



# **Best value review of transport in East Sussex**

June 2004

## **Board Members:**

Councillors Brian Gadd (Chairman), Keith Bridger and Jon Freeman.

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## **Chairman's Foreword**

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In presenting this report to the Council I would like to pay tribute to all the people who helped support this review, especially the members of the review Board and the officers with whom we worked. We greatly valued the input from the *critical friend* who brought a wealth of experience in transport from elsewhere. The views and advice from the representative of the Audit Commission, who provided guidance at three stages of the review, helped ensure that our report remained on track; this should now enable our report to assist with the Audit Commission stage 3 inspection of the transport service to follow this review in July 2004.

Previous scrutiny and best value reviews have already examined many facets of transport in East Sussex. We therefore decided to take care not to duplicate work that has been carried out over the last three years. Furthermore, the tight timescale for the review required us to be selective in our work resulting in the report focusing primarily on how East Sussex selects transport schemes to meet both local and national targets together with a number of related elements.

I recommend this report to the Audit and Best Value Scrutiny Committee and the Council.

***Councillor Brian Gadd***

***8 June 2004***

## Executive summary

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- I. This section summarises the main findings of the report together with the recommendations made by the review Board.

### ***Policy framework***

- II. There are effective policy links between the East Sussex Local Transport Plan (LTP), the Council Plan, the Transport and Environment Department service plan and other plans such as for strategic management, economic development, community safety, community planning, e-government and the structure plan.
- III. These links will help to ensure that local Council priorities are firmly embedded within the LTP alongside national transport priorities.
- IV. The primary objective underlying the service target of *visibly better roads* is a transport objective, which is to improve roads per se. The *visibility* aspect is a measure of the extent of improvements. However, a clearer statement of service standards would assist the public to understand better the levels of transport service it can expect from the Council.
- V. There is a comprehensive and well developed policy framework to inform future investment in the development of transport facilities, investment in partnership working with key stakeholders and consultation with the wider public.
- VI. The effect of the lack of investment in the trunk road system has resulted in traffic rerouting to less suitable minor roads in East Sussex. The burden on these roads has increased with consequential negative environmental impacts.

### ***The package or LATS approach***

- VII. The Board endorsed the broad objectives of the Local Area Transport Strategies (LATS) approach. For East Sussex the advantages are significant because LATS:
  - Forge effective local partnerships with key stakeholders in the community and in particular with parish councils
  - Effectively inform the transport input to local strategic partnerships and community strategies
  - Forge greater ownership and understanding of the Council's sustainable transport agenda across the County
  - Are consistent with the integrated transport elements of the LTP and contribute towards achieving the LTP vision, objectives and targets.
  - Help identify soft or low-cost measures to encourage more movements to be made on foot or bicycle that would not be easily identified otherwise.

### ***Traffic and safety***

- VIII. Future maintenance issues need to be identified at the design stage of all traffic calming schemes. Designers should ensure that area team managers are aware of proposals. This need has been recognised by the department and the proposed departmental restructuring will ensure greater linkages between these areas.

### ***Highway maintenance***

- IX. East Sussex is on target to halt deterioration by 2004; the public service agreement (PSA) for highway maintenance is assisting the Council to meet this target.
- X. The full implementation of an Asset Management Approach is two or three years away. When in place it will involve a different approach to pricing assets and accounting processes. It should enable better planning for future asset requirements based on projected growth and service levels, and enable better monitoring of the performance and condition of individual highway assets.
- XI. The current backlog of works is estimated by the Transport and Environment Department at £48m for the whole road network based on information currently available. These figures currently stand as estimates and further scrutiny work is needed to ensure the accuracy and transparency of these figures, as well as understanding the resultant priority areas. Part of this work needs to include an assessment of the growth, or otherwise, of the backlog in the light of current and recent revenue and capital spend in this whole area. Development of this work is important in the short term but the quality of such work will be greatly improved as the proposed Asset Management Approach is developed.
- XII. Future comparisons of the maintenance backlog in East Sussex should be made with those of other local authorities together with an assessment of the impact of future LTP expenditure on the backlog. More generally, such work needs to include comparative analysis on spend to provide a benchmark on cost effectiveness.
- XIII. The proposed Asset Management Approach and related move to whole life costing and the identification of the most timely intervention point will, in time, greatly enhance the residual life of the highway stock. This will in turn make inroads into, and prevent a future backlog of need. The Board wished to ensure that the additional information provided by the Asset Management Approach would result in greater clarity about the most efficient ways of addressing the backlog.
- XIV. There is evidence of some good working links between maintenance and safety teams, although these could be improved to contribute towards efficiencies and provide a more joined-up service from the public's point of view.

