



Environment Committee

8 March 2022

Title	Highways Future Service Delivery Strategy Post September 2023
Report of	Chairman of Environment Committee
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	<i>Appendix 1 – Highways Future Service Delivery Strategy - Officer led Options Assessment</i> <i>Appendix 2 – Proposed Mixed market service provision or “Mixed Economy” Model</i> <i>Appendix 3 – Highways Service Organisational Design</i> <i>Appendix 4 - High-level Glide Path Activities to September 2023</i>
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Summary

The Council at the meeting of 25 January 2022 resolved that the council does not seek to extend the highways service element of Re and that the Council recommends the future strategy for the Highways service should be the subject of a separate report to the Environment Committee.

The purpose of this report is to set out to the Committee the analysis undertaken in the assessment of the proposed service delivery options and seek approval to progress with the implementation of the preferred “Mixed Economy” highways future service delivery option as defined in Section 2.6 of this report.

In addition, the report overviews the glide path delivery workstream programme to enable an effective service return at the end of September 2023.

Officers Recommendations

- 1. That the Committee notes the analysis undertaken in the development of the proposed service delivery strategy options.**
- 2. That the Committee delegates authority to the Executive Director, Environment to progress with the implementation of the “Mixed Economy” service delivery model as set out in Section 2.6 of this report.**
- 3. That the Committee agrees to receive future reports on progress with the implementation of the glide path workstream programme as set out in Section 4.1 of this report.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The highways network is one of the most valuable assets the Council owns, acting as a platform for social and economic prosperity and enabling the undertaking of safe, reliable, and sustainable journeys. The service supports emergency and response services and acts as the biggest utility conduit in the Borough. The highways network is ultimately intrinsic to a well-

functioning sustainable community and is maintained within a clear and coherent strategy aligned to the Clean, safe and well run workstream set out in The Barnet Plan 2021-2025, legislation and national best practice “Well managed Highway Infrastructure: A Code of Practice”.

- 1.2 The Council at the meeting of 25 January 2022 approved that the council does not seek to extend the highways service element of Re and that the Council recommends the future strategy for the Highways service should be the subject of a separate report to this Committee.
- 1.3 The Council decision introduces the opportunity for the design and implementation of a new highway service delivery model that is both flexible and agile to adapt to rapidly changing circumstances and customer needs, whilst making the best use of resources, internal and external.
- 1.4 This report sets out the options analysis undertaken by officers aligned to the return of the Highways Service to the Councils control at the end of September 2023 and the preferred Highway Future service delivery option recommended by officers for approval by this Committee. In addition, a summation of the glide path delivery workstream programme to enable an effective service return at the end of September 2023.

2. REASONS FOR RECOMMENDATIONS

Current Highways Service

- 2.1 As the Committee is aware the current highways service, through the DRS contract, delivers over 100 distinct activities as defined in the contract through a team of circa 105 full time equivalents. This includes management, design and engineering, business support and field-based inspection employees, but excludes staff employed by Tarmac Kier JV delivering the Councils Highways Term Maintenance contract (reactive and planned highway maintenance) and third-party specialist engineering, in summary the current service is configured as follows:
 - **Highways Network Management** (Carriageways, footways and Asset Management; Crossovers, Drainage, Winter Gritting, Bridges & Term Contract Management)
 - **Traffic & Development and Highways Strategy** (responsible for parking design, traffic schemes, highways planning, development control, travel planning, road safety education and the highway maintenance programme)
 - **Transport and Regeneration** (undertaking transportation development control input into regeneration schemes)
- 2.2 In addition, there the Council delivers the following allied service activities which current sit outside the Highways service, the dependencies of which have been considered in the next section of this report:

- Transport Strategy
- Transport Modelling
- Winter Maintenance Operations
- Emergency Out of Hours Operations
- Street Lighting
- Parking Services

