

December 2007

A review of the council's partnership with AccordMP

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Chairman's introduction

Cllr Mark Versallion

This report comes at the end of a review that I consider has made good use of the Performance and Finance Committee's twin areas of focus. This new committee has investigated in depth the way the Council has partnered with Accord MP (AMP) to deliver the borough's public realm infrastructure needs. This means Accord MP now provide maintenance and construction work on Harrow's roads and footways, for emergency and seasonal work, such as repairing the road after water mains bursts or gritting the roads in winter, and for a whole range of other connected services, such as dropped kerbs to allow cars onto converted drives.



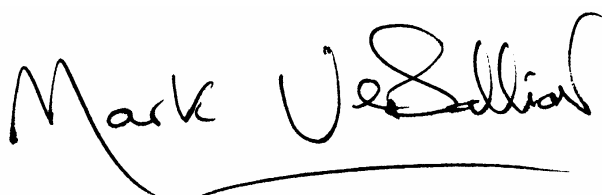
Public realm services are highly visible and highly emotive to the public. It is one of the few Council services that touches every member of the public. As such, doing the right things - and doing things right - whilst providing value for money, is critical to the Council's reputation and to the public's satisfaction.

We have looked at a large amount of evidence, from high-level strategy documents, to a series of surveys we have carried out ourselves with residents, to site visits, to see whether the aims and objectives of the partnership are permeating through to delivery of services 'on the ground'.

The partnership is now a little over eighteen months in to its five-year term. Our aim has been three fold: *(i)* to look at how public realm work was done before the partnership; *(ii)*, to look at how it is done now and what has changed; and *(iii)* to identified any lessons that can be learnt.

In doing this, the review group has been ably assisted by both Council officers from the Property and Infrastructure Division of Community and Environment Services, and by Accord MP officers. They have been prompt in providing information, and open, frank and constructive in their responses to our questions. My thanks also go to Cllr Susan Hall, the current Portfolio Holder, who provided us with an insightful perspective and useful evidence, and to the former Portfolio Holder when the partnership was entered into, Cllr Philip O'Dell.

I believe our findings and recommendations will prove valuable to all those involved in the partnership, and ultimately improve services to our residents.



Cllr Mark Versallion MA
Chairman of Review Group
Chairman of Performance and Finance Scrutiny Committee

Methodology

The review was delivered in the following way.

Case studies

A series of three case studies were analysed to allow members to draw conclusions from specific projects. Each case study consisted of three complementary elements:

Surveys. Around 200 surveys were despatched for each case study. These provided residents with an opportunity to make their views known on the projects which were being looked at in-depth. Residents also had an opportunity to provide “free text” responses. These have been used in the report to support some of our findings, although it should be stressed that none of our findings derive exclusively from a free text response.

Meeting with officers. Members of the review group met officers to discuss the projects concerned. In the case of the Uxbridge Road case study, this was carried out on site.

Assessment of documentation. Officers provided members with comprehensive information on each of the case studies, which was analysed as part of a desktop review.

The case study topics were as follows:

- Uxbridge Road reconstruction: 1km of the road surface was replaced in total. The resurfacing was carried out in one “hit” – an unusual method which, though successful, is probably not one that the council will repeat, given the need to divert significant amounts of resource to carry out the reconstruction in a short period of time.

Planning for the project started in April 2007. A significant amount of analysis needed to be carried out to ensure that the work could be carried out to cost within resources and to minimise the potential disruption to local people, and to people passing through.

Funding was provided entirely by TfL, as Uxbridge Road is a “principal road”. £812,000 in total was provided. Funding was in this case provided because TfL were impressed by the fact that the bid was comparatively low, considering the projected quality of the scheme. This was made possible as a result of the innovative methods being used in the construction.

- Vehicle crossings: the partnership provides a service to local people for the construction of vehicle crossings, or run-ins, across the public footway into the householder’s drive. This is paid for by the householder in most cases, although when “whole street” footway replacement projects (for example, Kenton Lane) are being carried out a different approach is taken.

Householders are provided with a design solution which is most appropriate for their property. Costs can be anywhere between around £200 and £1,600. The service is intended to be revenue-neutral.

- Emergency response (with particular reference to water main bursts on Marsh Lane and Queensbury Circle): the partnership is responsible for providing an emergency response to critical incidents. Part of the same service is responsive maintenance – fixing potholes, for example.

Most of the evidence on this case study related to the water main burst at Queensbury Circle. This was a significant incident that required road closures and diversions to be in place only a few hours after the problem was reported, as it occurred shortly before the morning peak. The case study assessed the quality of three-way partnership working between the council, AMP and the relevant utility company, Three Valleys Water.

Each case study was assessed according to the set of “guiding principles” behind the partnership, which were outlined in the report submitted to Cabinet when the Accord MP partnership itself was agreed, in April 2006. The full details of this evaluation can be found in the appendices. We have sought to consider these guiding principles throughout our review, providing as they do an objective framework for our discussion of the evidence, allowing us to sensibly make judgment as to whether performance in a given area is “good”, “bad” or “indifferent”, in broad terms.

The case study evidence was considered at a meeting of the review group in November 2007.

General issues

More general issues were discussed at a round table meeting in late November 2007, attended by council officers, representatives from Accord MP, and the current and former Portfolio Holders. At this meeting, matters relating to governance, performance management, quality and costs, and communications, were all considered. Evidence was drawn from:

- Data provided by AMP and council officers, including presentations, strategies, structural and organisational diagrams, KPI and BVPI information, minutes of internal meetings, and other relevant material.
- Information gathered from more general study of the partnering principles, notably the Egan and Latham reviews.
- Comparative data – where applicable and appropriate – from other boroughs. However, as we note in the report, comparisons with other boroughs are difficult in this case.
- The outcome of discussions at a series of meetings between members and officers.

Members received two detailed briefings to support their consideration of these matters – one as part of the scoping process and another shortly before the round table meeting itself.

It is these key issues that we have used to supply the framework of our final report.

Papers relating to all the above (including the two background briefings) can be found in the Appendices, attached.

Executive summary

Performance and relationships prior to the start of the partnership: how were services delivered before, and to what standard?

Before the partnership began, services were delivered through a selection of Compulsory Competitive Tendering (CCT) contracts with sixteen different contractors to deliver “public realm infrastructure” services. As is required with such contracts, cost was the overriding objective rather than quality. Delivery was divided between a number of very small suppliers, leading to a lack of flexibility and duplication of resources within the council. Services did suffer as a result, and capacity was constrained.

How things have changed

i) The principles behind partnership working

The principles of “partnership” working derive from work carried out in the Latham (1994) and Egan (1998) reviews, looking at the potential for efficiencies in the construction industry. The Egan report specifically and deliberately eschews a contract based approach in favour of the development of a continuous, long-term partnership based on quality control, shared risk and reward, and a focus on improvement. The report describes partnering as, “two or more organisations working together to improve performance through agreeing mutual objectives, devising a way for resolving any disputes and committing themselves to continuous improvement, measuring progress and sharing the gains”. This allows for much more flexibility than would be possible in a standard contract.

ii) Governance

There is a robust joint governance regime operating both for the AMP and Kier (corporate property) partnerships. Management is through a Partnership Board, which delegates down to a Contract Management Board and a number of Service Improvement Groups, responsible for delivering specific improvements and projects.

This is a new approach, which follows an uncertain first few months for the partnership. The Portfolio Holder and partnership officers all agree that the partnership got off to “a shaky start”. However, the changes in the governance arrangements and the development of a much more mature relationship over the last nine months has resulted in a step change in the way the partnership operates. The problems which occurred in the first nine months of the partnership may, though, have encouraged partnership officers to try to circumscribe their activities through the much more robust governance framework we have described, and through more agreed standards, rates and methods of delivery. But by doing this the partnership may be limiting its own ability to be flexible, to make innovative and unusual decisions, and to allow professionals on the ground the freedom to design and deliver projects in new and effective ways.

iii) Design quality

The setting of design standards is an issue for the council. However, it is only now that a coherent set of standards are being developed across the entire service. Previously standards were set on a project-by-project basis. On the face of it, it makes sense to have a core set of

standards to govern all work being carried out – it cuts down on costs and ensures that works are carried out on a value for money basis.

However, some of the flexibility inherent in making decisions based on individual circumstances might be lost. Furthermore, there is an argument that the setting of more and more cross-partnership standards and requirements will more generally hamper the flexibility of the partnership. We would counsel officers to take care to ensure that these design standards are themselves flexible and responsive enough to deliver something close to a bespoke solution where it is required.

That said, the design quality being delivered by the partnership is both high and value for money.

iv) **Performance management and financial control**

The partnership has a suite of Key Performance Indicators against which it is judged, which complement the existing set of Best Value Performance Indicators (BVPs).

There is a defined performance management methodology which is adhered to, and which defines how the partnership will examine and take forward conclusions from performance information. From the way it operates, it can be seen that it is not an adjunct to the running of the partnership but – as was seen in the section on governance, above – as the central means for underpinning the relationship between AMP and the council.

More effective use of resources, and effective work programming, have seen significant improvements and operational efficiencies, freeing up officers and ensuring that individual officers' workloads are not overbearing. The partnership has provided the flexibility that will hopefully allow the council to continue providing a good service within tight resources.

However, there has not (until recently) been a focus on recording both qualitative and quantitative measures, and although some steps have been taken to introduce some new, "value-added" KPIs, we do not think that these steps necessarily go far enough.

Recommendation 1. That the partnership ensure the performance management framework takes full account of qualitative items over and above the development of further quantitative KPIs. This would be accompanied by robust methodologies, central to a light touch governance regime that promotes innovation and risk-taking. The review group also found that early contractor involvement has been key to delivering some of the most innovative and best value solutions and should be encouraged within the organisational culture of the partnership, as well as serving as an example to other parts of the Council's workforce.

Recommendation 2. That the portfolio holder may find opportunity for increased capacity with the same departmental head count due to the additional resource benefits of the AMP partnership and its innovative and specialist skills. The review group identified for example, that work has been taken off Council staff's shoulders in areas of design and in site assessment, where AMP now conduct this work. This has freed Council staff time for more strategic and statutory work, which has been under pressure.

Recommendation 3. That the administration reflect on the fact that the AMP agreement was done under the expectation that the annual spend would be in the region of £12-£15 million. The AMP partnership began part way through 2006 so 2007/08 is the first complete municipal year the partnership has run, and 2007/08 spend is in fact on target

for £8 million, which could well present commercial issues for AMP. However, during our investigations AMP confirmed that the August 2006 agreement of Hillingdon Borough to retain AMP in a similar partnership has negated any adverse fall-out that may have arose from Harrow's reduced spend. AMP's economies of scale bring huge advantages to Harrow but these advantages can only be sustained with a minimum spend.

v) **Communications**

A new communications strategy for the partnership has recently been drafted, and capacity in this area seems to be increasing. We think that it is important that increased capacity be built on to deliver better and more effective customer care, and community involvement, activities, which are more ambitious and wide-ranging than those being carried out at the moment.

