

Lancashire County Council

Scrutiny Committee

Minutes of the Meeting held on Friday, 22nd July, 2016 at 10.00 am in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present:

County Councillor Bill Winlow (Chair)

County Councillors

L Collinge	R Shewan
C Crompton	V Taylor
J Gibson	D Watts
D O'Toole	D Westley
Mrs L Oades	B Yates
P Rigby	

County Councillors Julie Gibson, Paul Rigby and David Westley replaced County Councillors Alyson Barnes, George Wilkins and John Shedwick respectively.

1. Apologies

Apologies were received from County Councillor Miles Parkinson

2. Disclosure of Pecuniary and Non-Interests

None were disclosed

3. Minutes of the Meeting held on 17 June 2016

Regarding Item 6 on Newton Europe Consultants it was pointed out by Members that the resolution requesting the final report from Newton Europe Consultants had been missed from the minutes.

Resolved: That the minutes of the meeting held on 17 June 2016 at 10:00am be confirmed and signed by the Chair.

4. Transport Asset Management Plan (TAMP) Data Refresh June 2016

The Chair welcomed Karen Cassar, Highways Asset Manager; Rebecca Makinson, Highways Asset Management; and Steve Berry, Department for Transport to the meeting.

Steve Berry updated the Committee on the background to highway maintenance funding. Local highways maintenance was identified in the 2015 spending review as a priority and funding would be increased over the next 5 years. An important component of this was achieving efficiency savings through incentivised funding. Between 2015 – 2021, the Government would make £6 billion of capital funding available for local highways maintenance. £578 million of this amount had been set aside to incentivise local authorities to carry out cost effective improvements. A further £250 million had been made available through the Pothole Action Fund.

Steve pointed out that a number of authorities did not have a TAMP in place. Without effective asset management plans there was concern that local authorities' most valuable asset, their road networks, would be inefficiently maintained even under optional funding conditions.

The Department for Transport had provided authorities with a self-assessment questionnaire in January 2016. Three potential bands had been identified in the self-assessment.:

- Band 1 – Innocent to Understanding
- Band 2 – Basic to Competent
- Band 3 – Proficient to Advanced

The self-assessment bands were based on the maturity of the authority in key areas. The criteria for the bands were as follows:

- Band 1 had a basic understanding of the key areas and was in the process of taking these forward
- Band 2 could demonstrate outputs that supported implementation of key areas
- Band 3 could demonstrate outcomes had been achieved in key areas as part of continuous improvement

The questionnaire was divided into 22 questions and covered the following sections:

- Asset Management
- Resilience
- Customers
- Benchmarking and Efficiency
- Operational Delivery

Responses had been received from every eligible authority. There were 115 responses in all.

In July the DfT was in consultation with the sector and the Highways Maintenance Efficiency Programme (HMEP) would consider the pattern of scores to establish:

- Were there any obstacles which were preventing authorities from progressing up the bands
- The DfT would meet those in Band 1 to better understand their challenges
- How would HMEP and others from the sector be able to help

DfT would run a series of workshops around the country during the autumn which would reflect on the lessons to be learnt from the first year of self-assessment.

Regarding future work for LCC going forward with the DfT, Challenge Fund money would be made available from 2017/18. This was for large maintenance schemes. In 2017 there would be another £50 million for the Pothole Action Fund.

Copies of Steve's presentation are attached and a link to the speech from Andrew Jones MP Challenges to Asset Management is attached:

<https://www.gov.uk/government/speeches/challenges-in-highways-asset-management>

Questions and comments by the Committee in relation to the report were as follows:

- Members enquired how the fund was monitored so that local authorities used the money for what it was intended. It was pointed out there were two sides to highways maintenance funding. The first was capital funding which was provided by the DfT. The second was Revenue Support Grants provided by the Department for Communities and Local Government (DCLG). The capital funding was not ring fenced and was not monitored. It was up to the authority on how the money was spent. The DfT asked the authority to publish on its website how the money was spent.
- There were concerns about the quality of work carried out and if there were post work inspections carried out. The DfT was not responsible for the highway networks of local authorities. It was a matter for Members and their local highways team. The DfT had published guidance on defect inspections and repairs. There was a Highways Code of Practice which was guidance for local authorities. This was not statutory guidance but LCC did follow this guidance. This guidance was being revised to be a more risk based approach.
- It was pointed out to the Committee there were no penalties for local authorities who had not carried out repair work, although if the authorities did not have their processes in place there would be a penalty of them not

receiving as much funding. This was an incentive for authorities to follow good practice.