Future Service Delivery Strategy Options

- 2.3 Highways is a particularly complex service which is subject to cyclical, financial and operational peaks in demand. As such any future service delivery strategy needs to be both flexible and agile to adapt to rapidly changing circumstances, customer needs, and capable of making the best use of resources, internal and external.
- 2.4 With the approval to bring the Highway Service back into the Councils control comes the opportunity to ensure that the future service delivery option(s) enables the Council and its delivery partners to fully address the challenges and opportunities presented through:
- Maintaining and enhancing the highway network performance to meet the evolving needs of our community
 - Maintaining financial resilience to deliver best value
 - Optimising the highway network to deliver against Transport, Economic and Sustainability agendas
 - Maintaining the capacity and capability of the transferring workforce to deliver against the policies and strategies of the Council
 - Targeted approach to the recruitment and retention of a mobile skilled workforce, and use of carefully selected supply chain partners to support capacity challenges
 - Enhanced collaboration with stakeholders and delivery partners
 - Adoption of new technologies, innovation, and best practice
 - Embracing new activities on the highway network e.g., Electric Vehicles
 - Mitigating the increased impact of Flooding and Drainage
- 2.5 As the committee is aware a detailed officer led options assessment has been conducted in relation to the options available to the Council, the outcome of this options assessment has concluded, and officers are now able to put forward recommendations to this Committee. The outcome of this options assessment including advantages, disadvantages, and the reason for selection / rejection of the respective options is set out in Appendix 1 of this report, table 1 below summarises the options that have been considered:

Option	Description
1. Bring All Services In-House including operations through a DSO / DLO arrangement	In-source all activities including management, strategy and policy, design capability and operational services providing an end-to-end in-house service.
2. Total Outsource of all activities maintaining a 'Thin Client' model	Traditional client and contractor relationship with the initial service design defined by the client and service delivery transferred to the contract provider.
3. Local Authority Trading Company	Development of a wholly owned Local Authority Trading Company not restricted by the Public Contract Regulations regarding suppliers.
4. Joint Venture with a commercial partner	Formation of a Limited company in partnership with an external service provider through a negotiated agreement. The Council would be the majority shareholder and the provider would provide design and operational delivery capability.
5. Mix market service provision "Mixed Economy"	Arrangement through a mix of self-delivered, internal, and external service providers. Maximizing the benefit of the returning internal capacity and capability but supported by procured professional and operational external providers.
6. Wider Collaboration and Alliance Service Delivery model	Longer-term collaborative contract with several suppliers to deliver large scale multidisciplinary project and/or programmes of work i.e. the Councils Highways Team retains the "intelligent client" strategy and policy role and in relation to the management of the highway asset, development control and street works functions with appointed term maintenance and design services being brought together under the New Engineering Contract (NEC) partnering agreement to ensure collaboration between partners.

Table 1: Officer evaluated options

2.6 In summary the proposed option is to move away from the current commissioner / managing agent / operational delivery model to a Mixed market service provision or "**Mixed Economy**" Model, this approach is delivered through a mix of self-delivered, internal, and external service provision based upon asset management principles. The focus will be the delivery of outcomes using clearly defined specifications and performance criteria aligned to a medium term (3 years plus) asset-based delivery plan. Table 2 summarises the approach which is set out in more detail in Appendix 2 of this report.

Highways Service - Mixed market service provision or “Mixed Economy” Model

Function	Activities	Strategic Responsibilities	Primary Mixed Economy Delivery Provider	Secondary Mixed Economy Delivery Provider
Highway Reactive and Planned Maintenance	Construction	Operational / Construction	External provider	Top-Up contract arrangements
Highway Technical Compliance	Technical support and benchmarking	Policy / Design	Highways Team	Professional Services Partner
Development Control	Development Control	Policy / Managing Agent	Highways Team	Professional Services Partner
Traffic and Travel	Parking Design & Sustainable Travel	Policy / Design / Delivery	Highways Team	Professional Services Partner
Asset Management	Scheme Design	Design / Delivery	Highways Team	Professional Services Partner
	Construction Management	Delivery / Managing Agent	Highways Team	N/A – compliance function needs to be direct delivered
	Structures Flood Engineering	Policy / Design / Delivery	Highways Team	Professional Services Partner
Traffic and Compliance	Street Works & Carriageway and Footway Inspections	Policy / Managing Agent	Highways Team	N/A – compliance function needs to be direct delivered
Business Operations	Project Management, Performance, Finance and Communications	Policy / Assurance	Highways Team	LBB Services Teams

Table 2: “Mixed Economy” primary and secondary delivery provider model

The approach has been aligned to the implemented Highways Service Organisational design, as detailed in Appendix 3 of this report.