### ***Passenger transport***

- XV. Creative and innovative attempts are being pursued to maximise the use of available resources to extend passenger transport provision. Quality bus partnerships are working to good effect and the team is aiming for the integration of the transport needs of education and social services with supported public routes.

### ***Scheme selection***

- XVI. Integrated transport schemes are selected through the LATS process primarily on the criteria that they reflect community aspirations and economic factors; they are often prioritised on the basis of whether they could be delivered within the timescale and resources available. This approach results in beneficial schemes that are supported locally but potentially make a lesser contribution to achieving national transport and environment targets. However, the LATS approach enables a greater ability to prioritise and

allocate funding equitably across the County rather than focus on one location to the detriment of others, thus minimising the marginalisation of individual communities.

- XVII. National targets may sometimes conflict with local priorities where for example bottom up community priorities meet the top down targets of government.
- XVIII. Some general targets not attributed to specific functions appear to have no Transport and Environment Department officer clearly identified as being responsible for monitoring achievement. For example, the traffic reduction target appears to straddle different teams and activities. This is being addressed as part of the departmental restructuring together with the Board's recommendations.
- XIX. There are justifiable reasons for taking forward the schemes selected under the LATS process even if these schemes are not solely selected on the basis of their contribution to national transport targets. However, the issues involved, including the fact that there are potential financial implications in not hitting national targets, should be identified.
- XX. Programmes should be developed wherever possible that maximise the impact on national targets as well as successfully meeting local objectives. Systems should be developed that attempt to define in more detail the impact of transport schemes on national targets and that enable divergences to be identified and reported earlier and more effectively.
- XXI. The 2004 Annual Progress Report (APR) appears to be on course to address the current criticisms of Government Office for the South East (GOSE) as well as anticipating new issues as the emphasis moves increasingly towards real and measurable outcomes for targets at the end of the first LTP period.
- XXII. Consultation often results in conflicting priorities between different stakeholders or between stakeholders and wider targets. This can cause delays in scheme implementation. All transport schemes can be affected by this, but it is of critical importance for safety schemes.
- XXIII. The tone in Council consultation documents used in the process of establishing local views seemed unduly *grateful* for responses. Instead, the importance and value of full public participation should be emphasised in public consultation.
- XXIV. Other organisations have experienced problems with the roving exhibition or voluntary survey approach to scheme consultation, finding that they gain a more balanced view by a face-to-face approach. This avoids minority, unrepresentative views being given too much weight.
- XXV. There is some scope to improve the signage in respect of road works which should be as accurate as possible, especially where dates and timescales are concerned.
- XXVI. Other approaches, gleaned from external comparators, recommended for use in East Sussex include:
  - Seeking to identify a fixed and limited number of clear objectives that are carefully negotiated to be achievable in advance with identification of adequate linked funding to ensure success
  - Having a single overriding target above all others to refer to when there are competing priorities

- Using a balanced scorecard: each project is assessed against a large range of relevant parameters; factors are quantified wherever possible within a matrix to provide a picture of the extent to which different projects are hitting targets
- An annual bids conference of senior managers enabling peer challenge of poor project ideas.

