

<b>Report title: Initial Response to LHP Task and Finish Group Review</b>	
<b>Report to:</b> Place Services and Economic Growth Policy and Scrutiny Committee	
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<b>County Divisions affected:</b> All Essex	

## 1. Introduction

- 1.1 This report presents an initial response to the Local Highway Panel (LHP) Task and Finish (T&F) Group report, for discussion at the Place Services and Economic Growth (PSEG) Policy and Scrutiny Committee on 30 June 2022.
- 1.2 It acknowledges each of the summary findings made within the LHP T&F Group Report, provides an initial response, and details a number of actions that could be taken forward.

## 2 Findings and recommendations made within the report

- 2.1 Page 12 of LHP T&F Group Report:

### **Summary Findings - Regions**

In future, the distribution of the additional budget could take the inconsistency of activity into account and could be focused towards areas with a larger queue.

By definition, when LHPs were started 10 years ago, there would not have been a long queue of schemes awaiting funding. Therefore, those regions that were most 'successful' in bringing forward schemes, may now be suffering from that success and left with an inability to address them all.

To address the inconsistency across the county and the apparent lack of awareness of the LHP guides among councillors, additional training may therefore be needed including the sharing of best practice between LHPs. It is also proposed that scheme requests be accompanied by a justification which references the appropriate guide and criteria.

The schemes awaiting allocation stretch over several years and are unlikely to come to fruition, raising the question of how realistic it is to deliver the area's demands.

- 2.1.1 It is agreed that the additional £200,000 allocated to the LHPs in 2021/22 (and subsequently rolled over into 2022/23) could have been distributed in line with the LHP allocation formula or with a focus on those areas with longer Schemes Awaiting Funding lists; however, as most LHPs have committed funds and prepared their programme of work for 2022/23, it is proposed that each LHP retains the additional £200,000 that they were allocated.
- 2.1.2 Should additional funding for LHP be made available in future years, the allocation can be distributed in line with the formula.
- 2.1.3 It is proposed that where a LHP has funds remaining within their capital budget following the June panel of any given year, the remainder should enter a collective pot of underspent capital funds, which can then be distributed to those panels where schemes require funding (possibly through a bidding or ranking process or via a Chairman's Panel, details of which will be presented later in this report at 2.5.2).
- 2.1.4 Agree that additional training should be offered to all Members. Training should include:
- An overview of the Members' Guides, providing Cllrs with a full understanding of the various types of schemes that the LHPs can fund.
  - How scheme costs are determined, providing full transparency and a breakdown of each stage.
  - Explanation of timescales for each type of scheme.
- 2.1.5 Agree that the current lifecycle is too long, and we are looking at ways to improve this. We will return to the Committee with our proposals on this matter in due course.

## 2.2 Page 12 of LHP T&F Group Report:

### **Summary Findings Budget**

The Task and Finish Group has evaluated the schemes submitted by the 12 LHPs and have identified the following:

At the point of investigation there were a total of 1098 schemes listed, valued at over £12.2M, with £6.8M of those, still awaiting allocation of funding. In addition, there are a further 369 schemes identified as awaiting cost estimation. As such, the allocated budget is severely inadequate to address demand, and this partially explains why schemes take anything up to 5 years for full implementation.

The additional budget of £200,000 per local authority in 2021/22 should not have been distributed equally and was disproportionate to the original budget and has led to underspend. Going forward, the total budget should be distributed in line with the approved formula.

The schemes awaiting allocation stretch over several years and are unlikely to come to fruition raising the question of delivery to fulfill the area demands.

The Group conclude that the existing budget is far from adequate and in its current format will never meet the demand placed on the local LHP's and until either the budget is increased, the cost of schemes is radically overalled or a wider structural change takes place.

If the LHPs are contributing to the Safer, Greener, Healthier agenda, then such budgets need to be explicitly directed towards LHPs.

2.2.1 As above, should additional funding for LHP be made available in future years, the allocation can be distributed in line with the existing formula.

2.3 Page 16 of LHP T&F Group Report:

**Summary Findings – Cost of Schemes**

The perception that schemes are too expensive needs to be addressed, perhaps with more training. Specifically, LHP members need to better understand the constituents of the whole delivery price with design costs being a major part of the total cost, and LHP management 15% and total overheads as 25% of the total price.

2.3.1 As above, full training will be offered to all LHP members to provide a better understanding of cost breakdowns.

2.4 Page 19 of LHP T&F Group Report:

**Summary Findings – Delivery Times**

The perception that LHP schemes take too long needs to be addressed by training LHP members on the lifecycle.