- 2.7 With the focus on outcomes, it means that the respective highways service area will be assessed on achievement against the defined outcomes irrespective of whether it is self-delivered, internal, or external. This approach will enable the highways management team to focus in on the areas of under-performance without detriment to those areas that are performing well.
- 2.8 Through the development of a medium-term asset-based delivery plan effective forward planning of resources will enable the delivery of customer centric efficient and effective services. This approach will ensure the effective connection between Customers, Elected Members, and the Highways Service.
- 2.9 The model is based upon the transfer back of staff identified within the current Re Highways Service DRS contract to ensure effective strategic, managerial, and operational capacity.
- 2.10 The proposed option will have the flexibility to factor in the other service areas identified in Section 2.2 of this report both prior and post September 2023 aligned to the council’s wider service delivery plans. For information Table 3 below illustrates the dependencies between these services and the Highways service:

Other Council services allied to Highways	Highways service dependency
Transport Strategy	<p>Transport strategy development sits within the Environment Strategy team with connections into Growth and Regeneration division.</p> <p>The Highways service supports the implementation of the strategic targets and actions.</p>
Transport Modelling	<p>The wider transport modelling is commissioned and administered by the strategic planning and regeneration teams.</p> <p>The Highways service supports the undertaking of transport modelling and implementation schemes in collaboration with the strategic planning team.</p>
Winter Maintenance Operations	<p>The Highways service is the custodian of the Winter Maintenance Plan and the decision-making process for the crews to go out on the network to spread salt / conduct snow clearance etc.</p> <p>The Street scene Division provides the actual crews, vehicles and tracking equipment.</p>
Emergency Out of Hours Operations	<p>The Emergency Out of Hours operation is administered 24/7 by the Highways Service through two providers:</p>

Other Council services allied to Highways	Highways service dependency
	<ol style="list-style-type: none"> 1. Tarmac Kier JV - During normal working hours i.e., Monday to Friday 0730 hours to 1700 hours 2. Street scene division – Out of hours Monday to Friday i.e., 1700 to 0730 hours and throughout the weekend
Street Lighting	<p>The Highways service deals with all “non-illuminated” signs, the Street Lighting Division with all “illuminated” signs and streetlights on the highway impacting on:</p> <ol style="list-style-type: none"> 1. Highways Design including Junctions, Crossings, Vehicle Crossovers etc. 2. Electric Vehicle (EV) charging role out including installation of infrastructure, footways, carriageways parking bays etc.
Parking Services	<p>The Parking service undertakes the commissioning of parking services, CPZ reviews, parking management and enforcement.</p> <p>The Highways service undertakes the commissioned design, consultation, and implementation of parking schemes, CPZ reviews, traffic management orders and disabled parking bays.</p>

Table 3: Highway service dependencies

- 2.11 The proposed “Mixed Economy” model will be designed to allow the council to assess and potentially implement Wider Collaboration and Alliance Service Delivery models over time.
- 2.12 In order to validate the approach to the delivery of the future Highways Service, set out in this paper, officers have been working with the Future Highways Research Group (FHRG), Proving Services (part of Cranfield University Innovation Centre) of which the Council is a long-standing member. In summary the feedback from the lead Director of Proving Services in relation to the proposed options set out in this paper is that the:

“Direction of travel is very much aligned to the current market trend; the majority of highways authorities coming back to market are favouring some form of mixed economy. That stands true for authorities that are currently outsourcing all/the great majority of services and those that are currently closer to the DLO model.

The future operating model you describe for Barnet is very similar to the model that we have designed with another authority over the past six months. The alliance principle also aligns closely to the model adopted by another lead authority, who have been the top performing FHRG member in terms of Value for Money over the past few years. So a model with a proven track record that you should be able to adopt with good confidence.”

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 A detailed options assessment has been conducted in relation to the options available to the Council following the Council decision not to extend the highways service element of Re. The outcomes of this options assessment are set out in Appendix 1 of this report:

- Bring All Services In-House including operations through a DSO / DLO arrangement
- Total Outsource of all activities maintaining a 'Thin Client' model
- Local Authority Trading Company
- Joint Venture with a commercial partner
- Mix market service provision "Mixed Economy"
- Wider Collaboration and Alliance Service Delivery model

Of these options there is the potential to implement the Wider Collaboration and Alliance Service Delivery model over time once the proposed Highways Future Service Delivery Strategy has had time to bed in post September 2023.

4. POST DECISION IMPLEMENTATION

4.1 Work will commence on the implementation of the proposed Highway Future Delivery Strategy through the glide path workstream as summarised in table 4 below:

Workstream	Outcome	Current Activity
Improved Customer Satisfaction	Enhanced Member and Customer experience through clearly signposted and delivered services. Resulting reduction in enquiries.	Formation of a communications plan for the service, raising awareness and promoting the positive things we do.
People	Clear recruitment strategy aligned to glide path communication plan taking existing staff and new appointments on the journey.	Renewed drive on recruitment and retention to populate the approved organisational structure. Continuation of the learning and development programme put in place through the transformation programme.
Policy	Risk-based asset management policy approach moving the service from a reactive to planned delivery model.	Implementation of refreshed highways policy and strategy documents to support the Council in service delivery.
Procurement	Service aligned construction management	Development and subsequent implementation of a refreshed