We recognise that resources are tight, and that already the communications service being provided goes beyond the initial contract specification, but a more ambitious approach would deliver significant gains in the future. Our case study evidence tends to support our conclusion that the partnership strategy is not sufficiently progressive at the moment, and we think that there is scope for some improvement here.

We also think that the partnership does not do enough to champion and celebrate the good work that it is doing within the council itself. An excellent service is being provided in a value for money manner and there is a clear passion and dedication to deliver, but the good practice that has built up as a result needs to be disseminated throughout the rest of the organisation.

Recommendation 4. That an approach to communications and community involvement be taken that allows genuine partnership in decision-making with local people. This approach would also see continuous involvement with residents on all issues relating to public realm infrastructure through a joined-up approach to communications between AccordMP, Kier and the Council. The review group discovered that some communications that went out jointly from AMP and Harrow Council were not adhering to expected criteria of production and quality. For example, although 88 per cent of residents were satisfied with the work done on Uxbridge Road, 52 per cent were not satisfied with the communications, or lack thereof, during the work.

Recommendation 5. That each piece of project communication to residents be used as an opportunity for the portfolio holder to explain the broader objectives of the work being done and to communicate the Council's vision of why and how we are delivering an improved public realm.

Findings

Introduction

In April 2006, the council entered into a partnership with Accord MP to provide what is termed as “public realm infrastructure” services for the council. This agreement covers more than just roads and footways – it deals with the entirety of the borough’s infrastructure.

To give some idea of scale, we were provided with an indication of the quantity of infrastructure for which the partnership is responsible. This includes 450 kilometres of roads, 900 kilometres of footways, 15,500 lamp columns, 2,800 illuminated traffic signs and bollards, 12,800 road signs and 19,000 drainage gullies. Managing these assets is a complex and demanding task.

This report presents a synthesis of evidence drawn from a huge variety of sources, all gathered to help answer one key question – have these services improved in the last eighteen months?

The structure of this report reflects this. It is comprised of two sections – the first aims to provide a baseline, an assessment of how services were provided before the AMP partnership. The second section takes an in-depth look at how things have changed since April 2006, with reference to governance, communications, design, quality and performance management and costs.

We considered three case studies as part of our review. The first looked at the reconstruction of Uxbridge Road in Stanmore, the second the construction of vehicle crossings to allow residents’ cars to traverse the pavement to enter run-ins in the former front gardens of house, and the third emergency response work (remedial working following road traffic accidents or water main bursts, for example). We have used this tactical and operational information, which in many instances relates to some quite specific engineering solutions, to allow us to draw some conclusions relating to the strategy that sits behind the work being carried out. Hopefully our findings and recommendations will reflect what is ultimately a strategic focus.

All the evidence together has helped us to reach a number of findings. Notwithstanding this, we have chosen only two issues about which we are making formal recommendations. These are in the fields of communications and performance management, and we feel that our comments on these issues in particular can help the council and Accord MP to further improve the operation of the partnership.

That having been said, we hope that some of the other findings we have made will prove useful to officers and the Portfolio Holder as well.

Performance and relationships prior to the start of the partnership

To best consider the situation after the commencement of the Accord MP partnership, it is necessary first to assess a baseline – a statement which reflects the situation before that partnership began. We propose to do this by looking at governance issues and performance issues as they were before April 2006.

Governance issues

Before beginning, it is important to point out that the partnership with Accord MP does not, in and of itself, constitute “contracting out”. In relation to highways, it has been a requirement that councils contract out since the 1980s, as part of the Compulsory Competitive Tendering (CCT) regime, that was brought in by the Local Government, Planning and Land Act 1980.

Before April 2006, there were sixteen separate CCT contracts for “public realm services” (those for which AMP are now responsible). To all intents and purposes they were monitored and delivered separately, with the council defining the services to be provided through the contract.

Although the contracts were procured at a time when “best value” principles were being introduced into the local government landscape (in the late 1990s), the central ethos of CCT remained that the council had to procure services as cheaply as possible.. Local authorities were relatively tightly circumscribed as to the nature of contracts they could enter into, and quality was not viewed by the regulations governing the process as being as significant an issue as cost.

Inevitably this focus on costs meant that contractual control was particularly important. Contractors delivered services according to their contractual specification and as such governance was more a matter of legal compliance than of discussion and negotiation on an ongoing basis.

The council’s principal function was to balance resources and co-ordinate deliver across all sixteen contracts. Naturally this meant that a great deal of time was taken up with the duplication of monitoring responsibilities across these contracts.

Performance issues

Performance management was not, before April 2006, linked in to issues relating to cost. Service provided was invariably defined by the contract. The contract would have defined quality and costs but, importantly, would not have been flexible enough to respond to changing circumstances. As such, it would have been difficult to redirect resources to new improvement priorities, or to shift resources across all sixteen contracts that would have resulted in the most value for money service possible.

In terms of design more generally, officers advised us that the contractors did not have the capacity to deliver innovative work. The contractors used were predominantly local, and although local knowledge is obviously useful, it is plain that a small contractor, responsible for a small element of highway or footway maintenance, will not on its own be able to command the resources necessary to deliver a large or complex project.

What did the partnership want to achieve?

It was clear that the partnership wanted to deliver a number of key benefits through partnering. These were:

- To capitalise on the potential of the Egan partnership processes, as described below, to deliver some key innovations and efficiencies.
- To develop a longer term relationship with suppliers.
- To fully link service improvement with performance, through a robust framework of Key Performance Indicators (KPIs).
- To improve and enhance capacity to deliver on the ground improvements.
- To encourage two-way skills transfer between the partners.

This is further articulated through the “guiding principles”, used to assess the case studies, which were the means established for evaluating and developing both the original tendering process and setting up the partnership in the first place. As we have explained, the guiding principles are not being referred to directly throughout the report, but we have used them to inform our recommendations. They present a useful “baseline” for assessing whether the partnership has achieved its objectives, but should be seen with two caveats. Firstly, officers now state that their initial aspirations for the partnership may have been unrealistic – too much was being attempted too soon. Secondly, the guiding principles were articulated by the council alone – although prospective partners would have been expected to meet the aims identified in the principles.

The principles were, and are,

- Design innovation
- Capacity and capability enabler
- Life cycle costing
- Improve performance through effective management to deliver quality, cost and efficiency improvements
- Developing longer term relationships with suppliers
- Improve collaborative working
- Sustainable solutions
- Mutual benefit to partner and council
- Focus on stakeholder satisfaction
- Building in safety and reassurance including designing out crime

Principles of “value for money” (VFM) are not mentioned specifically, but the necessity for the partnership to be value for money is clearly implied in several of the principles.

As we have explained in the section on methodology, an assessment of these principles has formed the basis of our evaluation of the partnership and of the three case studies. This assessment and evaluation can be found in the report’s appendices.

How things have changed

i) The principles behind partnership working

Before considering issues relating to governance, communications, design quality, and finance and costs, it is first necessary to understand the principles behind “partnership working” – a phrase which is used to define some revolutionary thinking in the way that bodies enter into arrangements with one another for the delivery of a particular service. We intend to look at this in some detail, as it goes to the root of our discussions and it is necessary to have a full understanding of it in order to consider the council's relationship with Accord MP.

Partnership is a difficult concept to fully understand in the context of large-scale public sector contracting – possibly because it is so simple. It seems counterintuitive that its approach – eschewing contractual reliance and focusing on trust and co-operation – could work with two large organisations delivering a complex service that relies so much on high quality and adherence to set standards. In fact, the mere notion of such a relationship being based on “trust” rather than on a detailed contract was something about which at the outset we were extremely dubious.

However, we have seen that such an approach is possible, that it can work, and that it can in fact make for a more flexible, responsive and constructive relationship than a standard contract.

Partnership is not the same as “contracting out”. It is a different approach to the relationship between two bodies that was outlined by Sir John Egan in the “Rethinking Constuction” report in 1998. Since then, work has been done to further develop Egan’s principles, and “partnership” has become more common, along with the notion of “open book” working, which is discussed below.

Partnership is not the same as ‘contracting out’

It should be noted that although Sir John’s report is focused on the construction industry, it is entirely applicable to public sector contracts, subject to both partners having a similar outlook and strategic direction as that identified in the report itself.

Sir John’s report can be seen as the first step in a process that has led to an increased focus on partnership and trust in large scale construction and infrastructure projects.

The Egan Review

The Egan Review came after an earlier report by Sir Michael Latham in 1994, “Constructing the Team”, which emphasised the importance of teamwork and co-operation in the construction industry.

Very many of the Egan Review’s recommendations emphasised quality over cost – issues that were entrenched in the public sector by the Best Value regime soon thereafter. However, partnership goes further than Best Value in promoting the idea of mutual interdependence and the sharing of risk.

Sir John’s report begins by establishing a number of “drivers for change” – fundamental issues facing any organisation (whether or not they are involved in the construction industry). These are:

- committed leadership – this relates to a commitment from senior management on improvement.
- a focus on the customer – companies must provide exactly what the end customer requires – not merely the next employer in the contractual chain.
- integrate the process and the team around the product – this is about being willing to change organisational structures to fit around the product being supplied or provided.
- a quality driven agenda – this relates to “the total package” – getting things right first time, delivery on time and to budget, innovating for the benefit of the client (in this case, the council) and stripping out waste. Doing this will lead to reduced costs.
- commitment to people – a commitment to training and development of staff.

The [Egan] report specifically and deliberately eschews a contract based approach in favour of the development of a continuous, long-term partnership based on quality control, shared risk and reward, and a focus on improvement

The emphasis on quality
– Sir John emphasises the importance of performance management in driving up quality. The report specifically and

deliberately eschews a contract based approach in favour of the development of a continuous, long-term partnership based on quality control, shared risk and reward, and a focus on improvement. The report describes partnering as,

[...] two or more organisations working together to improve performance through agreeing mutual objectives, devising a way for resolving any disputes and committing themselves to continuous improvement, measuring progress and sharing the gains.

This is difficult to understand fully at first glance – especially from the vantage point of local government, which relies more than many other sectors on contractual certainty and the minimisation of any kind of risk. Furthermore, it appears to be counterintuitive. The reliance on trust appears to allow a free rein to the incompetent contractor, who will make significant claims and promises at the beginning of the relationship which it is then incapable of delivering. Conventional thinking would dictate that the contracting organisation would then have no recourse against its partner because of the lack of a contract to define the terms of a relationship.

However, this is to approach the point from the wrong angle. Understanding the full import of partnering relies on a general focus on the end product, a broad approach which the report suggests can be broken down into four “interlocking and complementary” components:

- product development
- project implementation
- partnering the supply chain
- production of components

Egan says,

The key premise behind the integrated project process [the process described above] is that teams of designers, constructors and suppliers work together through a series of projects, continuously developing the product and the supply chain, eliminating waste in the delivery process, innovating and learning from experience.

This approach, of course, requires client and provider to work as a “team”, a combined unit that operates as such, rather than as two separate entities. This is why, in the context in which we are looking at partnership, it is probably unhelpful – and inaccurate – to say that, “AMP does this” or “The council does that”. This is a difficult habit to break out of. Both entities are working in concert – in partnership. In fact, the evidence we have received, and which we will consider in more detail, indicates that this does in fact happen on the ground.

