

Meeting:	Performance and Finance
Date:	29 th October 2008
Subject:	By exception: Officers' report on performance in Engineering Services
Key Decision: (Executive-side only)	No
Responsible Officer:	Eddie Collier – Head of Property and Infrastructure
Portfolio Holder:	Cllr. Susan Hall - Environment
Exempt:	No
Enclosures:	None

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report provides Committee a progress update on the actions taken following the review of the partnership with AccordMP in November 2007.

Note that from June 2008 AccordMP was renamed EnterpriseMouchel and in this report will be referred to as EM.

RECOMMENDATIONS:

- a) That the Sub-Committee note progress against agreed actions taken following the review

SECTION 2 - REPORT

Background

In July 2007, the Performance and Finance Scrutiny Sub-Committee agreed to conduct a review into the first year's operation of the council's partnership with Accord MP to provide public realm infrastructure services. Following the agreement of a scope for the review, members gathered evidence during the autumn of 2007 and have now drafted a final report.

The review looked at a number of issues relating to the position of services before the Accord MP partnership came into effect, the changes that have been made in the past year, and prospects for the future.

In doing so, it concentrated on a number of issues:

- The principles behind partnership working
- Governance
- Performance management and financial control
- Design quality
- Communications

The review received evidence from a number of different individuals and organisations, and carried out investigative work into three case studies – the construction of vehicle crossings, the reconstruction of Uxbridge Road in Stanmore and responsive maintenance (including emergency response).

Five recommendations were made on two of these issues (performance management, communications). They are outlined below.

Current situation

**OVERVIEW AND SCRUTINY
RECOMMENDATION ACTION SHEET**

Recommendation	Action taken (for completion at six month period)	Measure of success	Results Achieved to date
<p>1. That the partnership ensures 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.</p>	<p>At present the partnership is measured using 19 key performance indicators, 12 based around quantities, 7 around quality issues. Of this total only eight are business critical and drive the payment mechanism.</p> <p>We will replace four of the less valuable/meaningful quantity indicators with the same number of a quality bias. A phased introduction of these changes will provide a smooth transition and allow assessment of the value of the new measures.</p> <p>The new quality measures are: Considerate Constructors Scheme – Externally audited site performance built around eight headings including customer care, environmental considerations, communication and safety.</p> <p>Number of public meetings attended in any quarter – to be there as the face of the</p>	<p>New Qualitative Measures:</p> <p>1. Considerate Constructors Scheme - These external audits are carried out 2-3 times per year. The scheme can award bronze, silver and gold for high scores achieved under these eight headings.</p> <p>A bronze award would mean a score in the top 10% of companies and therefore is our target/measure for success for 2008/09, followed by Silver in 2009/10.</p> <p>2. Number of public meetings attended in any quarter – to be there as the face of the partnership, to respond to enquiries and promote access to the partnership generally. Target for 2008/09 is 3 meetings per quarter</p> <p>3. Good news contact – the number of well done/thank you contacts by any means received by the partnership by quarter. Target for 2008/09 is 6 per</p>	<p>Measures of Success 1-4:</p> <p>New KPIs were introduced for the new financial year :</p> <p>1. Considerate Constructors Scheme – Achieved target score in June of 36 out of 40, attaining Bronze Award.</p> <p>2. Number of public meetings attended in any quarter – Attended 13 public meetings in first 6 months of financial year, well above target of 6.</p> <p>3. Good news contact - Recorded 14 good news contacts in the first 6 months, again above target of 12.</p> <p>4. Published articles – Appeared in 14 articles in the first 6 months, above target of 4.</p> <p>For measures 2-4, results have been scanned and stored electronically in shared filing system to ensure consistency and accuracy of data capture.</p>