Workstream	Outcome	Current Activity
	procurement strategy enabling effective and timely operational delivery through the client led collaborative arrangement.	suite of supplier contracts to support service delivery.
Project Management	Medium to Long Term forward pipeline delivered through Project Management Office led project management design & engineering services.	Introduction of additional project management resources to support the Councils Capital investment programme including dedicated project management specialists for the Network Recovery Plan and Drainage and Flooding schemes.
Digital Journey	Embedded asset management system and development of website, improving digital transactional and feedback services	Completion of Confirm Rollout. Go live of SharePoint project management capability. Completion of Website Self Service for Highways Services Licence and Crossover applications.
Finances	Medium and long-term cost certainty enabling effective planning, resourcing, and delivery	Implementation of additional £20m Capital investment secured over the next five years on highways infrastructure projects including roads, pavements, structures, drainage, and flooding from 1 April 2022.

Table 4: Glide Path Workstream Outcomes and Current Activity aligned to Highway Future Service Delivery Strategy

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The aims of the options assessment for the Highways Future Service Delivery Strategy are consistent with the council's Corporate Plan, Barnet 2024, in that it aims to ensure the delivery of high quality, good value services.
- 5.1.2 Robust budget, performance and risk monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of corporate and committee priorities as set out in the Corporate Plan (Barnet 2024) and Annual Delivery Plans.
- 5.1.3 The Highway network is the Council's most valuable asset and is vital to the economic, social and environmental wellbeing of the Borough as well as the general image perception. The Highways provide access for business and communities, as well as contribute to the area's local character and the resident's quality of life. The move to the proposed Highways Future Service Delivery Strategy will ensure the service has the necessary capacity and capability to deliver against corporate priorities post September 2023.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The delivery of the Highways Service is within the financial envelope set by the Council through the approved MTFS.

5.2.2 The return of the service to the Council will be undertaken through a defined demobilisation plan with staff matters conducted in compliance with TUPE regulations.

5.2.3 There are no IT or Property implications because of this report.

5.3 **Legal and Constitutional References**

5.3.1 Prior to the Environment Committee consideration of this report, reports have been considered by the Financial Performance & Contract Committee and Policy & Resources Committee. Constitutional references are detailed in the reports to those committees referenced in section 7 (Background Papers). Due to the significance of the services currently provided by Capita (including the RE Highways service), Council has considered a Review of the Capita Contracts at its meeting on 25 January 2022. At the meeting Council approved the recommendation relating to the RE Highways service, and that a further report will be brought back to this Committee seeking formal approval for the proposed Highways Delivery Strategy and preferred future service delivery option as referred to in this report.

5.3.2 The Council's Constitution Article 7 – Committees, Forums, Working Groups and Partnerships (Responsibility for Functions, 7.5) gives the Environment Committee responsibility for all borough-wide or cross-constituency matters related to the street scene.

5.3.3 Legal advice will be sought as required, including on contractual, public procurement, consultation, and employment related matters, to ensure that the council acts lawfully at all times.

5.4 **Insight**

5.4.1 The service delivery will be informed by insight data provided through the Councils asset management systems and other sources.

5.5 **Social Value**

5.5.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for

their area or stakeholders. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

5.6 Risk Management

5.6.1 Effective management of risk is an integral part of asset management and the Council's Risk Management Framework has established strategic and departmental risk registers.

5.6.2 The Code of Practice 'Well-managed highway infrastructure' (2016) advocates the adoption of a risk-based approach to the management of highway infrastructure assets, and the options assessment for the Highways Future Service Delivery Strategy has been developed in accordance with this.

5.7 Equalities and Diversity

5.7.1 Good roads and pavements have benefits to all sectors of the community in removing barriers and assisting quick, efficient, and safe movement to schools, work and leisure. This is particularly important for older people, people caring for children and pushing buggies, those with mobility difficulties and sight impairments. The state of roads and pavements are amongst the top resident concerns and the Council is listening and responding to those concerns through the management of an effective highway network.

5.7.2 The physical appearance and the condition of the roads, pavements and highway infrastructure have a significant impact on people's quality of life. A poor-quality street environment will give a negative impression of an area, impact on people's perceptions and attitudes as well as increasing feelings of insecurity. The Council's policy is focused on improving the overall street scene across the borough to a higher level and is consistent with creating an outcome where all communities are thriving and harmonious places where people are happy to live.

5.7.3 There are on-going assessments carried out on the conditions of the roads, pavements, and highways infrastructure in the borough. These ongoing assessments incorporate Public Rights of Way on which there were requests by letter, email, and phone-calls from users.