... it is probably unhelpful – and inaccurate – to say that, ‘AMP does this’ or ‘The council does that’

Long term relationships – the Egan report puts much store in the development of long term relationships, which allow trust to develop between partners. It also allows a group of people, working together, to learn and develop as a team. Egan says,

A team that does not stay together has no learning capability and no chance of making the incremental improvements that improve efficiency over the long term. The concept of the alliance is therefore fundamental to our view of how efficiency and quality in construction can be improved and made available to all client, including inexperienced ones.

The long-term relationships proposed are ones that harness the expertise and skills of all those in the entire supply chain to deliver an end product – a product which meets the clients’ needs. To this end the report envisions the wholesale replacement of standard contracts with this more flexible partnering approach.

How is it better than a “normal” contract? – to summarise the above in the context of “traditional” contracting:

- Partnership avoids the development of a “blame culture” between parties to an agreement.
- Within the traditional procurement structure (defined contract setting out standards at the outset) there is no ability to build in targets, and to deliver and develop continuous improvements.
- With a defined contract, there is limited flexibility to change delivery according to different client/provider needs.
- The “open book” approach has the potential to be more transparent and constructive.

Having discussed the principles, we will now move on to discuss some key aspects of the partnership in the light of issues relating to governance, performance management, design, financial control and communications.

Links with the “Gershon agenda” – the Gershon Review of Public Sector Efficiency¹ has become so fundamental to the way that the public sector operates that referencing it is almost superfluous, but it is useful to consider exactly how the partnership agenda intersects with the ideals and recommendations of Gershon.

The “Gershon agenda” has at its centre the idea of reallocating resources so that they are transferred to the front line, rather than taken up with the operation of “back office” functions. This can be broken down into a number of separate area. Common procedures and arrangements, reducing the need for “bespoke” approaches across a wide range of similar

¹ Published by HM Treasury in 2004.

services, are one. Another relates to savings on procurement and transactional services. It is on these two issues that it is perhaps most sensible to concentrate.

It is clear that a system based upon a number of separate contracts, driven by the contents of those contracts, and highly prescriptive in nature, do not meet Gershon requirements, and that of themselves provide a justification for further efficiency. A partnership based approach is itself more efficient because it operates under a governance regime that does not require all requirements for all services to be set in stone; by doing so, organisational flexibility can be secured, which makes the delivery of the service more efficient.

Furthermore, the combination in Harrow's case of the governance regimes for the Kier and Accord MP partnerships – something which we shall discuss further in the next section – helps to deliver high-level efficiencies which results in more meaningful and targeted support for front-line staff.

Following on from this, procurement and transactional services are also far more efficiently and effectively delivered. We will go on to discuss this further in our section on performance management and financial control. However, in brief, delivery of a service in partnership which is driven by the need to improve services allows front-line resources to be focussed on those areas where improvement is most needed, and allows strategic resources to “follow” local need on the ground in a way that may not have been possible previously (certainly not to the extent that it now occurs).

ii) Governance

The governance arrangements for the partnership reflect its aims and principles, as outlined above.

Tenders were invited for two separate services – public realm works (for the actual operational infrastructure), and professional services (such as design work). AMP were the only organisation to bid for both contracts and they were awarded both. To all intents and purposes, governance for the works and professional services elements of the partnership are treated as one and the same.

The AMP partnership was the second of the three large agreements with private sector organisations to be entered into by the council. The first was the business transformation partnership with Capita in 2005, and the third was the partnership for the provision of the construction services² with Kier Group, in 2007.

Given the fact that the AMP and Kier partnerships cover similar areas – and given that they both involve the Property and Infrastructure Division of the council's Community and Environment Services directorate – the decision was made upon the Kier partnership being entered into to combine the governance arrangements for Kier and AMP.

Both partnerships are managed through a Partnership Board, which meets quarterly. The purpose of the Board is to lead relationship management for both partnership (that is to say, to operate some level of oversight and control, and to ensure that information is being passed between the council and AMP appropriately). Essentially, it is there to ensure that at a high level AMP and council officers are operating as a unified “team” as envisaged in the Latham and Egan reports.

Alignment of priorities and alignment of partnership

When we spoke to the Portfolio Holder about the governance and high-level operation of the partnership, her views very much reflected the opinion of council and AMP officers that the partnership generally “got off to a shaky start”. Officers have been open and candid about this and steps have clearly been taken – primarily in relation to governance, but also connected to project and performance management – to deliver a service that has clearly seen substantial improvement in the last six to eight months.

[The Portfolio Holder's] views very much reflected the opinion of council and AMP officers that the partnership generally 'got off to a shaky start'

In particular, issues relating to forward planning and capacity were recognised, some of which emerged during our discussion of the Uxbridge

Road case study. The significant cultural change within the council necessary for the successful operation of the partnership happened more slowly than anticipated. However, officers insist that the partnership has always, since day one, delivered on the ground.

We think that officers should be congratulated on having overcome these initial difficulties. Too much was expected of the partnership too soon, which inevitably meant that some promises were not delivered on. Initial policy decisions were made without the firm evidence to back them

² This includes construction and responsive maintenance for housing, schools, libraries, social care centres and other corporate property.

up. We suspect that this may have stemmed from an initial lack of baseline information on which to base proposed service standards, and on which to base targets, at the beginning of the partnership.

Officers should be congratulated on having overcome these initial difficulties

We do not consider these to be systemic problems. In many ways, they were inevitable. Partnership working is new for the council and a partnership of this kind is a fairly new departure for AccordMP. There were always going to be teething difficulties and the important fact to note is that none of the problems that did occur affected the delivery of services “on the ground”. The fact that they occurred, the fact that the shortcomings have been honestly acknowledged, and the fact that lessons have been learned from them, if anything makes the partnership that exists now a stronger one. This can only bode well for the remainder of the partnership term.

It is clear now that there is a joint vision for the partnership and a set of joint objectives which define how the partnership is going to deliver this vision.

Organisational structure and reporting

The integration of the governance arrangements for the Kier and AccordMP partnerships was an excellent decision and makes good strategic sense. The joint Board has not been running for too long and at this stage it is probably difficult to start drawing conclusions. However, consideration of work undertaken since it came into operation, and the structure that exists to

facilitate reporting of decisions up and down the management chain, lends credence to the view that it is robust.

The integration of the governance arrangements for the Kier and AccordMP partnerships was an excellent decision and makes good strategic sense.

The governance structure for both partnerships is based on a single partnership board supported by two Contract

Management Groups, one for each partnership. For AMP, the CMG is supported by an Infrastructure Operational Group, which itself provides a forum for the discussion of some key infrastructure projects. By doing so, it ensures that key information relating to the delivery of some of the partnership’s priorities – in particular, the rebuilding of Petts Hill bridge, retail-friendly parking, the proposed new PFI arrangement for replacement of street lights, Wembley Stadium event day parking and the reopening of Wealdstone High Street – can be passed easily to senior managers.

Service Improvement Groups – complementing the work carried out by the Partnership Board generally are projects undertaken by SIGs, Service Improvement Groups, which are project groups established to examine specific issues relating to governance and performance, both generally and, where necessary, in relation to specific projects.

Joint systems and structural alignment

“Structural alignment” means that both AMP and the council are working well together from strategic (senior management) down to operational (actual work in the public realm) level. The main method for achieving this has been through a combined business plan, the establishment of joint priorities (which makes joint working more straightforward, and ensures that AMP and the council are not working towards different aims) and, importantly, identifying justifications for spending decisions. This provides an important strategic focus which officers have been frank in admitting did not previously exist. We consider that it was inevitable that the focus at the beginning of the partnership was on operational mobilisation – making sure that work on the

ground was being carried out when required, by the right people. We do not entirely agree with the conclusion that it would have been unrealistic to set up a clear and robust business planning process from the beginning, but the important thing now is that more forward planning is going on.

We would like to sound a note of concern about the introduction of joint design standards and additional controls over delivery of individual projects, intrinsic in the development of the governance arrangements over the last six months. One of the strengths of the partnership, we feel, is its flexibility. However, it is important that its governance be robust. The easiest way to do this is to establish governance systems and management processes to monitor and control resources, and to direct strategic, tactical and operational decision-making. The partnership has taken some steps to do this. But does this top-down control risk the flexibility that has contributed to some of the partnership's early successes?

There is inevitably a balance to be reached, but we have gained the impression that the problems which occurred in the first nine months of the partnership have encouraged partnership officers to try to circumscribe their activities through the much more robust governance framework we have described, and through more agreed standards, rates and methods of delivery, some of which we will describe later in this report. But by doing this the partnership may be limiting its own ability to be flexible, to make innovative and unusual decisions, and to allow professionals on the ground the freedom to design and deliver projects in new and effective ways. We have no specific evidence that this is happening – the new governance arrangements, and the changes made in the last few months, are so new that it is too early to draw conclusions. But we do think that this risk exists. Governance needs to be responsive and dynamic rather than overbearing. We see the Partnership Board looking at issues and projects on a “by exception” basis, looking at strategic trends and the overall direction of AMP, Kier and the council's relationship, and ensuring that the trust that exists between AMP and the council is translated into trust between the senior levels of the partnership and operational delivery. We think that the strength of the relationships between the different levels of the partnership, as they exist now, can ensure that this can happen and that high levels of performance can be both maintained and built upon.

One of our recommendations touches upon this point, and we will come back to this issue with particular reference to design in the next section.

Further into the future

We were happy to learn that the partnership had been procured at “the right time” in the context of other changes in the construction industry. Now, pressures are significant on those with AMP's skills and expertise, with some significant engineering projects ongoing in the London area, and expected to continue into the foreseeable future³. However, Harrow has guaranteed access to AMP, at agreed prices, which makes the council's position much more stable.

[T]he problems which occurred in the first nine months of the partnership have encouraged partnership officers to try to circumscribe their activities through the much more robust governance framework we have described, and through more agreed standards, rates and methods of delivery [...] But by doing this the partnership may be limiting its own ability to be flexible, to make innovative and unusual decisions, and to allow professionals on the ground the freedom to design and deliver projects in new and effective ways.

³ To name only a few, with their estimated completion times: the Thameslink Programme (2016), the Olympics (2012), Thames Gateway (ongoing), development of the Western Wedge (ongoing), Heathrow East (2010-12) and Heathrow North (around 2017 if approved), Crossrail line 1 (2015) and Crossrail line 2 (if approved, 2018) and the Transport for London Investment Programme on the Underground (projects planned through to 2025).

However, we do feel that the council should start thinking now about how it is going to procure its public realm infrastructure services once the partnership comes to an end. As officers told us, the option exists to extend the partnership but once it has been in existence for ten years, EU procurement rules will require it to be re-tendered. The position of the construction industry and the capacity of infrastructure providers cannot be anticipated, but advance planning is crucial to meet any additional call on resources that will be necessitated by such a tendering process, and the potential for a change of partner once the existing arrangements conclude.

iii) Design quality

The quality of the work carried out by the partnership was one of the areas in which we were initially most interested. It is, after all, the most crucial (and visible) part of the partnership's work. Paying less attention to good design affects the quality of the service being provided, leads to design solutions which are shoddy and which cut corners, and in the long run result in higher costs.