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	<p>partnership, to respond to enquiries and promote access to the partnership generally. Forge links with consultation meetings, attending to promote the partnership and our services, becoming more involved with residents. Good news contact – the number of well done/thank you contacts by any means received by the partnership by quarter.</p> <p>Published articles – number of in all press, internal or external, local or national, annual target.</p>	<p>quarter, increasing to 9 per quarter for 2009/10</p> <p>4. Published articles – number of in all press, internal or external, local or national, annual target. Target for 2008/09 is 2 per quarter.</p> <p>5. Timely invoicing of all work carried out – All agreed invoices submitted within 4 weeks of completion of works Target for 2008/09 is 92%.</p> <p>6. Ensure that works are accurately measured , Sample of completed jobs to be audited – Approximately 10% by value, High value items within the works to be quantified and compared with quantity claimed. Target for 08/09 95%.</p>	<p>Measure of Success 5: A small number of schemes have been completed with the majority expected to be completed in the latter half of this financial year. The results from this relatively small sample indicate that invoices have and will continue to be completed to time. This will be closely monitored for the remainder of the financial year</p> <p>Measure of Success 6: During this financial year only 1 scheme has been completed with sufficient value to be audited. Direct review of the measures were within tolerance levels. Future high value schemes will continue to be monitored against this KPI.</p>

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<p>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.</p>	<p>Capacity was a key theme of this partnership. We were required to deliver ever more complex projects coupled with increasing demanding statutory requirements. Against a background of extreme national shortage in engineering skills, this all resulted in delivery issues for Harrow Council.</p> <p>Partnering with a national company with huge resource at its disposal has allowed engineering posts, covered by contract engineers, to be deleted contributing toward the Councils recovery plan.</p> <p>This resource available from the partnership has enabled us to construct and develop the Highway Asset Management Plan. This in turn has met a Central Government directive to complete a plan by March 2009. This is a key tool for the Council to determine both future investment needed and where best value is achieved.</p> <p>The partnership has given us</p>	<p>Additional capacity gives us the opportunity to substantially increase bidding for funds from external sources and therefore our chances of greater success. Partnership success would be measured as follows:</p> <ol style="list-style-type: none"> 1. Populating the Bridgestation data. This will enable us to bid through LoBEG for up to £500k of funding for Structures Maintenance for 2009/10. This would in turn ensure that the Borough has much better maintained structures, leading to less capital investment longer term. 2. Success in clearing backlog of, and dealing promptly with, statutory duties (eg under the Highway Act). 3. Increased opportunity for workforce development and further training. Training and development plan produced for 2008/09 covering: <ul style="list-style-type: none"> • Legislation • Health and Safety 	<p>Measure of Success 1: Current actions are progressing to plan to achieve additional bidding of further funds. Huge volume of data to be entered into database. Have secured £25k new funding this year, continuing to bid for more.</p> <p>Measure of Success 2: Introduction and further development of the Asset Management Plan is helping address the backlog through improved informed investment. Statutory duties such as Abnormal Load monitoring and approval has become more formalised.</p> <p>Measure of Success 3: Training and development is progressing to plan.</p> <p>The partnership held a very successful joint development workshop in September to further increase team and partnership working. Further workshops will be held in the second half of the financial year that will ensure all staff within the partnership are included</p>

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	<p>the capacity to populate the Bridgestation database for our Highway Structures.</p> <p>Full staff training and development plans have now been prepared for future years, to ensure Engineering staff are prepared to face the challenges of the future.</p> <p>Additional resource has also allowed a review of our statutory duties under current Highway and Traffic legislation.</p>	<ul style="list-style-type: none"> • Council Policy and procedures • Customer Relations • Generic work skills such as project management <p>- See attached plan Every member of staff will receive a minimum of 3 days training during 2008/09 financial year.</p> <ol style="list-style-type: none"> 4. Partnership initiation enabled contributions of up to 12 posts towards the Council's Recovery Plan through a restructure of the Property and Infrastructure group. 5. Control and management of New Road and Streetworks Act will lead to an increase in fee recovery levels. Recovery level of £50K 	<p>Measure of Success 4: Completed</p> <p>Measure of Success 5: Completed, income target now in budget.</p>