5.7.4 The Equality Act 2010 outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.7.5 The broad purpose of this duty is to integrate considerations of equality into day-to-day business and keep them under review in decision making, the design policies and the delivery of services. There is an on-going process of regularisation and de-clutter of street furniture and an updating of highway features to meet the latest statutory or technical expectations.

5.8 **Corporate Parenting**

5.7.1 No direct or indirect impacts on looked after children or care leavers identified beyond those applicable to the population as a whole.

5.9 **Consultation and Engagement**

5.9.1 None as a direct result of this report.

6. **ENVIRONMENTAL IMPACT**

6.1 Implementing the recommendations in the report will lead to a positive impact on the Council's carbon and ecology impact aligned to the council's emerging Sustainability Strategy in relation to supply chain operations and material selection including use of low carbon and recycled materials.

7. **BACKGROUND PAPERS**

7.1 Policy and Resources, 9 December 2021, Recommendation from Financial Performance & Contracts Committee – Review of Capita Contracts

<https://barnet.moderngov.co.uk/documents/g10890/Public%20reports%20pack%2009th-Dec-2021%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=10>

7.2 Financial Performance and Contracts Committee, 23 November 2021, Review of Capita Contracts:

<https://barnet.moderngov.co.uk/documents/g10801/Public%20reports%20pack%2023rd-Nov-2021%2019.00%20Financial%20Performance%20and%20Contracts%20Committee.pdf?T=10>

7.3 Financial Performance and Contracts Committee, 8 June 2021, Item 8, Review of Capita Contracts:

<https://barnet.moderngov.co.uk/documents/g10799/Public%20reports%20pack%2008th-Jun-2021%2019.00%20Financial%20Performance%20and%20Contracts%20Committee.pdf?T=10>

7.4 Council, 25 January 2022, Item 11.1 Referral from Policy & Resources Committee – Recommendation from Financial Performance and Contracts Committee – Review of Capita Contracts:

<https://barnet.moderngov.co.uk/documents/s69743/Referral%20from%20Policy%20Resources%20Committee%20Review%20of%20Capita%20Contracts.pdf>

Appendix 1:

Highways Future Service Delivery Strategy - Officer led Options Assessment

Option	Description	Advantages	Disadvantages	Reason for Rejection
Bring All Services In-House including operations through a DSO / DLO arrangement	In-source all activities including management, strategy and policy, design capability and operational services providing an end-to-end in-house service.	Retention of greatest overall control of the services, end to end from setting strategy through to design and operational delivery.	Inflexible model that does not factor in the demands of a highway service in relation to peaks and troughs, seasonality and resource requirements for specialist skills that may not need to be fully resourced.	Considered too inflexible, high overheads and capital requirements in relation to depots, vehicles, plant and equipment. Additional workforce TUPE transfer into the Council from Term Maintenance Contractor. Difficulty to trade and manage income targets.
Total Outsource of all activities maintaining a 'Thin Client' model	Traditional client and contractor relationship with the initial service design defined by the client and service delivery transferred to the contract provider.	Transfer of risk to contract provider. Clearly defined client strategy and policy framework. Defined boundaries between client and contractor activities be they design or operational delivery.	Requires significant set up arrangements with strong, effectively procured contracts and associated governance with a strong client structure managing commercial and performance measures. In flexible to the demands of the changing demands of the service.	Considered too inflexible, significant contractual arrangements needed to ensure services are defined and administered. Reduces the ability to effectively manage the market aligned to changing service needs. Transferred trading and delivery targets.
Local Authority Trading Company	Development of a wholly owned Local Authority Trading Company not restricted by the Public Contract Regulations regarding suppliers.	Ability to be effectively set up to incorporate services and respond to trade opportunities quickly. Direct control over the serviced delivery and management of any profits secured. Flexible to develop opportunities with commercial partners including the ability to become a future Joint Venture organisation.	Requires resources to set up with associated due diligence in relation to financial, commercial and tax status. In addition, a need to determine resourcing especially in relation to funding, back-office provision, staff onboarding and incorporation of assets.	Considered resource intensive to set up vs the desired outcome, focus is on services that trade within and externally to the Council. Requirement sufficient cashflow to operate. Only part of the services delivered through the DRS contract fall into the definition of trading.