We have been happy to see the extent to which high design standards have been "built in" to the partnership. In fact, assurance of the quality of work being carried out might well be described to be a cornerstone of the relationship between the council and AMP. It certainly figures prominently in AMP's original tender.

Design standards

The setting of design standards is an issue for the council. However, it is only now that a coherent set of standards are being developed across the entire service. Previously standards were set on a project-by-project basis. On the face of it, it makes sense to have a core set of standards to govern all work being carried out – it cuts down on costs and ensures that works are carried out on a value for money basis.

However, some of the flexibility inherent in making decisions based on individual circumstances might be lost. Furthermore, there is an argument that the setting of more and more cross-

[W]e would counsel officers to take care to ensure that these [design] standards are themselves flexible and responsive enough to deliver something close to a bespoke solution where it is required.

partnership standards and requirements will more generally hamper the flexibility of the partnership. Officers have told us of the importance of the openness, flexibility and the lack of prescription in the way that work is planned and carried out. There is always the risk that the setting of more uniform standards and requirements will build artificial barriers, making it easier to reference written standards and protocols than to think more creatively about the needs of local people. Then again, without

standards neither we nor officers can be truly sure that the service being delivered is value for money – something we look at in more depth below.

On balance, it is this value for money reasoning that leads us to believe that setting particular standards is probably a sensible move. But we would counsel officers to take care to ensure that these standards are themselves flexible and responsive enough to deliver something close to a bespoke solution where it is required. One of our recommendations relates to this important issue.

Quality itself

Having considered the theory behind standardisation, we will now move onto the actual quality of the work itself. The quality of work delivered by the partnership is high, both on large and smaller projects. We took most of our evidence on this issue from the case studies we carried out and information on the design quality of each is here presented consecutively.

Our site visit to Uxbridge Road⁴ impressed us with the high quality of the work, and the innovative way in which it had been carried out. The reconstruction of Uxbridge Road was a complex project which necessitated some original thinking. Officers told us that the work could not have been carried out to the standard delivered, and in the timescale achieved, without AMP's involvement. We have been provided with what is described as the "design philosophy" for the Uxbridge Road reconstruction, which identifies the steps taken to inform the design decisions which were made. Officers were able to point towards two particular issues – traffic counts and a structural investigation – which led to a reappraisal of the scheme and the adoption of a more fundamental approach to the reconstruction which went beyond the original plans and looked holistically at the entire site. We think that this indicates a willingness and an ability to change plans in response to circumstances, a flexibility which has clearly come about because of the close working relationship between council and AMP officers.

There were a number of interesting design innovations on this project that also involved a reduction in costs. The first is in the use of traffic islands. It is usual practice for traffic islands to be installed into the fabric of the road, which can often break up the tarmac and cause additional delay and disruption during the installation process. AMP staff instead installed islands that sit on top of the road surface. These do not damage the existing road surface during the process of installation and they are also more versatile – they can be removed if damaged and replaced.

Another innovation included the use of foam concrete for the paving, which is more hard-wearing, more versatile and cheaper than standard alternatives. We were told that the use of cheaper, but more hardwearing, materials was a significant factor in the successful granting of TfL funding for this scheme. In fact, Harrow "punches above its weight" when it comes to winning TfL funding for works of this kind, because of the innovative design approaches it has been able to take along with AMP.

It is precisely this kind of creative thinking about design that the partnership has clearly fostered. That such an ambitious project as the Uxbridge Road reconstruction could be planned and delivered only around a year after the beginning of the partnership demonstrates how well officers are working together, and the extent to which good design is at the centre of so much of the work that is being carried out. The lack of significant problems is especially impressive given the unexpected circumstances leading to the late design changes. This care was reflected in the surveys that we carried out. Although there were some concerns expressed, by and large opinions were positive as to the quality of work carried out.

Figure 1: Survey responses: design

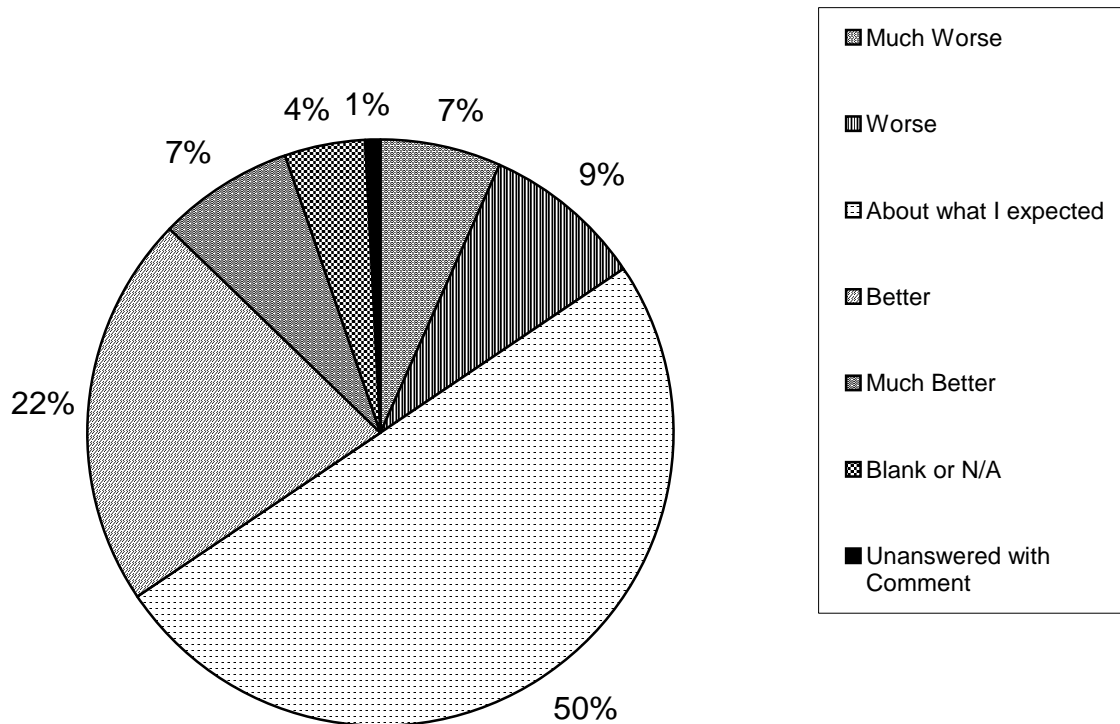
Uxbridge Road: **90%** of residents reported having seen some improvement or a large improvement to the state of the road. **88%** of residents reported that the quality of the work was as good or better than what they expected.

Emergency response: **68%** of residents reported that work was begun to solve the problem quickly or before they had even realised there was a problem. **63%** of residents reported that the quality of the work was as good or better than what they expected.

Vehicle crossings: **81%** of residents reported that they were satisfied or very satisfied with access to their property during the works. **77%** of residents reported that the quality of work was as good or better than what they expected.

⁴ In Stanmore. Detailed evidence from our site visit can be found in the appendices.

Figure 2: Aggregated answer to question, “In your opinion, was the quality of the work, when completed, better or worse than you expected?”



“Gold-plating”

Of course, the nature of “value for money” also means that public bodies have to be aware of the risk of pushing quality too far – delivering an extremely high quality service, but for a cost that is disproportionate. For example, materials may be used which are of a higher quality, and a higher cost, but which result in only a nugatory improvement in terms of the life, safety or appearance of the end product. We refer to this practice as “gold-plating”.

The questions of whether “gold-plating” exists might at first sight seem to be somewhat parochial but does, in fact, go to the root of whether the partnership has the robust procedures in place to allow improvements to services to be made now and in the future.

We focussed on this issue in relation to our vehicle crossings case study. To test our concerns we looked at the comparative costs of the various different techniques used to construct vehicle crossings. These are:

- Bitmac (standard road surfacing material)
- Blockwork (small stones set in gravel)
- Concrete

Officers advised that different treatments were used depending on the projected “load” that the crossing would have to bear. So, for very heavy loads, concrete would be used, and for fairly heavy roads, blockwork. Bitmac is adequate for an ordinary driveway used by cars.

We looked at the tendency to prefer blockwork over bitmac. Contrary to our initial assumptions, we found that whole-life costs as well as capital costs compare favourably. Blockwork only costs between 12 and 15% more to procure and install than bitmac and has an almost indefinite lifespan. Bitmac needs replacement every 7 to 10 years but is obviously cheaper. Even the setting depth is relatively comparable.

[C]are is taken to ensure that the solution that will provide the best value for money, suggesting that issues around quality and costs are considered in full across the totality of the partnership

In short, our concerns about “gold-plating” were not borne out. In fact, it seems that care is taken to ensure that the solution that will provide the best value for money, suggesting that issues around quality and costs are considered in full across the totality of the partnership.

Design conclusions

On the basis of our findings on design standards, quality and gold-plating, we feel confident in saying that the design quality being delivered by the partnership is both high and value for money. The development of common design standards for works, if delivered effectively and in such a way as they avoid unnecessary prescription, would add an extra level of assurance to what we consider to be a robust approach to design in all its forms.

iv) Performance management and financial control

We have been pleased to see that a robust approach to performance management is present within the partnership. Once again, the step change that resulted from the commencement of the partnership could not be more stark. Now, the partnership has a suite of KPIs against which

It is absolutely imperative not only that the existing systems are robust, but that the partnership is measuring everything it needs to measure to allow it to effectively assess its performance – not just those issues which it considers easy to measure

it is judged⁵, which complement the existing set of Best Value Performance Indicators (BVPIs).

There is a defined performance management methodology which is adhered to, and which defines how the partnership will examine and take forward conclusions from performance information. From the way

it operates, it can be seen that it is not an adjunct to the running of the partnership but – as was seen in the section on governance, above – as the central means for underpinning the relationship between AMP and the council.

The importance of effective performance management is such that we have considered it in some detail. It is absolutely imperative not only that the existing systems are robust, but that the partnership is measuring everything it needs to measure to allow it to effectively assess its performance – not just those issues which it considers easy to measure. Steps are being taken to address this challenge, which we consider in more detail below.

The Key performance Indicators and Best Value Performance Indicators

The partnership KPIs cover the entire breadth of the partnership's responsibilities, and rightly form the basis behind strategic decision-making. We have been extremely impressed by the commitment of officers to use performance information to drive forward service improvement, and we are sure that this demonstrates that a performance management culture is beginning to mature between the two partners.

The KPIs, as they stand⁶, reflect a number of key issues. There are indicators on physical performance, financial performance, "people involvement" and customer satisfaction. Targets for each measure are set between now and April 2010 and are increasingly challenging as the years go on. It is entirely appropriate that performance should drive improvement in this way and we are pleased that a robust scorecard of this type is central to the partnership. The methods used to calculate KPI performance are clear. Such is the novelty of this approach, however, that no similarly robust measures (and, importantly, measures on the same subjects measured in the same way) are available for the delivery of public realm infrastructure services before spring 2006. This makes it difficult to establish, from the KPIs, a performance baseline which we can use to assess where the partnership has come in the last eighteen months, and possible trends for the future.