- Regarding the Challenge Fund Tranche Members enquired what class of roads qualified for funding. In Tranche 1 there was £265 million to spend but there had been bids from authorities totalling £1.4 billion which meant a lot of unsuccessful bids. All asset types were looked at in Tranche 1 and LCC had been successful in terms of street lighting. Tranche 2 might be a different two phased approach. The DfT would ask for expressions of interest and then a full business case. The DfT would be interested in cases involving highways, carriageways and bridges. Also the condition of rural roads would be of interest, mainly the C and unclassified roads which had a lot of defects.
- As Lancashire had a leading highways network and received more funding than most other authorities. LCC officers had an action plan in terms of each of the areas where they felt maintenance was required urgently and in the future. Through the self-assessment all the evidence had been collated and examined. Lancashire was leading by example and was working with the smaller authorities to help them as well.
- Regarding other companies who worked on the roads, the highways team within the DfT was working jointly with the DfT's street works in respect of this. The DfT was talking to these mainly utility companies about repairing their work. Local authorities should be working with utilities in terms of having a forward program. It was vital to make sure utility companies got their repair work correct first time. It was suggested that there could be penalties put in place for utility companies which did not properly repair their work.
- Better communication with stakeholders was important. LCC and utility companies had to work together in achieving this.
- The DfT wanted to make sure the funding was fair and consistent across the 115 authorities.

Karen Cassar, Highways Asset Manager, presented the report on the TAMP data refresh – June 2016 document which was attached as Appendix A to the report. The document provided an update of the changes that had occurred both nationally within the highway sector since the original TAMP was approved and locally within Lancashire. The document provided the opportunity to report the latest condition of our assets so that our performance over the past 12 months could be measured and scrutinised.

Members were informed good progress had been made since the introduction of the TAMP in 2014. This had enabled the condition of Lancashire's highways and transport assets to improve again which categorised the condition as being acceptable. On the condition of Lancashire's individual assets it was noted:

- The condition of the A, B and C roads could be regarded as acceptable
- The overall condition of Footways improved from acceptable to good.
- The overall condition of bridges and similar structures improved from good to excellent.
- The overall condition of street lighting improved from fair to good.

LCC was going in the right direction and the investment strategy that was agreed by LCC demonstrated that the work that was being implemented was successful.

Questions and comments by the Committee in relation to the report were as follows:

- It was noted that whenever an Authority was doing an Asset Management Plan it had to determine the levels of service it wanted to achieve. Each of these services would then be broken down into categories from poor to excellent. From a resources prospective LCC was aiming for good. LCC had to align what it had in resources against what it wanted to achieve.
- Members were informed that Lancaster was one of the largest areas in terms of A, B, and C networks. This meant it required a large investment to improve its network. Post TAMP Lancaster's network condition was improving greatly.
- The question of highway video surveys was raised and whether the Highways Asset Management Team had the results of these surveys. The whole of Lancashire's highways network had been videoed. The Team had to align the results to service levels and conditions. Once this was completed it would be LCC's performance method moving forward. This would mean in the forthcoming years the Team would have all the condition data and this would demonstrate improvement year on year. Video surveys were going to be useful for Lancashire in terms of asset management.
- Regarding Moss Roads there had been a piece of work done with LCC's Legal Department in terms of outstanding queries in relation to the Highways Act. This work needed to be finalised.

The Committee thanked Karen for all her help and wished her good luck in her new job.

Resolved: That the Committee note the content of the TAMP data refresh June 2016 document

5. Highways Performance

The Chair welcomed Phil Durnell, Head of Service Highways; and Christine Entwistle, Senior District Lead Officer (Area North), to the meeting.

The report presented was in response to the Scrutiny Committee's request for an update on service response times to Member enquiries. The report provided an overview of the current resources, communication arrangements and performance levels.

The Committee was informed that in 2010 Highways employed 12 Public Realm Managers and 12 District Lead Officers. Since 2010 the Highways Service as part of its contribution in achieving the sizeable budget savings the County council had to make, had to date lost 110 posts from the Public Realm and Business Support teams, these were the people that would have historically dealt with Member enquiries.

In 2014 Public Realm Managers had reduced to four and District Lead Officers reduced to five and as stated above significant reductions of technical staff who supported them in carrying out their role with remaining staff overwhelmed with the volume of workload, and performance levels had suffered accordingly.

Following Member feedback in August 2015 and service recognition that Members needed to have a direct link to Highways. The Highways Service had to continue to operate with a team based approach to working to ensure that no individual officer had unacceptable levels of workload. It was agreed to provide a heightened service to Members. In September 2015 Highways Direct was launched and managed by the highway service district lead officer team which was bolstered by an additional officer reassigned from another team in highways.