Option	Description	Advantages	Disadvantages	Reason for Rejection
Joint Venture with a commercial partner	Formation of a Limited company in partnership with an external service provider through a negotiated agreement. The Council would be the majority shareholder and the provider would provide design and operational delivery capability.	<p>Delivery model known to the Council with the ability to mitigate and manage risk. Ability to effectively trade and manage income targets.</p> <p>Ability to access wider service suite offered by the commercial provider.</p>	<p>Requires significant set up arrangements with strong, effectively procured contracts and associated governance with a strong client structure managing commercial and performance measures.</p> <p>Risks and liabilities can still sit with the Council.</p>	Overly complex delivery model with commercial governance and risk liabilities. Significant procurement and legal resources required to procure and enact the arrangement.
Mix market service provision "Mixed Economy"	Arrangement through a mix of self-delivered, internal, and external service providers. Maximizing the benefit of the returning internal capacity and capability but supported by procured professional and operational external providers.	<p>The ability to implement a new approach to prioritisation and procurement of services aligned to outcomes. Maximisation of service efficiency and effectiveness through the deployment of self-delivered, internal (within the Council) and external service provider delivery aligned to an asset based 3 years plus delivery plan with the ability to flexibly approach third party income and grants.</p>	Requires strong strategic management with aligned project management office capacity and capability to coordinate and deliver the plan for the benefit of our customers.	<p>N/A</p> <p>Proposed officer option recommended in this report aligned to benchmarking undertaken with the Future Highways Research Group</p>
Wider Collaboration and Alliance Service Delivery model	Longer-term collaborative contract with several suppliers to deliver large scale multidisciplinary project and/or programmes of work i.e. the Councils Highways Team retains the "intelligent client" strategy and policy role	Collaborative working model established in line with NEC4 alliancing model with the benefits of aligned objectives and risk share. Capable of delivering across multi-disciplinary suppliers i.e. consultants and contractors.	Requires clarity of outcomes with significant set up arrangements to maximise the underlying risk and reward model.	<p>Requires time to develop strategy, identify partners and procure the contract.</p> <p>Officers feel that this model has the potential for future service delivery once the proposed "Mixed Economy" model are</p>

Option	Description	Advantages	Disadvantages	Reason for Rejection
	<p>and in relation to the management of the highway asset, development control and street works functions with appointed term maintenance and design services being brought together under the New Engineering Contract (NEC) partnering agreement to ensure collaboration between partners.</p>	<p>Less opportunity for dispute.</p>		<p>bedded in.</p> <p>This approach is being implemented by lead authorities in conjunction with the Future Highways Research Group</p>

Appendix 2:

Proposed Mixed market service provision or “Mixed Economy” Model

Highways Service - Mixed market service provision or “Mixed Economy” Model									
Function	Highway Reactive and Planned Maintenance	Highway Technical Compliance	Development Control	Traffic and Travel	Asset Management			Traffic and Compliance	Business Operations
Strategic Responsibilities	Operational / Construction	Policy / Design	Policy / Managing Agent	Policy / Design / Delivery	Design / Delivery	Delivery / Managing Agent	Policy / Design / Delivery	Policy / Managing Agent	Policy / Assurance
Activities	Construction	Technical support and benchmarking	Development Control	Parking Design & Sustainable Travel	Scheme Design	Construction Management	Structures Flood Engineering	Street Works & Carriageway and Footway Inspections	Project Management, Performance, Finance and Communications
Description	Highway’s maintenance provision, reactive and planned maintenance programmes	Highways Technical application driving efficiency, supporting business process reengineering, policy development, benchmarking, and continuous improvement	Highways Development Control and Travel Planning including developer liaison and support, planning engagement, future highways infrastructure shaping	Parking Design and CPZ, Policy and Strategy, TfL liaison, Public Rights of Way (PROW), Safe and Sustainable Travel	Asset Management Design	Asset Management Construction including the NRP and CIL delivery programme	Asset Management Specialist Engineering Services (Assets, Flooding, Drainage and Structures)	New Roads and Street Works, Highways Asset Inspection and Liaison, Enforcement and Compliance	Business and Financial Management, Systems Administration, Marketing and Communications, Member Liaison Performance and Programme Management
Drivers	Network management Network resilience Capital and	Asset management Planning services and commissioning	Asset management Development control Local economy	Planning and commissioning CPZ implementation Communications	Asset management Planning and commissioning Procurement	Asset management Planning and commissioning Procurement	Asset management Planning and commissioning Procurement	Asset management Network compliance and enforcement	Communications and customer relations Project management