### ***Departmental structure***

- XXVII. The proposed changes in departmental structure and systems will leave the service in a strong position in future. The new structure must address: staffing issues; joined-up service delivery and value for money; flexibility for future policy and budget setting; and, accountability to Members and the public.
- XXVIII. The Board endorsed the proposed Transport and Environment Department restructuring:
- Two network offices would be responsible for design and delivery of all road related projects in their area; these offices would adopt a new approach towards assessing need, providing more information back to the strategic centre and receiving clearer targets.
  - All maintenance and transport projects up to £300,000 would be developed directly by Council employees at the relevant network office to provide a strong core management of the area; there will be continuity of project management from feasibility through to delivery.
  - Schemes over £300,000 and under £1m would be allocated to a consultant whilst anything above that amount would be tendered for individually; these limits would be adopted depending on the individual circumstances.
  - Strategic services would be located centrally, set policy and budgets, and supply specialist services; specialist teams will have the flexibility to work across different geographical and professional areas to achieve continuity of project management.
  - There would be a significant change in the way the County interacts with its customers. A single telephone number will provide public access to an operator with accurate, timely and relevant information.
  - Some staff would be transferred to the department from the external consultants wherever possible; but in any case, attempts would be made to recreate an environment where East Sussex can successfully recruit, develop and retain staff.
  - Contract terms and durations for external contractors would be reconsidered; five years is now considered to be too short a timescale, and seven to ten years may be more appropriate with contracts including both *carrot and stick* conditions.
  - The boroughs of Eastbourne and Hastings presently have agreements to deliver services on the County's behalf. Work would be needed to assess whether these services could be allied effectively to that of the network offices. The effectiveness of the highway maintenance agency agreements with boroughs should be reviewed.
  - The Asset Management Approach is to be a central function of the new structure and will enable a more systematic, planned and consistent approach to managing the County's transport assets.

- Staff consultation exercises have been conducted with all staff in the department in December 2003 and there is to be a further round after April 2004; this process has demonstrated that there are skilled and motivated staff with a desire to develop and improve service delivery.

### **Consideration by Audit and Best Value Scrutiny Committee**

**XXIX. *The Audit and Best Value Scrutiny Committee considered this report at its meeting on 17 June 2004 and commented as follows:***

- ***The Committee noted that a detailed report on Supplementary Planning Guidance – Local Sustainable Accessibility Improvement Contributions was approved by Cabinet on 8 June 2004; this report supplements the Board’s report by providing greater clarity on developer contributions towards integrated transport and accessibility improvements.***
- ***Cabinet is recommended to work with SEERA (South East England Regional Assembly) and its transport division in agreeing a strategic plan to enhance road/rail transport infrastructure. This should be in conjunction with expected levels of housing development 2006 – 2016 to ensure concentrated development on the primary transport corridors thereby enhancing maximum planning gain in necessary investment and subsequent economic regeneration.***
- ***Maintaining and enhancing the environment of the County’s villages should be a relatively high transport priority.***
- ***In noting the innovative and creative attempts to maximise the use of available resources in developing public transport infrastructure (paragraph 84), the use of social car schemes/voluntary car schemes should be included as an initiative to be explored further.***
- ***The recommendation to publish a clear statement of service standards (recommendation 9) was particularly welcomed as a means of communicating details of road repairs as well as the level of service the public can expect across a range of transport functions.***

## Recommendations

Recommendation	Reference to conclusions (paragraph)	Reference to objectives (page 15)
<b><i>Second generation Local Transport Plan (2006 – 2011)</i></b>		
<p>1. In respect of the second generation Local Transport Plan (LTP):</p> <ul style="list-style-type: none"> <li>• Economic factors should play a significant role in the development of schemes within LATS under the LTP.</li> <li>• LTP funding should be utilised to maximise mode options for travel, particularly in relation to school journeys.</li> <li>• The results of the consultation exercise of 20 March 2004 should be analysed to provide a better understanding of public perception of transport priorities in East Sussex to inform the development of the LTP; particular attention should be paid to public comments that contradict the Council Plan or national transport targets.</li> </ul>	32, 103, 107, 108, 113	a b c d e
<b><i>Transport scheme selection and meeting targets</i></b>		
<p>2. Performance management should be improved to ensure ownership of those targets that straddle different teams within the Transport and Environment Department by the use of key indicators to drive day-to-day management decisions with clarity of ownership of every national and local target by named managers.</p>	80, 107, 113	b d f
<p>3. A <i>balanced scorecard</i> approach should be developed whereby each potential transport scheme is assessed against a range of relevant local and national targets; the factors to be quantified wherever possible within a matrix to provide:</p> <ul style="list-style-type: none"> <li>• a comparative measure of the extent to which different projects hit each target</li> <li>• the potential financial implications of promoting schemes that have low impact on national targets.</li> </ul>	63, 80, 84, 103, 107, 108, 113	a b d
<p>4. An overriding single objective should be identified for each transport scheme at an early stage to assist with making decisions where there is an apparent conflict of priorities.</p>	108, 113	b c