Members had a direct telephone number to their district lead officer for urgent queries. There was also a dedicated email address highwaysdirect@lancashire.gov.uk the use of which ensured prioritisation of Members highway casework and provided improved response time of 15 working days as opposed to 20 working days to other stakeholders. In 2014/15 the Highways Service responded to Member enquiries within 15 working days in just 47% of cases with the average length of time 17 working days.

Since the implementation of Highways Direct in September 2015 the service had performed at consistently high levels and received many compliments from Members in the level of service provided.

Questions and comments by the Committee in relation to the report were as follows:

- With regard to further changes in resources the Highways Service was looking to do more in house and be less reliant on contractors. It needed to keep a core workforce and staff.

- The Committee enquired if the service given to Members impacted on the service given to the public, and how could Members help the service. The service had invested in an online defect reporting system. The public could go online and track the progress of repair works and read what the officers' comments were regarding the progress. Through transformation there would be more investment in this system which would enable people to get automatic updates when they emailed in.
- Some Members felt that although they were responded to within 15 days when using the online system, the response were not adequate. There were occasions that the service did holding responses for a variety of reasons. These were acknowledgement responses that the enquiries were being looked at. There was also an increase in workload and officers were prioritising work.
- Drainage problems from the winter flooding had been a major problem and there had been a perception that the Highways Service had not been in attendance. Highways did operate 24/7 as an emergency service but sub contracted its telephone contact to the police out of hours as they had a call centre to deal with it. Due to Gold Command the final decisions came from Lancashire Police Headquarters and the police were directing highways officers to the troubled areas where there was there was risk of life. There were still many drainage issues outstanding and were currently being investigated. Support packages needed to be put in place to aid communities in the future.
- Some Members informed the highways team they had technical problems with accessing the Highways Direct online form and were being redirected to Highways@lancashire. Although this was happening they were still receiving a response within 20 days.
- Regarding Highways@lancashire concerns were raised in terms of new staff and if they have had the correct training. Highways@lancashire was a contact centre which had a high turnover of staff. It was going through a transformation and a lot of work was being with the staff scripts and the information that they held. The team was aware of a few errors where members of the public had been misdirected to district councils. These errors had been quickly rectified. Improved technology would better things. A new Highways Asset Management System was coming online in December.
- Members were encouraged to use Highwaysdirect. This was the best system as enquiries would be picked up by District Lead Officers.
- Depths of potholes was an issue raised. The Highways Service was working to a defendable depth that it inspected to and carried out repairs. Where there were potholes close by near to the intervention levels, the

Highways Service were looking into repairing these at the same time. Its limited budget was preventing this at the moment. The Highways service was using capital funds from the DfT to tackle the repair of potholes in a close vicinity at the same time.

- Members felt the quality of repairs was not up to standard and post inspections were virtually non-existent.
- The Committee was informed that sub-contractors had the same training as the in house team.
- The Core System Transformation Team had analysed what the Highways Service Team currently did and the team was still trying to deliver the old service with less staff. It was recognised that ICT solutions were needed to deliver an excellent service with reduced resources. The new ICT system should be live in December 2016.
- The Committee was pleased to there was collaborated work taking place between Highways and utility companies.

Resolved: That:

1. the Committee note the report
2. Phil Durnell and Christine Entwistle would liaise with members directly regarding the comments they had made about specific issues in their locality.

6. Response by the Cabinet Member for Environment, Planning and Cultural Services to the recommendations of the Scrutiny Committee's review of Planning Matters

The Chair welcomed Andrew Mullaney, Head of Planning and Environment to the meeting.

Andrew explained that the Scrutiny Committee had made recommendations following a review by the Planning Matters Task Group formed at the request of CC Liz Oades.

The Task Group was formed because concerns had been expressed by some district councils regarding the scope, content and timeliness of LCC responses to consultations on planning applications from district councils, particularly regarding education, highways and flood risk management.

District Councils were consulted on the draft recommendations, which had been subsequently modified following feedback.

The report presented by Andy set out the response from the Cabinet Member for Environment, Planning and Cultural Services to the Committee's recommendations. Some of the recommendations related to the portfolios of the Cabinet Member for Highways and Transport, and the Cabinet Member for Children, Young People and Schools. Where appropriate their views had been sought.

Resolved: That,

1. The Committee note the support for all the recommendations from the Cabinet Member for Environment, Planning and Cultural Services
2. The recommendation on Flood Risk Management be passed to the Flood Risk Management Team so it can report back to the Scrutiny Committee at the October meeting.

7. Work Plan and Task Group Update

The Work Plan was presented to the Committee regarding upcoming topics and future topics not yet scheduled as well as an update on ongoing Task Groups and Task Groups that had recently been established.