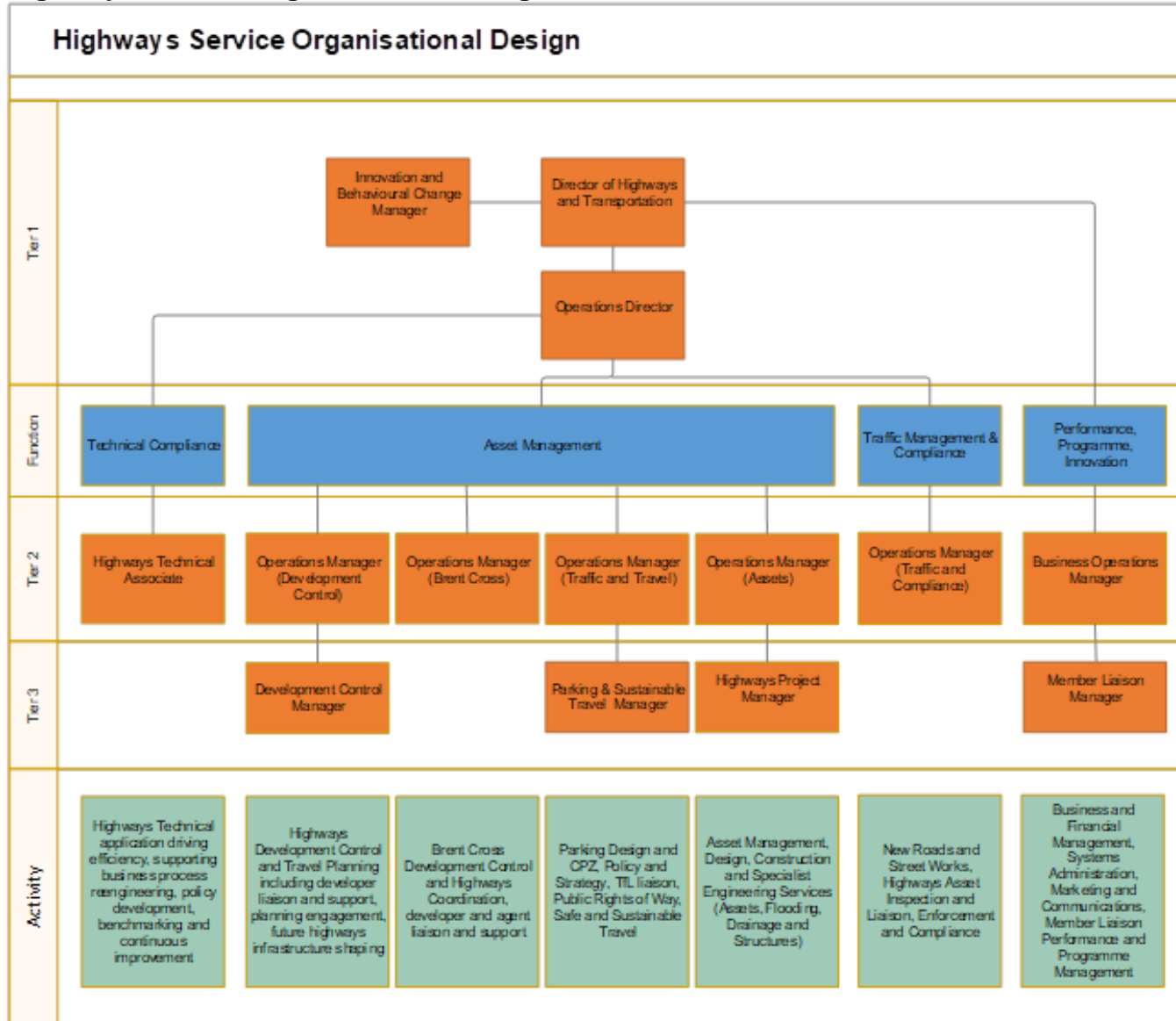
Highways Service - Mixed market service provision or “Mixed Economy” Model									
Function	Highway Reactive and Planned Maintenance	Highway Technical Compliance	Development Control	Traffic and Travel	Asset Management			Traffic and Compliance	Business Operations
	Revenue programme delivery Carbon reduction	Procurement management Carbon reduction	support Income management Planning Carbon reduction	and customer relations Local economy support Carbon reduction	management Capital and Revenue programme VfM delivery Carbon reduction	management Capital and Revenue programme management VfM delivery Carbon reduction	management Capital and Revenue programme management VfM delivery Carbon reduction	VfM delivery Income management Carbon reduction	Budget setting and allocation VfM assurance
Primary Legislation	Highways Act 1980 New Roads and Street Work Act 1991	Highways Act 1980 Construction (Design and Management) Regulations 2015	Highways Act 1980 Town and Country Planning Act 1990	Road Traffic Act 1991 Traffic Signs Regulations and General Directions 2016	Highways Act 1980 Construction (Design and Management) Regulations 2015	Highways Act 1980 Construction (Design and Management) Regulations 2015	Highways Act 1980 Flood and Water Management Act 2010 Land Drainage Act 1991	Traffic Management Act 2004 Road Traffic Act 1991 New Roads and Street Work Act 1991	Highways Act 1980
Salary Risk	Medium	High	High	Medium	High	High	High	Medium	Medium
Primary Mixed Economy Delivery Provider	External provider	Highways Team	Highways Team	Highways Team	Highways Team	Highways Team	Highways Team	Highways Team	Highways Team
Risk Mitigation	Transferred risk: Construction, Materials,	Transferred risk: Sourcing finite specialist engineering	Transferred risk: Sourcing specialist commercial and	Transferred risk: Market analysis, Consultation, Design, PROW	Transferred risk: Sourcing finite specialist engineering	N/A	Transferred risk: Sourcing finite specialist engineering	N/A	N/A – within the LBB corporate estate