The timing of design task is a critical element in determining the timescale and has to be scheduled to a limited resource. Furthermore, shortage of design resource is causing some delays.

The implementation of the new scheduling and reporting database coupled with scheduling software should improve matters going forward.

There is a wealth of information on the LHP websites, but not all LHP members are aware of it. Furthermore, a deeper understanding of the scheme lifecycle would be beneficial.

2.4.1 As above, training will be offered to all members on scheme lifecycle / timescales.

2.4.2 Officers are currently working to implement a new scheme reporting and tracking system which will allow members to:

- Raise LHP requests quickly and efficiently via a web-based platform.
- Access a map showing all scheme requests that have been submitted across the County.

- View the status of each scheme request (i.e., in validation, design, total scheme etc).

2.4.3 Details of the new reporting tool will follow later in this report at 2.10.1.

2.5 Page 21 of LHP T&F Group Report:

**Summary Findings – Appropriateness of Schemes**

With such large schemes in scope, there is a danger that LHPs will be dominated by delivery of a small number of schemes rather than many schemes across a whole region, benefitting more people.

The option to set a £50,000 cap and move consideration of larger schemes to a Super LHP should be explored on the basis that the Super LHP attracts alternative Greene/Healthier funding.

The concept that maintenance tasks are not in LHP scope should not be changed. However, this needs to be addressed by improving the maintenance performance.

2.5.1 Whilst it is currently within the LHPs' power to focus on implementing smaller scale schemes (up to £50k) should they wish, placing a cap on scheme costs would limit the existing freedom of the panels and could be seen as a step away from devolution. Therefore, we propose that a cap is not placed on scheme costs and that LHPs retain the option to fund larger schemes with their capital budget should they wish.

2.5.2 To address the concern that the LHPs could be dominated by small numbers of large schemes that do not serve the wider demographic, it is recommended that this matter should be investigated by a separate Chairmen Panel, consisting of all twelve LHP chairmen (in line with the proposed Super Panel).

2.5.3 The main purpose of the Chairmen Panel would be to share best practice and ensure that the panels are managed and run in a consistent and efficient manner.

2.5.4 An additional responsibility of the Chairmen Panel could be to adopt the responsibility for the collective underspend from all LHPs following the June panels. The Chairmen Panel could work with officers to review those schemes that have been listed as awaiting funding for an extended period of time, ultimately deciding whether they should be funded by the Chairmen Panel or removed from the Schemes Awaiting Funding List for that district.

2.5.5 An additional benefit to the Chairmen Panel would be the provision of a further layer of authority for a scheme to be approved/denied.

- 2.5.6 As the Chairmen's Panel would have to be resourced by existing funds, officers are currently working to determine exactly how it would operate, as well as the criteria against which a scheme would be assessed. We will return to the Committee to present our suggestions in due course.

2.6 Page 23 of LHP T&F Group Report:

**Summary Findings – LHP Membership**

LHP makeup ranges from 7 to 23 (Braintree) including officers and others; this can be considered top heavy.

The Group conclude that there is scope to reduce the number of members that make up these panels and suggest that they should consist of county councillors, 1 representative from district level, 1 parish representative.

The officer attendance could be reconsidered but should always include a member from the design team (to ensure there is sufficient consideration of this element).

The Group conclude that decision making (voting) should be restricted to the ECC councillor membership. Local parish councils should be part of the application process through the ECC member.

The Group believe that residents should input via their ECC member.

- 2.6.1 There is an inconsistency across the panels with regard to membership numbers. Whilst it is agreed that in some cases panel membership could be reduced, it is important that we retain the local knowledge of the District members.
- 2.6.2 It is proposed that all members on the panel have a voting right as restricting this to only County members could be seen as a step away from devolution. We do however recommend that it remains a requirement for County Members to approve all scheme requests before they can progress to the validation stage.
- 2.6.3 It is recommended that to ensure consistency, each LHP should consist of all County Members, two District Members and one Parish Council representative.

2.7 Page 24 of LHP T&F Group Report:

**Summary Findings – Overlap with Maintenance**

LHP scope should continue to exclude maintenance aspects; however, for this to happen, the highways maintenance performance needs to be improved

PSEG should review Highway Maintenance performance on a quarterly basis.

- 2.7.1 The scope of the LHP will be clarified as part of the planned member training programme, detailing that which falls under maintenance and outside of the panels' remit.

2.8 Page 25 of LHP T&F Group Report:

**Summary Findings – Delivery and Implementation**

The expansion of the use of Direct Delivery Gangs is supported

More consideration should be given to the use of Highways Rangers including expanding their capabilities.