The Committee agreed that a report on Hate Crime be scheduled for the meeting on 23 September replacing the Crime and Disorder which would be rescheduled to the meeting on 13 April 2017.

It was noted that the TAMP Task Group last met on 8 July 2015. The Chair requested that the various groups put forward new members for this task group and meet in October or November.

Resolved: That,

1. The Committee approve the 2016/17 work plan
2. The Committee agree that a report on Hate Crime be scheduled for the meeting on 23 September replacing the Crime and Disorder which will be rescheduled to the meeting on 13 April 2017
3. The various political groups put forward new members for the TAMP Task Group to meet in October or November.

8. Urgent Business

There were no items of Urgent Business

9. Date of Next Meeting

The next meeting of the Scrutiny Committee will take place on Friday 23rd September 2016 at 10.00am in Cabinet Room B (The Diamond Jubilee Room) at the County Hall, Preston.

I Young
Director of Governance, Finance
and Public Services

County Hall
Preston



Department
for Transport

Highways Maintenance

Steve Berry OBE – Department for Transport





Department
for Transport

Maintenance Funding Background





Spending Review 2015 and Local Highways

- Local highways maintenance was identified in the SR15 as a priority and funding will be increased over the next five years
- An important component of this is achieving efficiency savings through incentivised funding

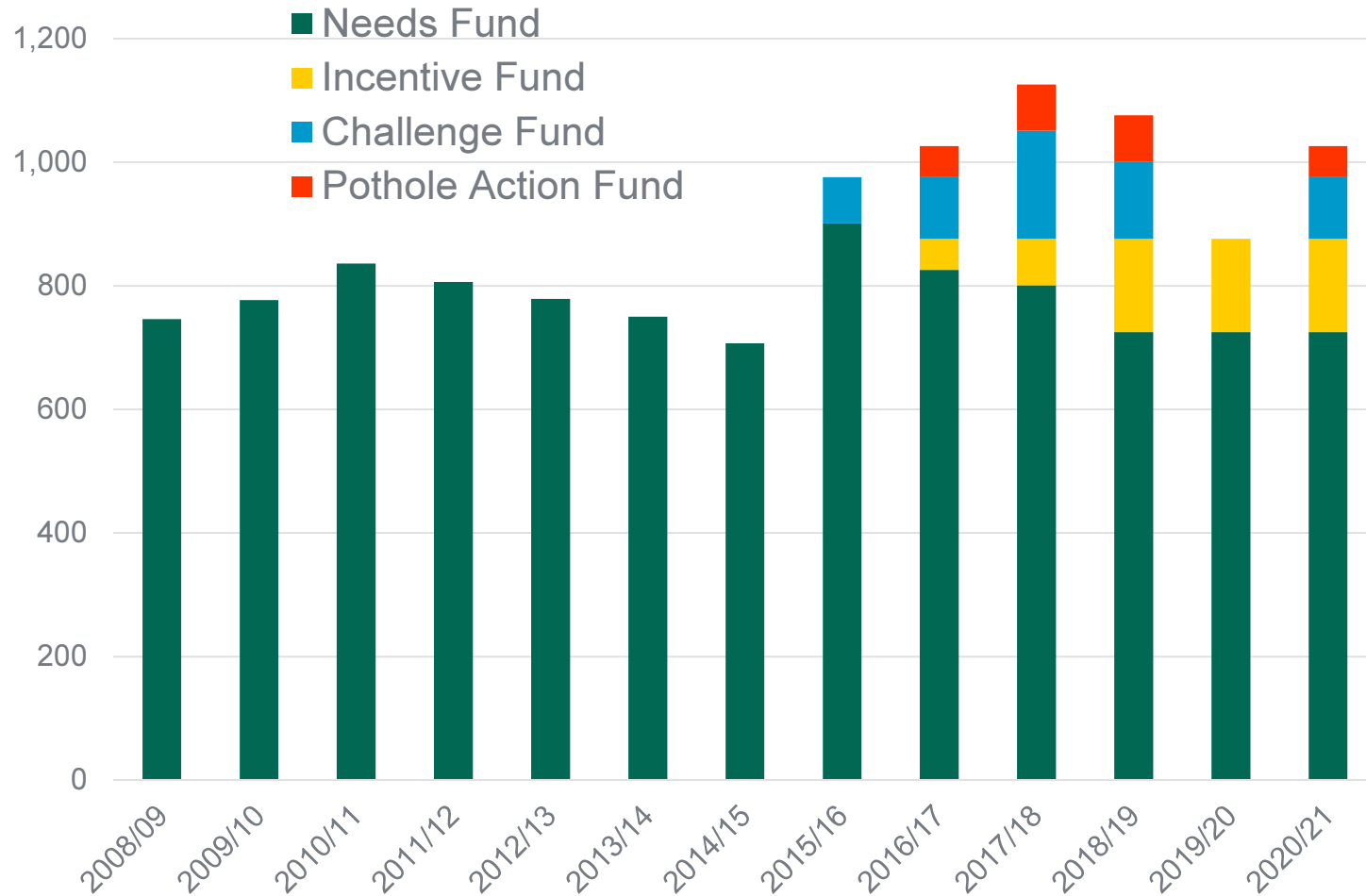


Local Highways Maintenance Funding

- Between 2016 – 2021, UK Government will make £6 billion of capital funding available for local highways maintenance
- £578 million of this amount has been set aside to **incentivise** local authorities to carry out cost effective improvements
- A further £250 million has been made available through the Pothole Action Fund



Local Highways Maintenance Fund





All Party Parliamentary Group on Highways Maintenance – The Importance of Asset Management

‘Without effective asset management plans there is concern that local authorities’ most valuable asset – their road networks – will be maintained inefficiently even under optimal funding conditions.’





Incentive Fund: Breakdown for the life of this Parliament

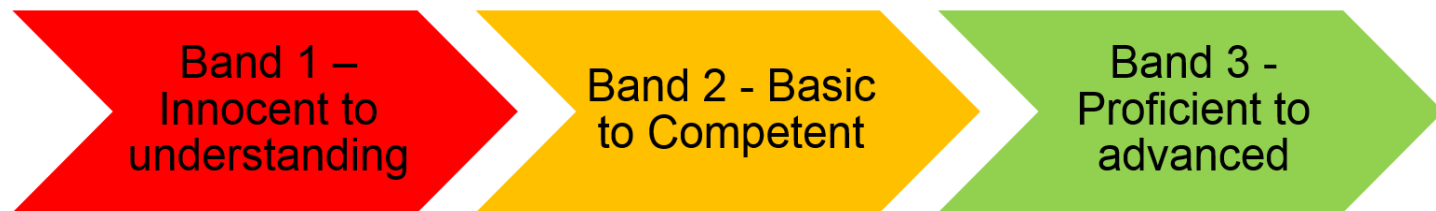