Highways Service - Mixed market service provision or “Mixed Economy” Model

Function	Highway Reactive and Planned Maintenance	Highway Technical Compliance	Development Control	Traffic and Travel	Asset Management			Traffic and Compliance	Business Operations
	Plant and Subcontract supply chain	skills, resource peak management	engineering skills, resource peak management	paralegal rights of way and definitive map	skills, design liability, resource peak management		skills, design liability, resource peak management		
Secondary Mixed Economy Delivery Provider	Top-Up contract arrangements	Professional Services Partner	Professional Services Partner	Professional Services Partner	Professional Services Partner	N/A – compliance function needs to be direct delivered	Professional Services Partner	N/A – compliance function needs to be direct delivered	LBB Services Teams

Appendix 3:

Highways Service Organisational Design



Appendix 4:

High-level Glide Path Activities to September 2023

Year	2021/22	2022/23		2023/24
Outcomes	Quarter 4	Quarters 1 / 2	Quarters 3 / 4	Quarters 1 / 2
Improved Customer Satisfaction	Agree scope of highways service model. Development of communications and awareness plan.	Review and phased implementation of highways scope aligned to procurement strategy. Monitoring and refinement of communications plan and glide path plan.	Phased implementation of highways scope. Monitoring of communications plan and glide path plan.	Conclusion of highways scope aligned to procurement strategy. Monitoring of communications plan and glide path plan.
Finances	Development and sign off MTFS revenue and capital cashflow forecast to ensure cost certainty.	Undertake review of approach to funding and grant aiding aligned to policy hierarchy, asset condition & capacity to deliver. Implement CIL business cases. Forward plan for regeneration & infrastructure.	MTFS revenue and capital cashflow forecast aligned to Council budget setting. Highways financial transfer model developed by Council and Capita to enable smooth transfer.	Finalise financial transfer model and track to transfer September 2023. Model to factor in base costs and growth targets.
People	Review recruitment and retention approach aligned to the approved organisational structure.	Recruitment and retention approach aligned to Procurement Strategy and Partners to support operational delivery.	Continuation of recruitment and retention approach and associated communication with transferring teams.	Develop and implement people transfer plan with LBB and Capita aligned to Procurement Strategy.
Procurement	Conduct Procurement Audit and develop Procurement Strategy to underpin service delivery. Commence implementation of	Marketing, evaluation, and implementation of Procurement Strategy. Commence and conclude review of HMPF Framework	Implement Procurement Strategy and recommendations of HMPF Framework review aligned to operational delivery. Bed in	Refine project pipeline and ensure alignment with Procurement Strategy and Partners delivery capability.

Year	2021/22	2022/23		2023/24
Outcomes	Quarter 4	Quarters 1 / 2	Quarters 3 / 4	Quarters 1 / 2
	Procurement Strategy.	post Sept 23.	Partners.	
Project Management	Implementation of project management approach within service aligned to forward Project Pipeline. Confirm CIL Project Management support.	Development of approach to project management design and engineering services aligned to forward Project Pipeline, Procurement Strategy and Project Management	Bedding in of approach to project management design and engineering services.	Reporting against Project management approach aligned to transferring highways scope.
Digital Journey	Completion of Confirm Rollout, go live of Legacy Database and close down of Exor. Go live of SharePoint project management capability.	Confirm dashboard and reporting. Implement Internet of Things (IOT) flooding and drainage predictive planning. Business case and implementation of Self-Service customer model.	Confirm one year on review and forward plan aligned to one digital approach. Embedded dashboard and reporting methodologies.	Digital Platform business audit. Implementation of audit actions. Transfer of IT software and hardware to ensure business continuity.