The Best Value Performance Indicators (BVPIs) sit above the KPIs and provide a broader context – and, importantly, a historical context – to the performance of the partnership. We have looked at the BVPI data for the past two or three years, to examine the effect of the partnership on the delivery of services.

⁵ Key Performance Indicators

⁶ They are listed in full, with the year-on-year targets, in the thirteenth schedule to the partnership agreement.

The BVPIs provide only a broad-brush view but do at least allow some comparisons to be made with past performance. They reflect consistent improvement in the areas measured between 2005 and now, keeping pace with target increases. Most BVPIs are now reported as “good”. We were concerned that given the number that were performing so well, the BVPI targets should be more rigorous and challenging. However, as BVPIs are set centrally, this is not an option at the moment.

With the advent of Comprehensive Area Assessment (CAA)⁷, local authorities will have an opportunity to manage the reporting of a new, pared-down dataset comprising 35 of 198 “national indicators” (NIs). Partnership officers should take the opportunity when this occurs next year (and, in fact, when the NI definitions are published, which has now been delayed for some time) to assess how the new NIs fit in to the rest of the KPIs. Which of the NIs are taken forward for national reporting will depend very much on the priorities of the council, and so many areas will no longer be subject to the same central government examination as previously. Under these circumstances it is even more important that internal processes, and the means for using performance information to drive improvement, should be as robust as possible.

[The BVPIs] reflect consistent improvement in the areas measured between 2005 and now.

In-year spending, the capital programme and project completion

So far this year⁸, the partnership has achieved 42% of its capital programme. This is an impressive achievement that demonstrates that financial control, and project and programme management, are working well. This excellent performance is a cause for celebration. It means that all the projects planned for 2007/08 can – if this trend is continued – be delivered on time and on budget, improving our value for money performance and using our resources effectively.

Better financial control has been brought about by a suite of measures, about which we were informed by the Portfolio Holder. Firstly, we have been told that forward planning improvements have been made, setting out a work programme for a full 12 months. Naturally, this means that financial control can be kept much tighter.

We have also been advised that, although the original partnership agreement anticipated a spend by the council of between £12 and £15 million, work has been programmed in such a way that only an £8 million spend is anticipated by the end of the 2007/08 financial year. On the face of it this represents only an internal decision within the council to spend less in this year on the public realm than originally planned, but we would like to identify the possibility that this might place AMP in a potentially difficult financial position, which may risk successful delivery of the partnership in the long term. Happily, the recent agreement between AMP and the London Borough of Hillingdon for the delivery of public realm services has negated any adverse fall-out that may have arisen from Harrow’s reduced spend. Notwithstanding this, we consider that it is crucial for the council to consider the effects that this reduced spend might

[W]e consider that it is crucial for the council to consider the effects that this reduced spend might have on the continuing relationship with AMP

⁷ The CAA will be an inspection regime that will replace the Comprehensive Performance Assessment and which will assess all bodies involved in delivering actions under the Local Area Agreement. As such, it will have an inherent focus on partnership and on the identification of key local priorities, rather than the setting of priorities and targets centrally.

⁸ At the time of writing (December 2007).

have on the continuing relationship with AMP. Hopefully the openness inherent in the partnership will allow the council and AMP to consider this important issue further, and in depth, but we are pleased that the size of AMP and the flexibility this provides them have not resulted in adverse effects as a result of the reduced 2007/08 spend. One of our recommendations relates to this issue.

The nature of the partnership, with the long-term relationship between AMP and the council, has made this long-term planning possible. We were also told that it has been able to deliver a consistent workload.

Officers are, rightly, proud of their achievements relating to performance and project management. More innovative solutions, in design terms, have been made possible because of improvement to project management – this is how it was possible to carry out some of the larger projects such as Station Road and Uxbridge Road in one “hit”. We did learn when studying the Uxbridge Road reconstruction that the decision to undertake all the reconstruction work in one go over a very short period had caused some resource difficulties, with workloads being extreme and staff being stretched for the period in question. However, officers have learned from this experience and anticipate that in future work of this type will be programmed in with the rest of the capital programme in mind to provide the consistency which we discussed. This is a good example of shortcomings in project management being identified and being used to inform future decisions.

Benefits of “single supplier” of services - This brings us to the benefit of using a single supplier of services. The analysis and reallocation of resources depending on workload and on in-year priorities is extremely difficult, if not impossible, with a plethora of different contractors, but with AMP as the single provider this kind of strategic thinking has been available to the council. Officers admit that it has taken some months to capitalise on this, but it is clear to us that planning and project management is at a stage now that allows significant efficiency gains, and quality gains, to be made.

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Of course, AMP themselves subcontract out work to other, smaller contractors – in some cases, contractors with whom the council had a contractual relationship to deliver services before the partnership came into existence. However, the circumstances are different – the focus on performance means that contractors have a much clearer idea of what is required, and AMP’s stewardship means that economies of scale in terms of flexibility and delivery can also be brought to bear.

Service and payment: risk and reward

As we have seen, partnership working is based on trust. Trust itself is based on openness, and to have openness it is necessary to have an equitable sharing of risk and reward between the partners.

In theory, risk and reward works in the way described in the section of this report which goes into Egan partnerships in more detail. The idea is that some of the financial risk of poor performance is shared between the partners, as is the reward. The important thing is that this sharing should be essentially equitable.

In practice, the operation of the risk/reward framework in the AMP partnership is quite complicated⁹.

Firstly, the “baseline” has to be established – the key point against which risk and reward are to be allocated. Achieving the KPIs constitutes this basic 100% standard – tying in risk and reward with partnership performance. Any delivery in excess of the KPIs will consequently result in a corresponding performance bonus being paid (described as “the Harrow bonus”).

However, there is also a risk element attached to non-delivery. AMP puts up a certain amount of its own money to manage this risk, divided into a number of increments. Each increment is calculated as one quarter of the total performance bonus (in percent) available, as agreed by the parties at the beginning of the partnership, as discussed above. Delivery below the KPI target will risk the loss of one or more of these increments on a rolling basis. Each month, one increment is either added to or deducted from the “total” performance payment – unless the contractor is performing at the maximum level (ie, unless all four increments are intact).

The rationale behind this incremental approach is, according to the schedule, to “ensure that there is a method and timeframe in which to correct performance rather than have a 100% or 95% fluctuation immediately. The incremental method allows the contractor to correct performance without too heavy a deduction in doing so”.

So, to provide a worked example under a hypothetical KPI:

- Month 1: All four increments are intact, and performance is delivered to the required standard, so there is no change.
- Month 2: All four increments are intact, and performance is delivered exceeding the required standard. But as all increments are intact, no additional increment is added.
- Month 3: All four increments are intact, but performance is delivered below the required standard, so one increment is lost.
- Month 4: Only three increments are intact, and performance drops below the required standard again, so another increment is lost.
- Month 5: Only two increments are intact, but performance meets the target, so an additional increment is added.
- Month 6: Three increments are intact, and performance exceeds the target, so an additional increment is added.
- Month 7: Four increments are intact, and performance exceeds the target, but because we are back to the full four increments no additional increment can be added.

Of course, where there is significant performance exceeding targets, the “performance bonus” is applied as outlined above.

This is a complicated approach, but a common-sense one. It is not as “pure” a risk/reward sharing scheme as the so-called “target cost” approach¹⁰. However, we understand that it works effectively in this situation.

Risk/reward sharing is, in fact, only one of a suite of payment options open to the partnership to use. These include:

- Schedule of rates (ie, an agreed list of rates for carrying out certain jobs)

⁹ The complete detail is provided in the thirteenth schedule to the contract between AMP and the council.

¹⁰ More detail on target cost can be found in the first background briefing, in the appendices.

- Fixed price (similar to the above)

Different methods of payment are used in different situations, for different kinds of job.

We recognise that a risk/reward, or target cost, scheme will not be appropriate for a number of smaller tasks for which schedule of rates or fixed price arrangements are more efficient. We accept that such a system is pragmatic but would like to highlight what we consider is a potential risk in the use of schedule of rates or fixed price arrangements, in that such arrangements will be somewhat removed from the overarching performance management framework. We have seen that the links between performance management and risk/reward are robust, but the nuances necessary in the assessment of the quality delivered might not be present in a standard schedule of rates. That said, as long as such arrangements are used only for small, defined projects or works, under specific circumstances, this risk will be reduced.

Capacity

The fact of the long-term partnership relationship, the sharing of risk and reward and the additional certainty that comes of partnering with an organisation with a large and professional skills base has capacity implications for the council itself, as a separate organisation.

Officers have informed us of the capacity issues which existed before the partnership came into force. As a collection of small teams, the council could not respond flexibly to situations and officer workload was difficult to plan in advance.

With AMP now responsible for both works and for professional services, however, we have seen that council officers are no longer obliged to spend large amounts of time on design, assessment of work being carried out on site (which is now self-certified by AMP), or indeed on the complex web of contracts necessary under the previous CCT regime (under a series of contract monitoring regimes). Officers' time has been freed and, we think, this presents an excellent opportunity to deal more effectively and efficiently with both strategic and statutory issues for which there may not have been the time or opportunity before the partnership came into existence.

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There is the potential for an expansion in the quality and nature of work now carried out by directly-employed council staff, without an increase in departmental "head count" – an excellent opportunity to capitalise and build on the solid start that has been made in promoting and developing new and innovative ways of working with AMP and other partners.

One of our recommendations deals with this issue.

Potential measurement pitfalls

There are some potential risks in terms of measurement and reporting that we would like to dwell on briefly.

Measuring unmeasurable performance – firstly, there is a conceptual issue to consider around measurement, and what can and should be measured and fed into the partnership's plans for improvement.

Inevitably, it is tempting under these circumstances to measure only those things that are easy to measure. To return to the KPIs themselves, the focus is on physical and financial performance. Obviously, given the nature of the partnership, most key measures will be easily quantifiable. However, there will inevitably be a number of different aspects of performance, which cannot be measured so easily. Customer care is a good example of this. The challenge is to develop a measurement system that blends qualitative and quantitative measures.

The challenge is to develop a measurement system that blends qualitative and quantitative measures [...] we are not convinced overall that the establishment of a small number of value-added PIs will address this issue adequately.

The partnership has tried to address the concern that it has tended to measure only those things which it is easier to measure. It has proposed the development of a number of additional KPIs to measure, qualitative, “value-added” measures, and these have now by and large been implemented within the KPI framework¹¹.

However, despite these steps, we are not convinced overall that the establishment of a small number of value-added PIs will address this issue adequately. There is a case for stating that measurement of valued-added elements to projects should both be developed for and built in to the projects in question, and that current KPIs could where appropriate be amended – integrating qualitative methodologies relating to “soft” measurement – so that the reflection of value-added issues is completely and seamlessly integrated within the PI framework in its totality. We are not sure that simply “bolting on” a selection of more qualitative value-added PIs will resolve this.