<p>5. An annual <i>presentation-of-bids conference</i> should be held with relevant managers, Lead Member and cross party representation to inform the selection of significant transport schemes. The objectives of the conference would be to:</p> <ul style="list-style-type: none"> <li>• ensure peer and Member challenge of the emerging programme early in the process</li> <li>• focus attention on clarifying expected outputs and outcomes early in the process</li> <li>• help speed up scheme implementation by identifying factors to resolve any conflicts arising from consultation later in scheme development</li> <li>• ensure development of joined-up schemes that take account of a range of targets</li> <li>• ensure that the overall programme reflects the full range of transport objectives.</li> </ul>	<p>63, 80, 84, 103, 107, 113</p>	<p>a c d e f</p>
<p>6. The Transport and Environment Scrutiny Committee should consider undertaking scrutiny work to:</p> <ul style="list-style-type: none"> <li>• Investigate the methodology and accuracy of the road maintenance backlog figures and refine as data from the Asset Management Approach becomes available</li> <li>• compare the maintenance backlog in East Sussex with that of other local authorities</li> <li>• assess the impact of recent and future LTP expenditure on the maintenance backlog in more detail</li> <li>• clarify the priorities to address the highway maintenance backlog.</li> </ul>	<p>77, 78</p>	<p>a b c</p>
<p><b><i>Organisation of the transport and environment department</i></b></p>		
<p>7. Procurement of highway works should be rationalised to incorporate performance related contracts with the following principles underlying the relationship with external consultants and service providers:</p> <ul style="list-style-type: none"> <li>• Maximising the benefits to be achieved through partnership working</li> <li>• Maximising the benefits of partnership working</li> <li>• Ensuring that duplication of effort is eliminated</li> <li>• Ensuring that the organisation best able to carry out the work as a one time activity is selected to do so</li> <li>• Reviewing the effectiveness of highway maintenance agency agreements with borough</li> </ul>	<p>63, 80, 121, 122</p>	<p>b c d e</p>

<p>councils</p> <ul style="list-style-type: none"> <li>Using external consult and design only where existing capacity or skills are unavailable in house.</li> </ul>		
<b>Getting closer to the public</b>		
<p>8. The public should be provided with improved roadside information on highway works that includes accurate details of the purpose, time and duration of activity in addition to making this information available via the web, through key outlets such as libraries and visitor information centres and via the single telephone number.</p>	112, 122	c f
<p>9. A clear statement of service standards should be produced to enable the public to understand better the levels of transport service it can expect from East Sussex County Council; this statement to be published and made widely available via brochures, the web and public notice.</p>	44	c f
<p>10. A review should be undertaken by the Director of Transport and Environment of the County Council's approach to consultation on transport schemes with a view to:</p> <ul style="list-style-type: none"> <li>Minimising any unnecessary delays during the consultation process caused by the inevitable conflict of views that emerge.</li> <li>Minimising the impact of unrepresentative views on the development of transport schemes.</li> <li>Ensuring that the Council, through consultation, stresses the importance and value of responding rather than seeming to appear <i>grateful</i> for any response.</li> <li>Improving the quality of information obtained through consultation by using face-to-face methods wherever practicable.</li> </ul>	<p>98, 113</p> <p>111</p> <p>108</p> <p>111</p>	a e
<p>11. <i>Cabinet is recommended to work with SEERA and its transport division in agreeing a strategic plan to enhance road/rail transport infrastructure. This should be in conjunction with expected levels of housing development 2006 – 2016 to ensure concentrated development on the primary transport corridors thereby enhancing maximum planning gain in necessary investment and subsequent economic regeneration.</i></p>	<p><i>This recommendation was added by Audit and Best Value Scrutiny Committee on 17 June 2004.</i></p>	

The Transport and Environment Scrutiny Committee will monitor the implementation of the action planning arising from these recommendations; a progress report should be submitted to the Committee in March 2005.