Options to contract out work should be explored.

LHP meetings should be at least every quarter and review progress of all the schemes.

- 2.8.1 As noted in the T&F report, the preferred method for LHP scheme delivery is via Direct Delivery, offering the cheapest and most effective delivery method.
- 2.8.2 For those schemes that are outside of the Direct Delivery Gang's remit, we work within the parameters of the Essex Highways contract and use a supply chain partner (SCP), selected via a competitive tender process to ensure best value for money.
- 2.8.3 A full explanation of how schemes are costed and delivered (including the associated timescales) will be included as part of the proposed members' training sessions.
- 2.8.4 All LHPs meet quarterly; however, it remains at the panels' discretion as to whether they meet more frequently or on an ad-hoc basis.



2.9 Page 27 of LHP T&F Group Report:

**Summary Findings – Centralisation versus Devolution**

Decision Making for schemes of less than £50,000 should stay with existing LHPs with bigger schemes considered by a new LHP Super Panel.

- 2.9.1 As above, it is proposed that a spending cap should not be placed on the LHPs; however, a Chairmen's Panel could be formed to take responsibility for those schemes that are unlikely to be funded by the 12 LHPs.

2.10 Page 29 of LHP T&F Group Report:

**Summary Findings – LHP reporting System**

The Task and Finish Group support the improvement to the scheme request and data capture system and promote its roll out by mid-2022

It is noted that the new database will be able to provide in depth data for members.

The Group recommend a two-tier reporting system, one for the public and a more in-depth one for members.

The Group support the new online reporting system but note that some minor changes could be made e.g. the inclusion of a "recommended solutions" category choice.

- 2.10.1 An online LHP scheme request and tracking tool has been developed and HLOs are currently working with developers to ensure that it meets all requirements. The target for rolling this out to members is mid-2022. Full guidance on how the system will work will be included as part of the proposed members' training programme.

- 2.10.2 As recommended, we are working with the developers to devise an option for members of the public to submit suggested schemes, which will notify the local County Member via email when a scheme request has been submitted for within their division. If in support, the member can then approve the submission for referral to the HLO to be progressed to validation.

### 3 Actions

- 3.1 Below is the list of initial actions that will be taken forward, with a further update to be presented to the Committee in due course.



- 3.2.1 **Additional funding:** In the instance that additional funding becomes available to the LHPs in any given year, it will be distributed across the 12 panels in line with the existing allocation criteria.
- 3.2.2 **Date for completion:** Ongoing.
- 3.3.1 **Chairmen Panel:** Officers will work with the Cabinet Member for Highway Maintenance and Sustainable Transport and the 12 LHP Chairman to form a Chairmen Panel, the purpose of which will be to:
- Share best practice;
  - Identify potential issues and inconsistencies; and
  - Adopt the responsibility for LHP underspend.
- 3.3.2 **Date for completion:** The aim will be to implement the Chairmen Panel in December 2022, to run for a trial period of one year from January 2023 to January 2024, for further review by the PSEG Policy and Scrutiny Committee in April 2024.
- 3.4.3 Officers will present their proposals for how the Chairmen Panel would operate at the PSEG Policy and Scrutiny Committee in September 2022.
- 3.4.1 **Members Training:** Officers will produce a number of training sessions for Members, covering a number of different topics.
- 3.4.2 As part of this work, the Members' Guides will all be reviewed and updated where necessary.
- 3.4.3 Officers will present their proposals as to what the training will cover/the number of modules, the level of detail that will be covered and the number of cohorts at the PSEG Policy and Scrutiny Committee in September 2022.
- 3.5.1 **Review of scheme lifecycle:** Officers will determine the best means to:
- Address the length of time a scheme takes from its request to being implemented; and
  - The length of time that a scheme can sit in the Schemes Awaiting Funding list.
- 3.5.2 Officers will present their proposals on how these timescales can be reduced at the PSEG Policy and Scrutiny Committee in September 2022.
- 3.6.1 **Online reporting tool:** Officers will rollout the new online reporting tool to allow Members the opportunity to quickly and efficiently log new scheme requests and track those that are already in the system.
- 3.6.2 Officers are working with the developers to finalise the tool, with a target for rolling this out to Members in August 2022.

- 3.7.1 **Membership numbers:** A review of membership from across all twelve panels will be carried out by officers in conjunction with the proposed Chairmen Panel to determine whether a consistent approach of all County Members, two District Members and one Parish representative would work for all.
- 3.7.8 Officers will present their proposals for panel membership at the PSEG Policy and Scrutiny Committee in September 2022, with a view to implementing any changes in April 2023.