Qualitative measurement is, as concepts go, a dangerous and confusing one¹². At the risk of sounding overly theoretical, measuring issues such as “customer satisfaction” and perception is difficult because the measurement of individual perception depends so widely on subjective judgment. Of course, we have used customer surveys as one of the lines of evidence in our work, but the risk of presenting these statistics in the form of a PI is that it can be given the same credence as an indicator that has been subject to the same rigorous verification as a “standard”, quantitative PI. The question is whether qualitative measures, such as customer satisfaction, can be measured well enough to justify their inclusion within a standalone PI.

The question goes beyond mere methodology and as such we have looked at it in relation to the performance management framework more generally. On balance we do not consider that alterations to the methodology of the existing PIs to integrate qualitative and quantitative evidence together would be helpful, as it would make year-on-year performance difficult to compare. Tweaking methodologies for reporting, although tempting, is not appropriate, given the importance of being able to rely on annual information to compare with historical data which has all been measured in the same way.

However, we do consider that more thought needs to be put into the measures for purely qualitative items to ensure that their methodologies are sound. If methodologies are robust we believe that qualitative measures such as these (for example, customer satisfaction) will help the partnership to perform better. The partnership needs to develop measures which are more qualitative, and for quality more generally, which are robust and depend as little as possible on

¹¹ We have not seen specific examples of these KPIs in operation yet.

¹² More on this issue can be found in Hayes A., *Statistical Methods for Communication Science*, (Routledge: 2005) pp24-27, also “Towards better qualitative performance measurement in organisations”, Sun P-YT, TLO 10(5) (2003), pp258-271

subjective interpretation of the data. In and of itself, this will be a challenging task. However, the framework should also not be so prescriptive so as to fetter the ability of officers to innovate, to take risks and to develop original ideas for the delivery of projects. This makes the challenge yet more difficult; but we remain convinced that it is something that must be tackled.

One of our recommendations, outlined at the end of this report, is on this topic.

IT - secondly, we would like to touch on issues relating to IT. IT has been identified¹³ as having been a problem for the partnership. Poor integration of IT inevitably means poor integration between the partners more generally. It also means that reporting up and down the

Constant feedback from on-the-ground AMP officers to partnership officers higher up the chain must be recognised as one of the most crucial things to get right

management chain is not as seamless as it otherwise would be, potentially making it difficult for senior managers to access crucial, real-time performance and asset information.

We are pleased to see that steps are being taken to address this. An extranet is being developed for AMP and council staff which will allow this crucial information

sharing to become more straightforward. We assume, and hope, that care and attention will be taken to tie the extranet in to the council's existing systems – in particular, SAP. Automatic reporting between the two (assuming that the functionality exists to do so) ought to ensure that performance reporting is even more robust than it is already. Constant feedback from on-the-ground AMP officers to partnership officers higher up the chain must be recognised as one of the most crucial things to get right.

Self-certification - thirdly, we want to bring up the potential for difficulties with measurement “on the ground” – the practice of “self-certification”. Under self-certification, AMP are responsible for assessing their own work once completed. On a traditional reading, this seems completely counterintuitive. To have the person or organisation responsible for carrying out work assessing it at the end of the project risks all kinds of problems – chief among them the chance that the assessment will not be rigorous, and that it will be focussed on having the project “signed off” even if set standards have not been achieved.

Are these concerns borne out? We have found that stringent procedures exist for monitoring this reporting, although the thirteenth schedule of the contract only mentions that performance will be measured “by a method to be agreed between the contractor and the service manager”.

PIs themselves, once recorded, are “subject to the agreement of, and certification by, the [council] Service Manager, whose decision in such matter shall be final”. As such, the AMP KPI framework is not “self-certification” per se, but obviously AMP officers are responsible for recording the raw data, as they are delivering the service at an operational and tactical level. This data is provided monthly.

To further assure data quality, at the beginning of the contract there was a three-month “testing and re-calibration” period of the first year’s baseline level of performance.

There is also a section of the thirteenth schedule that deals with misrepresentation of results. Section 4.1 of the thirteenth schedule states,

Checks by the [council] service manager of the contractor’s own monitoring of the KPI targets and performance payments will be carried out regularly. Should these checks find

¹³ Principally at the round table meeting, although evidence received there is reflected in other evidence received in the course of the review.

any deliberate misrepresentation on the part of the contractor, then, as well as any management action at Director level, the performance payment will be reduced by two further increments over and above any other appropriate adjustments identified.

Of course, this is a “long stop” provision which covers events which are unlikely to occur. The nature of the partnership relationship is such that such misrepresentation would not be in the contractor partner’s interests, given the governance issues discussed in the section above.

The nature of the partnership vitiates against concealment or misreporting, as without the sharing of information and the effective management of performance data it would not be able to operate

It is our view that these procedures form an effective long stop. However, this is a long-stop that we would hope are not necessary. The nature of the partnership vitiates against concealment or misreporting, as without the sharing of information and the effective management of performance data it would not be able to operate. Performance on the ground informs PIs, which inform prioritisation of future resources, which are then used to dictate work programmes. At each stage there is a pressing policy reason for partners to be forthright and truthful with each other, because not to do so would risk the long-term relationship, future performance bonuses and the ability to use resources to the best possible use by all parties. This constant interreliance between the partners is what makes Egan partnerships, and by extension the AMP partnership, so robust.

v) Communications

“Communications” covers a wide area. Involving the local community has been recognised as one of the more significant drivers of the partnership¹⁴. Identifying people’s needs is crucial to a great deal of the work that the partnership carries out, and in certain instances such consultation is a statutory requirement¹⁵.

Communication with partners

Consultation is also necessary with other partners, particularly utility companies. It is a consistent complaint¹⁶ that seems always to be made that successions of contractors dig up various parts of pavements and roadways, leading to swift degradation of the road surface. In fact, we saw some evidence of this during our site visit to Uxbridge Road, where only a couple of months after completion contractors from EDF had already dug and relaid channels following some maintenance work. Officers informed us that, now that utility companies are obliged to

We can only suggest that further dialogue with utility companies should be carried out with a view to devising some mutually agreeable solution relating to the harmonisation of work schedules and the agreement of common design standards – but we appreciate that this is easier said than done

carry out repair and remediation works themselves, using their own streetworks teams, the quality of the work is invariably lower than it would be if carried out by the council itself. However, we recognise that progress here is difficult. The situation is defined by statute, which requires utility companies to carry out remedial work which matches the existing treatment of the road or footway. Utility companies seem to interpret this requirement loosely but it is not

practical to expect that the council can challenge every instance where work is not carried out to the standards expected. We can only suggest that further dialogue with utility companies should be carried out with a view to devising some mutually agreeable solution relating to the harmonisation of work schedules and the agreement of common design standards – but we appreciate that this is easier said than done. Utility companies are regional and national in nature and high-level engagement is unlikely to be realistic. It can only be hoped that ad-hoc, relatively low-level relationships can be built which encourage a more pragmatic and consensual approach to road works.

It is clear, though, that AMP and the council are working to build such relationships with utility companies, and this was borne out by our case study work on emergency response. We looked in particular at work carried out to “make safe” Queensbury Circle and the immediate area when a water main burst there last year. In that instance, Three Valleys Water (TVW) formally put on record that they had been impressed by the work done by the partnership to support them. It is clear that both partnership and TVW officers found it possible to work closely together to solve emerging problems and that this approach directly resulted in reduced inconvenience for local road users.

¹⁴ 1st Quarter Contract Management Report 2007/08 (as reported to AMP Partnership Board)

¹⁵ For example, local authorities are obliged to consult local residents before implementing Controlled Parking Zones (CPZs) under the Local Authority Traffic Orders (Procedure) Order 1994, pursuant to ss 6 & 9, Road Traffic Regulation Act 1984.

¹⁶ In fact, it was a complaint made by a number of respondents to our surveys.

However, improvements to internal partnership management processes are also themselves having an impact on utilities' access to roads. The ability to carry out large projects in one go, rather than staggering different elements across a number of different months, has an impact on utilities' rights under the Traffic Management Act (TMA) to carry out planned works in the same area. After reconstruction work has been carried out utilities are forbidden from carrying out works on the same site for the next 12 months. When work is carried out in one "hit" as it was at Uxbridge Road, this means that a large area is free of periodic utility works for this time, which enhances the visual appearance of the area and also enhances public perception.

However, reliance on this approach is, we feel, no substitute for a closer working relationship with the utility companies themselves.

Communication strategy

We have seen a great deal of material emphasising how important communication is to the partnership. AMP and council officers are clearly committed to improving communication, and to this end a communication strategy has now been drafted, made possible by the augmentation of the communications and customer relationship team. We have been advised that there are further plans to build a combined partnership liaison team for Property and Infrastructure, although it is unclear when this is planned to happen.

However, on considering the communications strategy itself, we are not sure that it goes far enough. We recognise that resources are tight, and that already the communications service being provided goes beyond the initial contract specification, but a more ambitious approach would deliver significant gains in the future.

We recognise that resources are tight, and that already the communications service being provided goes beyond the initial contract specification, but a more ambitious approach would deliver significant gains in the future

The strategy seems to lack coherence as a high-level document. This is probably because of its limited scope. We feel that it concentrates on form and process to the exclusion of setting out a framework for ongoing resident engagement in the partnership's activities. The information that it contains – procedures for approval of press releases, information on a "house style", an assessment of the "key messages" from the partnership, and the resources to hand to deliver the strategy itself – is useful and necessary, but not in a document that is meant to set out a vision for communications in its more broad sense.

Part of the reason for this seems to be a confusion surrounding who the strategy is for. It is being distributed to all AMP and council employees involved in the partnership, and so the audience is broad and covers everyone from senior managers to customer-facing staff. The high-level strategy should, we feel, concentrate on focusing the minds of senior managers on the practice to be followed, with more low-level material being prepared and disseminated separately.

Consultation processes - We consider that the consultation processes identified in the customer care strategy and the communications strategy are too one-way in nature. Priorities and actions all deal with AMP and the council's production of information, with residents and local people as a largely passive participant. It seems that the focus of communications work at the moment is on informing the public about ongoing and planned works rather than engaging in dialogue.

Cllr O'Dell, the former Portfolio Holder, expressed the opinion at our round table meeting that AccordMP had not struck him at the time of his involvement as having been especially innovative in terms of consultation and involvement. Obviously steps have been taken in the meantime to address the issue, but we do still feel that although there has been a significant improvement in community engagement, we still feel the partnership does not have a sufficiently progressive approach to community involvement. The engagement with local people is not something that can realistically be undertaken on an ad-hoc, project by project basis. Instead, we feel that communications should focus on building and maintaining an ongoing relationship with local people, in particular through residents' associations, but also directly.

[A]lthough there has been a significant improvement in community engagement, we still feel the partnership does not have a sufficiently progressive approach to community involvement

What would this mean in practice, and how would it be different to what exists at the moment? By suggesting that this change needs to be made we want to build on rather than to eliminate the work that has been carried out so far. The main changes we think necessary relate to "stakeholder liaison", and the practices embodied in the communications strategy at page 15. The strategy states that a number of different means of liaison exist. These

include Access Harrow, community events, direct mailings, exhibitions, noticeboards, post-scheme questionnaires, scheme leaflets and on-site "sign boards".