## Background

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1. East Sussex covers an area of 1,725 km<sup>2</sup> (666 square miles) with a population of almost 0.5 million. East Sussex County Council has a legal duty to look after 3,090 km of road network including 1,920 km of associated footway, 817 bridges and other structures, 36,000 street lights and 129 traffic signals. There are no motorways in the County.
2. The County Council's programme of best value reviews for 2003/2004 agreed by Cabinet in November 2002 identified the need for a review to seek to improve road transport across the County. This best value review was commissioned by the Audit and Best Value Scrutiny Committee on 25 November 2003.
3. The services being examined included:
  - Transport planning including highways development control (transport) and developers' contributions, parking management and integrated transport
  - Passenger transport
  - Road safety
  - Maintaining the County's highways.
4. In preparation for the review the Board examined a number of key documents (The full list of background documents to this review is contained in appendix 1):
  - A SWOT (*Strengths, Weaknesses, Opportunities and Threats*) analysis of the key areas under focus undertaken by officers in the Transport and Environment department
  - Reports and recommendations of previous best value and scrutiny reviews related to transport provision in East Sussex.
5. From this initial work a number of key themes emerged that helped to clarify the aim and objectives of this best value review whilst avoiding duplication of work carried out previously. There was an opportunity to review earlier relevant best value and scrutiny outcomes that impacted upon this review.

### ***Is the Council achieving national and local transport targets?***

6. National and local targets together with East Sussex's achievements and performance against them were considered by officers to be well documented. However, officers consider that the plethora of objectives and targets often made it difficult in practice to know where to focus resources to best overall effect.
7. This problem was exacerbated by the perception that some targets appeared to be poorly defined by, for example, lacking an achievement date or referring to a proportional or comparative change rather than being defined in absolute terms.

***Has the way the Council reported its achievements done adequate justice to the work being carried out?***

8. Officers considered that there is considerable evidence of good performance with the delivery of individual schemes. But there has been external criticism of how the performance is reported in some areas.
9. In particular GOSE considered (December 2003) that East Sussex should provide a more detailed explanation as to how its programmes are helping to deliver national and local targets. It expressed concern that there is little evidence being provided to show how divergence from programmes is affecting targets or objectives and asked the Council to demonstrate what plans are in place to get negative divergences back on track.
10. Poor reporting and explanation in documents such as the annual progress reports for the Local Transport Plan makes it difficult for others to see easily how individual schemes contribute towards national and local targets and how they link to overall programme delivery.

***How good is the Council at consulting the public and other stakeholders on transport issues?***

11. East Sussex's package approach of developing transport schemes with local communities has seen very effective community consultation locally. This is driven through the development of Local Area Transport Strategies (LATS), working with the community through local transport forums.
12. Broader *modal* objectives are contained in the cycling strategy, bus strategy and walking strategy etc and targets are interpreted to reflect a local perspective informed by analysis of local problems and travel demands. This informs the development of policy and the approach taken on a countywide basis to integrated transport.
13. The Council has undertaken work with parishes through initiatives such as *Strengthening Local Relationships* (SLR). The result has been parish teams carrying out local works of priority to local communities, including tackling speeding traffic, environment improvements, maintenance and road safety initiatives.

## Aim and objectives of the review

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14. The Board reflected on the focus of previous best value and scrutiny reviews and decided to concentrate on issues at a strategic level. It considered the delivery of services on the ground only insofar as it was necessary to understand the impact on delivering the transport agenda. The Board sought to establish whether the right programmes were being selected in the first place and to what extent these programmes were selected to meet various national and local targets.
15. Matters of procurement have been extensively addressed in a previous best value review resulting in recommendations to reorganise service delivery in the Transport and Environment Department. So, this was not to be a conventional best value review in the sense that it has paid less attention to examining *competition* elements.
16. The Board considered that the key focus for this review should be to understand the criticisms made against the Council and to have an overall aim to make recommendations that would:  
**Maximise the effective use of available resources in providing improved opportunities for the safe movement of goods and people through East Sussex in a manner which improves the quality of life for residents and improves performance against transport, travel and environment targets.**
17. Within the overall aim, the Board identified several specific objectives arising from the key themes identified in the scoping exercise; these were refined to take account of suggestions from the Audit Commission. These objectives were to make specific recommendations that seek to:
  - a. **Improve the way in which transport and travel programmes are selected and developed to ensure they maximise the impact on national and local performance targets holistically, and improve performance in transport and travel across East Sussex.**
  - b. **Improve the effectiveness of delivering specific objectives and targets to benefit residents, visitors and commercial operators in East Sussex.**
  - c. **Improve the way in which the Council, through its transport programmes, provides a safe, convenient and well-maintained transport network and improves access to jobs, services and facilities.**
18. Further recommendations sought to address the following subsidiary objectives:
  - d. **Improve the coordination of the various transport related activities by removing any “isolationist” approach to project and routine activity.**
  - e. **Improve stakeholder involvement in the decision-making process.**