Year	Incentive Fund
2016/17	£50 million
2017/18	£75 million
2018/19	£151 million
2019/20	£151 million
2020/21	£151 million

- ▶ To be shared between 115 local highway authorities



Incentive Fund

- ▶ Self assessment by authority via a questionnaire
- ▶ Three potential bands (Devo deal places all deemed to be Band 3):



2016/17	90%	100%	100%
2017/18	60%	90%	100%
2018/19	30%	70%	100%
2019/20	10%	50%	100%
2020/21	0%	30%	100%



Self assessment: Adoption





Self-Assessment

- ▶ The self-assessment bands are based on the maturity of the authority in key areas.
- ▶ The criteria for the bands are as follows:
- ▶ **Band 1:** Has a basic understanding of the key areas and is in the process of taking these forward.
- ▶ **Band 2:** Can demonstrate outputs that support implementation of key areas
- ▶ **Band 3:** Can demonstrate outcomes have been achieved in key areas as part of continuous improvement





Self-Assessment

The DfT ran a self-assessment questionnaire in January 2016. The questionnaire was divided into 22 questions and covered the following sections:

- ▶ Asset Management
- ▶ Resilience
- ▶ Customers
- ▶ Benchmarking and Efficiency
- ▶ Operational Delivery





Self-assessment outcomes

- ▶ Response received from every eligible authority – Thank you
- ▶ The results are in:
 - Band 1 - 18
 - Band 2 - 64
 - Band 3*- 33 (Top)

* includes those who are part of a devolution deal area and receive maximum funding automatically. Note: Durham and Lincolnshire were Band 3 without being part of any devolution deal.

'we still expect these authorities to ensure they are following good practice and applying sound asset management principles'



Timetable

- ▶ **July** - DfT in consultation with sector and HMEP will consider the pattern of scores to establish:
 - Are there any other obstacles which are preventing authorities from progressing up the bands?
 - DfT will meet those in Band 1 to better understand their challenges
 - How will HMEP and others from sector be able to help?

- ▶ DfT will run a series of workshops around the country during the autumn which will reflect on the lessons to be learnt from the first year of self assessment.

- ▶ Autumn 2016 - Process will be repeated



Department
for Transport

Future Work

Challenge Fund Tranche 2

Pothole Action Fund

Innovation / New Technology