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<p>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.</p>	<p>Expected spend through the partnership has yet to be fully realised and clearly there is risk both to the Council and commercially should low spend continue. Harrow engineers held the partnership as a beacon and helped neighbouring Hillingdon to apply similar principles in the formation of their partnership. AccordMP are now partners at Hillingdon and this additional turnover reduces the risk of commercial viability.</p> <p>The partnership is preparing a five year Business development plan that will set out the future direction, map out a route to achieve the goals set and manage the numerous risks involved along the way. The partnership has arranged a Business Planning Away Day on 16 April to inform and shape the Business Plan. The plan will be completed and issued at the end of May.</p> <p>Capital investment in the public realm has been increased in the medium term budget</p>	<p>Completion of a Business Plan jointly between AMP/LBH to deal with these issues, and taking account of issues such as the "Hillingdon effect".</p> <ol style="list-style-type: none"> 1. Completion of a partnership 5 year business plan which will set out objectives and targets Achieving the goals, milestones and objectives as per laid down in the Business Plan. 2. Works value for 2008/09 will be at £13- 14 million, achieving the planned annual spend level anticipated for the partnership with AccordMP. 3. AccordMP on the back of winning this flagship contract has been able to consolidate its position by attaining other contracts such as TfL South and Area 3 (Hants). 4. This gives the Partnership 	<p>Measure of Success 1: The 5 year business plan has yet to be compiled due to the service undertaking piloting a Council led Efficiency Review. This review has been successfully completed. The partnership has been key in developing innovative savings that will deliver over £400,000 in the next 3 years.</p> <p>The outputs and actions from the Efficiency Review capturing improvement to the main aspects of the service will be incorporated into the heart of the Business Plan and will be completed by the end of January 2009.</p> <p>Measure of Success 2: Achieved at present although there are continued pressures on budgets and reductions cannot be ruled out.</p> <p>Measure of Success 3 & 4: The partnership is currently developing an Intranet and electronic storage of documents through Business Collaborator. This has been possible through</p>

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	<p>strategy. Adding this to a degree of revenue budget growth approved recently for future years plus a number flagship projects means turnover in the partnership will approach the contracted levels.</p> <p>Increased spending through the partnership not only means improvements to the quality of Harrows environment but will result in the full benefits of such an arrangement being fulfilled.</p>	<p>the opportunity to be flexible bringing extra resource and expertise when required to flex workload. It can call on expert assistance to successfully bid for extra funding. The measure of success will be the amount of additional external funding achieved in future years.</p> <p>5. Increased turnover will lead to efficiencies and cashable savings as laid out in the Gershon report. We will demonstrate efficiency savings of 1.5% year on year for the Partnership.</p>	<p>support and expertise from EnterpriseMouchel's Business Improvement Team. The development of these will lead to efficiencies in project management and delivery of Schemes.</p> <p>The Efficiency Review identified a number of specific actions to focus on fund bidding and again these will be incorporated into the Business Plan</p> <p>Measure of Success 5: An efficiency matrix has been developed as a result of the Scrutiny Report. This matrix will be populated and used to demonstrate efficiency savings at the end of 2008/09 financial year</p>

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<p>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.</p>	<p>The Communications Strategy for public realm works will be developed further. Include for development in improved communications within the Kier partnership.</p> <p>The AMP Partnership Newsprint will be extended to include the Kier contract news. This is largely dependent upon the creation of a comms unit within the Harrow – Kier partnership.</p> <p>The Partnership comms team will attend appropriate community group meetings. To listen to opinion, absorb local knowledge, be the public face of council partnership, engage and feedback.</p> <p>We will develop closer links with the Council's comms unit to support their corporate/service campaign and work together to create opportunities for media coverage of our partnership and services.</p> <p>We will raise the profile of the</p>	<ol style="list-style-type: none"> 1. Completion and implementation of new comms strategy, with clear processes and standards defining: <ul style="list-style-type: none"> • Involvement of local people in certain larger projects in the planning stages. • Potential for shared comms between the two construction partnerships. • Defining appropriate modes of comms for project teams. 2. Formal issue of Partnership communications action plan. Achieving actions laid out in the Action Plan. 3. Implementation of new KPI measures that track the number of meetings with residents attended, and number of communications in the press etc. 4. Improved customer satisfaction results tracked through KPIs and 	<p>Measures of Success 1 & 2: Communications strategy is in its final draft stage.</p> <p>Measure of Success 3: New qualitative KPI measures have been introduced this financial year and are achieving above target levels. These measures will continue to be monitored and developed for the remainder of 2008/09.</p> <p>Measure of Success 4: Post-scheme questionnaires have been developed which will measure resident satisfaction. These will be delivered to all relevant community members within two weeks of project completion. Results will be incorporated into the KPIs for the second half of 2008/09 financial year</p> <p>Measure of Success 5: A communications request form has been developed, so all outgoing consultation documents are reviewed by the Communications' team before being released - therefore ensuring high standards, clarity</p>

