased customer satisfaction
- Increased productivity through greater consistency and standardisation of processes
- Improved transparency of decision making, accountability and responsibilities of each role
- More effective contract management and performance monitoring

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