We consider that more guidance is needed for officers on the appropriate circumstances to use each of these methods of engagement. Different projects may require different approaches and the current strategy does not provide the necessary evaluation or analysis to allow officers to make an informed decision as to the best technique to use. The strategy should place the different methods on a scale, from "informing" local people (the minimal activity the council should be doing) to "co-decision", complete engagement on design, timing and other issues which may be appropriate for a particularly large and complex project¹⁷. Different methods will be more or less appropriate for different situations and this approach will ensure that consultation, participation and involvement is designed to be of the most use for all stakeholders in the partnership's work.

Officers should take a step back from individual projects and think carefully about how local people can and should be involved in decision-making on public realm infrastructure more generally [...] essentially, what we are proposing is that real steps might be taken to transform the partnership from the current two-way relationship between AMP and the council into a three way partnership between AMP, the council and local people

Complementing this, the partnership also needs to develop a progressive strategy for community engagement and involvement generally. Officers

should take a step back from individual projects and think carefully about how local people can and should be involved in decision-making on public realm infrastructure more generally. This could well involve building more robust links to existing bodies and forums, including residents' associations and community groups, and encouraging them to play a meaningful role in decisions that are being made about the public realm infrastructure of their local community. This links in with the council's objectives under the Prosperity Action Teams (PATs)¹⁸.

¹⁷ Essentially we are proposing the consideration of the "ladder" model of community engagement first proposed by Arnstein in 1969 and refined by Wilcox in 1994 (Wilcox, D., "Guide to Effective Participation", Joseph Rowntree Trust)

¹⁸ These are local bodies responsible for the distribution of capital money to local community projects, led by ward councillors.

Essentially, what we are proposing is that real steps might be taken to transform the partnership from the current two-way relationship between AMP and the council into a three way partnership, between AMP, the council, and local people. This is arguably a bombastic statement but we think that it identifies, in essence, the potential that exists for improvement here.

It may well be that the best way of achieving this is the development of a joint communications strategy and structure for both the Accord MP and Kier partnerships, to ensure that community engagement and involvement activities around all aspects of the built environment are managed and delivered under one roof. This would further enhance the perception and existence of a “seamless service” between these two partnerships and makes logistical and operational sense when public realm and construction services overlap so significantly. Good practice in community involvement can be shared and community knowledge can also be passed more effectively between the partnerships in this way.

Direct mailings and leaflets – obviously, each existing method of consultation and participation can remain within the outline framework we have identified. With this in mind we have developed some thoughts on direct mailings and leaflets specifically which derive from our consideration of the material issued for Uxbridge Road, as well as a large range of other consultation material to which we have had access¹⁹.

The leaflet circulated for the Uxbridge Road reconstruction gave very basic information about the work being carried out. We think that there is a case in a large project such as this for a more concerted campaign not only of public information but of dialogue, with local residents, to ensure that works can proceed more smoothly. Many of the “free text” responses to our surveys detail a catalogue of minor complaints and confusions which could have easily been resolved, or would not have arisen in the first place, had a communications plan that focussed on involvement and participation been put in place from the outset²⁰.

Moreover, we are not convinced that the information, when made available, was done in a way that was accessible. Although we have been assured that the quality of the Uxbridge Road leaflet was not representative of other consultation work, the format of other leaflets we have

There is a case for a more personal approach with the literature produced – we suggest that leaflets be addressed from the Portfolio Holder herself

seen is largely similar. Obviously the provision of some information is far better than no information at all, but the work already done on communications could easily be capitalised upon by the provision of more accessible literature which can provide key information, perhaps supplemented with a map where appropriate. There is a case for a more personal approach with the literature produced – we suggest that leaflets be addressed from

the Portfolio Holder herself. We consider that this practice would allow the partnership, and the Portfolio Holder, to explain the context of the work more fully, and how it fits within the improvements being delivered across the borough – the important, more general issues, of why and how the council is delivering an improved public realm. This forms the basis of one of our recommendations.

We have noted that the quality and detail of consultation and information leaflets varies widely and consider that the further enhancement of the communications function within the partnership (as already planned, and as suggested above) could and should lead to a general standard for such information.

¹⁹ In the “AccordMP / Harrow Council Partnership Sample of Customer Relations and Communications Documents”
²⁰ This can be seen at figure xx, below.

Figure 3 – Indicative free text responses relating to communications and involvement, Uxbridge Road

“Apart from road signs we had no idea what was being done.”

“Although I am satisfied with the work done I was very concerned at the start of the work. Without any notice the middle islands were taken out of the road. This is a main route and drop off area for school buses. This put children at risk without parents being made aware of the risk...”

“Some work was carried out quite late at night, it was also very noisy. It was my understanding that all works would be carried out during the day, this however was not the case, and I was never led to believe this would happen”.

“There was not much communication before and during the process”.

Customer care – we have some concerns about individual customer care. Now that a customer care strategy has been developed, we expect that some of our concerns will be resolved shortly, if they have not been already. Certainly, the partnership’s own data reflects a picture of improvement across the board in this area. Complaints, we are told, have reduced from 7 a day to 7 a month.

In general our worries relate to our vehicle crossings study. Here, individual householders paid the partnership for the construction of a vehicle crossing on their property. This is much more similar to a provider/client relationship than the more generalised information and communications we have been discussing in this section so far. Again, our surveys indicated broad satisfaction with the work carried out, but once again there were a significant minority of people who were not satisfied with the service being received. This dissatisfaction may, in many instances, have not resulted in a complaint, which may mean that the partnership is unaware of it – an important point when considering issues relating to performance management.

[M]ore effective aftercare might be needed, as a matter of course

In our view, more effective aftercare might be needed, as a matter of course, where work has been carried out on or near a particular property – or even more generally. This would usefully identify any outstanding concerns and allow quick action to be taken to solve problems. This

Effective discussion, information sharing and joint decision-making with local people will also, as discussed above, manage expectations and ensure that people know exactly what standard and nature of work they can expect – and also to ensure that the partnership fully understands people’s needs

might in some circumstances be as straightforward as a meaningful follow-up survey, or a community meeting – for more significant projects the partnership might take a more proactive approach. A continuous level of

involvement by the partnership in local communities would make this process even more straightforward.

Effective discussion, information sharing and joint decision-making with local people will also, as discussed above, manage expectations and ensure that people know exactly what standard and nature of work they can expect – and also to ensure that the partnership fully understands

By and large work is carried out to a high standard and local people are satisfied

people's needs.

However, we remain of the opinion that these problems are not reflective of the wider service being provided, in relation to vehicle crossings and more generally. By and large work is carried out to a high standard and local people are satisfied – but it is for those minority of situations where this does not happen that agreed consultation and involvement standards, as we described above, are necessary.

Figure 4: Indicative free text responses relating to communication and customer care, vehicle crossings case study

“Not fully satisfied with the quality of work or support to understand the procedure”.

“The size of my crossing is wrong and unjust compared to other roads and even neighbours. I complained and only after several calls someone came to see me. The person said that they could not adjust my crossing even though other roads had different sizes. Also, existing crossing was left and the drive looks bad. The person said he would take action against a neighbour and I have yet to see this happen.”

“I think I wasted my money, the crossing is not in [the] form I expected it to be.”

“The work completed was completed with minimal disruption to myself or neighbours. Good job all round.”

“Although I applied for the [vehicle crossing] at the beginning of January I heard nothing until 4th April. The [vehicle crossing] was started on 27th April but I had no communication from the engineers beforehand – the men just turned up to start out of the blue. The work was finished on 4th May. Since then, no-one has contacted me about it until this survey”.

Celebrating success

The above should not be interpreted as a criticism either of existing practice or of the partnership more generally. We certainly appreciate, as we were informed at our round table meeting with officers, that communications policy has been starting from a relatively low base, and that it has only been in the last few months that concerted action has been taken to effect improvements. Under these circumstances it is unreasonable to expect a high quality and consistency to all the issues we have raised across the entire partnership structure.

With this in mind, we also want to dwell on communications more generally relating to the nature of the partnership itself. We feel that officers within Property and Infrastructure have

There is, within the service, and within AMP, a passion, commitment and dedication which shows itself in the quality of the work carried out, as we have seen [...] this good practice should be aggregated and disseminated further so that staff's performance can be celebrated in the rest of the organisation

been hiding their collective lights under a bushel. There is, within the service, and within AMP, a passion, commitment and dedication which shows itself in the quality of the work carried out, as we have seen. This work is being carried out in a value for money manner, to a high standard, with effective financial and

performance controls, as part of a continually strengthening partnership. It is true that we consider policy on communications to be lacking, but there is a wealth of good practice relating to the partnership in general which needs to be shared not only with the rest of the authority but

with other councils. Officers should not be bashful about holding themselves and their performance up to others as an example to follow. There is a practice within the partnership (set out in the communications strategy) of preparing “glory boards” to identify and celebrate good practice, but this information seems to remain within the partnership itself. This good practice should be aggregated and disseminated further so that staff’s performance can be celebrated in the rest of the organisation.

Moreover, we should not, as an authority, be embarrassed to celebrate the success of this partnership and to explain how it operates, and its benefits, to local people. There is all too often a reticence about trying to engage residents with “good news” stories. Such reticence is entirely justified if the action in question were to be merely a puff-piece in the Harrow People magazine, but if done as the first step in an ongoing dialogue with local residents – as described above – the people of Harrow can become much more engaged in the way the partnership operates. This cannot happen overnight, but the benefit of a long-term relationship with AMP is that a similarly long-term strategy can be brought into action to deliver this ambitious objective.

Recommendations

We have been impressed by the level of dedication and passion that both AMP and Council officers share. Both are convinced of the significant benefits that partnership can bring, and has brought, to the delivery of public realm. This approach has led to an open and frank relationship between the two organisations where mutual concerns and problems about performance can be discussed frankly and always with a view to improvement. We have seen the benefits of this approach first hand in the open way in which failures and problems, where they have occurred, have been acknowledged. This is a step-change in organisational culture.

Failures have been few and far between, although officers admit that the first nine months of the partnership did not run as smoothly as was expected. It is clear however, that the partnership has the potential to become a resounding success. It has enabled the Council to do things that, before April 2006, would have been unthinkable – either beyond Harrow's resources or beyond the expertise or resource of previous contractors. For this reason, the central thrust of our review, and our five recommendations, is on further integration.

Recommendations

Performance management and financial control

1. That the partnership ensure the performance management framework takes full account of qualitative items over and above the development of further quantitative KPIs. This would be accompanied by robust methodologies, central to a light touch governance regime that promotes innovation and risk-taking. The review group also found that early contractor involvement has been key to delivering some of the most innovative and best value solutions and should be encouraged within the organisational culture of the partnership, as well as serving as an example to other parts of the Council's workforce.