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	<p>Partnership across the Borough by Increased community engagement including event sponsorship, work experience placements.</p> <p>Make greater use of comms mediums such as council website, issuing regular press releases, features in each edition of Harrow People.</p> <p>All consultations for schemes are placed on Harrow website accompanied with a questionnaire inviting contribution and feedback</p> <p>Carry out benchmarking on other Council consultation response rates. Determine target increase.</p> <p>Engage with the editorial board for Harrow People to achieve partnership features in each edition</p>	<p>Survey Results.</p> <p>5. Improving methods of consultation resulting in an Increase in response rate from consultations.</p>	<p>etc. Response rates have improved.</p>

Recommendation	Action taken (for completion at six month period)	Measure of success	Results Achieved to date
<p>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.</p>	<p>To promote and inform what and why investment is being made in Harrows environment. Communications and particularly site boards will convey a message explaining the investment and extolling the benefits. The message is likely to be 'signed off' by the Portfolio Holder. A political message.</p> <p>To further inform a Highways Charter is in preparation, this will be available initially in public buildings and distributed to those fronting works. Later it could be distributed to all residents through the Harrow People. It will explain what we do, extent of the service, the value of what we do and contact details.</p> <p>We will send out a questionnaire after completing each scheme encouraging feedback and opinions. The results from these are collated and informs our KPI CS1 Resident Satisfaction</p>	<ol style="list-style-type: none"> 1. Rollout of Highways Charter. The Charter will raise the profile of our services in the Borough. Success will be measured by the number of enquiries received through Access Harrow and the KPI "Good News Contact" i.e. an increase in the number of positive responses from residents. 2. An increase in KPI Resident Satisfaction 3. All comms material (e.g works boards on-site) to contain a message from the Portfolio Holder to explain the changes and works to affected residents in the borough. The messages will focus on the difference that work is making to the borough and the broad strategic context. The measure of success will be shown by: <ul style="list-style-type: none"> • Increase over and above target levels in 	<p>Measure of Success 1: The Highways Charter has been completed. Issuing of it will be linked to Harrow Council's customer care standards. The Charter is planned to be issued in the second half of this financial year</p> <p>Measure of Success 2: New methods of capturing Resident Satisfaction are in place. (see Recommendation 4, Measure of Success 4). Success will be demonstrated through results in the second half of 2008/09 financial year</p> <p>Measure of Success 3: Comms material has been successfully implemented as per the proposed actions for both high profile schemes Oxhey Lane and Petts Hill. Harrow Town Centre will follow in due course, benefiting from the lessons learnt from these two projects.</p>

Recommendation	Action taken (for completion at six month period)	Measure of success	Results Achieved to date
		Good News KPI. <ul style="list-style-type: none">• Increase over and above target levels in Published Articles KPI.	

Considerations

Resources, costs and risks: There are minimal considerations in this area and where applicable they have been included within the responses by the Community and Environment directorate, to the recommendations.

Staffing/workforce: There are minimal considerations in this area and where applicable they have been included within the responses by the Community and Environment Directorate, to the recommendations.

Equalities impact: none in relation to the recommendations

Legal comments: none in relation to the recommendations

Community safety: none in relation to the recommendations

Financial Implications: none in relation to the recommendations

SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: ...Sheela Thakrar.....	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date:17 th October 2008.....		
Name: ...Stephen Dorrian.....	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: ...15 th October 2008.....		

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact: Eddie Collier, Head of Property and Infrastructure
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Background Papers:

None

IF APPROPRIATE, does the report include the following considerations?

1.	Consultation	NO
2.	Corporate Priorities	NO
3.	Manifesto Pledge Reference Number	