2. That the portfolio holder may find opportunity for increased capacity with the same departmental head count due to the additional resource benefits of the AMP partnership and its innovative and specialist skills. The review group identified for example, that work has been taken off Council staff's shoulders in areas of design and in site assessment, where AMP now conduct this work. This has freed Council staff time for more strategic and statutory work, which has been under pressure.

3. That the administration reflect on the fact that the AMP agreement was done under the expectation that the annual spend would be in the region of £12-£15 million. The AMP partnership began part way through 2006 so 2007/08 is the first complete municipal year the partnership has run, and 2007/08 spend is in fact on target for £8 million, which could well present commercial issues for AMP. However, during our investigations AMP confirmed that the August 2006 agreement of Hillingdon Borough to retain AMP in a similar partnership has negated any adverse fall-out that may have arose from Harrow's reduced spend. AMP's economies of scale bring huge advantages to Harrow but these advantages can only be sustained with a minimum spend.

Communications

4. That an approach to communications and community involvement be taken that allows genuine partnership in decision-making with local people. This approach would also see

continuous involvement with residents on all issues relating to public realm infrastructure through a joined-up approach to communications between AccordMP, Kier and the Council. The review group discovered that some communications that went out jointly from AMP and Harrow Council were not adhering to expected criteria of production and quality. For example, although 88 per cent of residents were satisfied with the work done on Uxbridge Road, 52 per cent were not satisfied with the communications, or lack thereof, during the work.

5. That each piece of project communication to residents be used as an opportunity for the portfolio holder to explain the broader objectives of the work being done and to communicate the Council's vision of why and how we are delivering an improved public realm.

Scope and recommendation matrix

Scope

This was the original project plan for the review, agreed by members before the start of the review itself. It demonstrates the original aims and objectives for the review.

Recommendation matrix

This is a document setting out our recommendations, how they were arrived at, and how we intend to measure whether they have been implemented, if approved at Cabinet.

HARROW COUNCIL

REVIEW OF THE FIRST TWELVE MONTHS' OPERATION OF THE COUNCIL'S PARTNERSHIP WITH ACCORD MP - DRAFT SCOPE

1	SUBJECT	London Borough of Harrow's Partnership with Accord MP (AMP) (first year performance and future developments)
2	COMMITTEE	Performance and Finance (commissioned by Overview and Scrutiny)
3	REVIEW GROUP	Cllr Mark Versallion (Chairman) Cllr Brian Gate Cllr Barry Macleod-Cullinane Cllr Robert Benson Cllr Jeremy Zeid Cllr Thaya Idaikkadar Cllr David Gawn
4	AIMS/ OBJECTIVES/ OUTCOMES	To establish the lessons learned from the first year of operation of the council's partnership with Accord MP (AMP) to deliver improvements to public realm infrastructure.
5	MEASURES OF SUCCESS OF REVIEW	A small number of recommendations to support the setting of targets and the monitoring of performance, and the operation of the partnership more generally, for the use of the executive's own governance arrangements.
6	SCOPE	To examine: <ul style="list-style-type: none">• How services were delivered, and performance, before the start of the partnership.• What has changed, in performance terms, in the last twelve months.• Future plans and changes to governance.
7	SERVICE PRIORITIES (Corporate/Dept)	11 – Improve the way we work and deliver real value for money
8	REVIEW SPONSOR	Andrew Trehern, Corporate Director, Community and Environment Services
9	ACCOUNTABLE MANAGER	Lynne McAdam, Scrutiny Service Manager
10	SUPPORT OFFICER	Ed Hammond, Scrutiny Officer
11	ADMINISTRATIVE SUPPORT	Layla Davidson, Research and Project Support Officer
12	OTHER INPUT	Andrew Trehern Eddie Collier Dave Masters Dennis Thompson

		<p>Anu Singh Vic Jenkins</p> <p>Cllr Susan Hall, Portfolio Holder Cllr Philip O'Dell, former Portfolio Holder</p> <p>Alan Rimmer, AMP Alex Costenedes, AMP</p> <p>Input from the ongoing Internal Audit of council partnerships (including Accord MP)</p>
13	METHODOLOGY	<p>1. How services were delivered, and performance, before the beginning of the Accord MP partnership.</p> <p>Analysis of historic performance data, particularly 2005/06 information, through analysis of BVPI scorecard.</p> <p>Delivered through desktop review meeting (early November).</p> <p>2. What has changed, in performance terms, in the last twelve months?</p> <p>Analysis of three case studies.</p> <p>Case Study A: Emergency response Case Study B: Uxbridge Road Reconstruction and Resurfacing Case Study C: Vehicle crossings</p> <p>Delivered through desktop review of issues at a meeting in early November, and through site visits, facilitated by partnership officers, and through canvassing the views of nearby residents and businesses where appropriate.</p> <p>Also delivered through a desktop comparison of wider information (including BVPIs) at a review meeting in mid-November, followed by an evidence-gathering meeting with council officers and officers from Accord MP, in late November or early December, to discuss evidence gathered thus far, relating to performance, resident satisfaction and information pertaining both to best practice and the case studies. The review will make one or two central recommendations to back up its findings.</p> <p>3. Future plans and changes to governance</p> <p>The combined governance structure, linking together the AMP and Kier Group partnership arrangements, is being developed. This element of the review will be delivered through desktop analysis (at the mid-November meeting) and discussion at the evidence-gathering meeting with officers. Conclusions could be drawn from the Internal Audit investigation as well as on the basis of November's round table meeting.</p>

14	EQUALITY IMPLICATIONS	There are no equality implications specifically concerned with the review.
15	ASSUMPTIONS/ CONSTRAINTS	Involvement of officers in Community and Environment Services will be dependent upon departmental resources (staff time in particular). The scope takes account of this constraint and evidence gathering will be designed to minimise undue workload on partnership officers working both for the council and for AMP.
16	SECTION 17 IMPLICATIONS	There are no specific section 17 implications, although delivery of a clean and well-designed public realm may help to reduce levels of crime and fear of crime. This issue is not being examined by the review, except insofar as it relates directly to performance targets and related information.
17	TIMESCALE	<p>Case studies: over the course of October and early November.</p> <p>Meeting 1 (desktop review discussing both pre- and post-AMP BVPIs and other information, feedback from case studies and preparations for the evidence-gathering meeting) - mid November</p> <p>Meeting 2 (evidence gathering round table with officers to discuss all the above) – late November.</p> <p>Meeting 3 (report drafting meeting) – mid-December</p> <p>Draft of report to members and officers for comment over Christmas. Any further changes in report to be dealt with electronically. Sign-off at P&F in January.</p>
18	RESOURCE COMMITMENTS	<p>No resource commitments in excess of scrutiny officer time. Commitment will be required by Council and AMP officers – particular in relation to the evidence-gathering meeting.</p> <p>Case studies will be facilitated by partnership staff.</p>
19	REPORT AUTHOR	Ed Hammond with Chairman and members of review group.
20	SCRUTINY PRINCIPLES	Considered and adhered to. The review will contribute towards corporate priorities and provide a template for future studies of contracts and similar issues.
21	REPORTING ARRANGEMENTS	<p>Outline of formal reporting process:</p> <p>To Portfolio Holder [] When.....</p> <p>To CMT [] When.....</p> <p>To Cabinet [] When.....</p>
22	MONITORING ARRANGEMENTS	<p>Broad issues to be picked up as part of the wider reviews of procurement and partnership.</p> <p>Specific issues can be picked up as part of the monthly BVPI monitoring process at P&F chairman’s meetings.</p>

**OVERVIEW AND SCRUTINY
RECOMMENDATION ACTION SHEET**

Key: CD = Corporate Director(s)
PH = Portfolio Holder

Prioritisation – Requiring action immediately: ST.
Requiring action in medium term: MT
Requiring action in long term: LT

Incorporated information - Evidence received from officers O
Evidence received from “best practice” BP
Evidence received from local people LP
Evidence received from vol gps VG

Recommendation	Prior	Identified officer/member/group to action	Incorp info	P’ship? (Y/N)	Action taken (for completion at six month period)	Measure of success
That the partnership ensure the performance management framework takes full account of qualitative items over and above the development of further quantitative KPIs. This would be accompanied by robust methodologies, central to a light touch governance regime that promotes innovation and risk-taking. The review group also found that early contractor involvement has been key to delivering some of the most innovative and best value solutions and should be encouraged within the organisational culture of	ST, MT	PH, CD, AMP	O, BP	Y	Performance management system enhanced to permit more robust measurement of qualitative issues.	More innovative projects being completed on time and on budget.

<p>the partnership, as well as serving as an example to other parts of the Council's workforce.</p>						
<p>That the portfolio holder may find opportunity for increased capacity with the same departmental head count due to the additional resource benefits of the AMP partnership and its innovative and specialist skills. The review group identified for example, that work has been taken off Council staff's shoulders in areas of design and in site assessment, where AMP now conduct this work. This has freed Council staff time for more strategic and statutory work, which has been under pressure.</p>	MT	PH, CD	BP	Y	Allocation of resources to allow for the requisite amount of time and staff to be devoted to strategic and statutory duties.	Robust and detailed strategy for the borough's public realm delivered through the partnership; prompt and comprehensive response to any statutory issues arising.
<p>That the administration reflect on the fact that the AMP agreement was done under the expectation that the annual spend would be in the region of £12-£15 million. The AMP partnership began part way through 2006 so 2007/08 is the first complete municipal year the partnership has run, and 2007/08 spend is in fact on target for £8 million, which could well present commercial issues for AMP. However, during our investigations AMP confirmed that the August 2006 agreement of Hillingdon Borough to</p>	MT	PH, CD, AMP	O, BP	Y	Development of plans, jointly with AMP, to ensure that spending levels do not present commercial problems for AMP in the future, and the identification of contingency plans for this eventuality.	Maintenance of an open relationship with AMP which can take account of and proactively deal with income and expenditure fluctuations.

retain AMP in a similar partnership has negated any adverse fall-out that may have arose from Harrow's reduced spend. AMP's economies of scale bring huge advantages to Harrow but these advantages can only be sustained with a minimum spend.						
That an approach to communications and community involvement be taken that allows genuine partnership in decision-making with local people. This approach would also see continuous involvement with residents on all issues relating to public realm infrastructure through a joined-up approach to communications between AccordMP, Kier and the Council. The review group discovered that some communications that went out jointly from AMP and Harrow Council were not adhering to expected criteria of production and quality. For example, although 88 per cent of residents were satisfied with the work done on Uxbridge Road, 52 per cent were not satisfied with the communications, or lack thereof, during the work.	ST, MT	AMP	BP, LP, VG	Y	Development of communications strategy to enhance consultation with residents before, during and after major schemes.	Significantly improved customer and resident satisfaction.
That each piece of project	ST	PH, CD,	BP, LP	Y	Redesign of standard	Better understanding

communication to residents be used as an opportunity for the portfolio holder to explain the broader objectives of the work being done and to communicate the Council's vision of why and how we are delivering an improved public realm.		AMP			communications material to allow work to be placed within this broader context.	amongst local people about the work the council is carrying out, and the reasons it has for doing so.
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