- f. Ensure that performance information is produced in a simple and easily understandable form.**

## Work carried out by the review

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### Challenge and comparison

19. The Board gathered evidence from a range of witnesses from both within and from outside the Council:

#### *Internal*

- Senior Council officers responsible for the services across the whole remit of the review provided case study information and answered questions about the way in which transport objectives are interpreted in practice. This enabled the Board to assess how different kinds of transport schemes are designed, involve stakeholders and meet local and national objectives and targets.
- Senior managers provided some detailed proposals for restructuring of the department enabling the Board to assess the extent to which effectiveness would be enhanced.

#### *External*

- The Board Chairman met with external private sector comparators, British Airports Authority and Southern Water who provided the Board with valuable alternative ideas on: selecting projects to hit potentially conflicting targets, setting managers' targets and ideas for effective stakeholder consultation. The opportunity was taken to examine how closer links could be forged between East Sussex and these partner organisations.
  - Surrey County Council received a good score for its Annual Progress Report (APR) in 2003 and was suggested by GOSE as a good basis for comparison. Surrey's APR is considered to be well presented and clearly explains the reasons for deviations from targets. A comparison with Surrey's approach to scheme selection and stakeholder consultation was obtained.
  - Consultants provided to East Sussex County Council by the Department for Transport (DfT) produced a report on corporate mapping within East Sussex County Council and commented upon the process by which targets and objectives for transport are considered and prioritised by the authority as a whole.
20. An external expert and *critical friend*, Mike Palmer (ex Assistant Director of Transport Management at Hertfordshire County Council) advised the Project Manager and Board throughout the process on lines of questioning and helped the Board to focus on areas likely to result in maximum improvements.
21. This best value review was subject to a staged inspection by the Audit Commission. Valuable informal feedback from Kevin Whiteside, Performance Specialist and Regional Service Lead (Environment), was provided at key stages during the course of the review, particularly following the production of the Project Initiation Document and then at two mid-review reporting points. This input helped keep the review on

track and enabled the Board to ensure that it addressed the main issues relevant to the review's aim as well as assist with the Commission's whole service inspection to follow this review in July 2004.

22. The trade unions represented amongst the Council's workforce were consulted as part of this best value review and were invited to comment on issues of interest to them. No response was received by the Board.

## **Competitiveness**

23. The Board considered how transport programmes were selected and put forward and considered whether there were alternative ways of doing this more effectively and efficiently.
24. The Board reviewed the outcomes of recommendations of relevant previous East Sussex best value reviews to assess the extent to which relevant recommendations have been implemented.

## **Consultation**

### ***Public consultation workshop***

25. The public consultation workshop on 20 March 2004 represented the start of a major consultation exercise that will ultimately result in the production of the second generation LTP (2006 – 2011). Over the months following that event, questionnaires and focus groups with stakeholders will be used to obtain the views of as wide a range of people as possible to ensure that the LTP is sufficiently robust and representative of East Sussex communities as possible.
26. The results from the workshop enabled this best value review to set its recommendations in the context of a representative public view; the event provided a check that the recommendations in this review are compatible with local public opinion.
27. The main points made by residents during the day are summarised in appendix 2, page 56 but reference has been made to them at appropriate points throughout this report.

### ***Other consultation arrangements***

28. The Board reviewed the consultation arrangements in respect of individual transport schemes and sought examples of effective consultation approaches from the external comparators.

### ***Reference group***

29. It was intended that the Board would submit the final evidence and draft recommendations of this review to a reference group comprising a range of stakeholders and interested parties. However, the timescale for the review did not allow this to happen because the review had to complete its deliberations in order to submit its findings to the Stage 3 Audit Commission inspection of the transport service. A stakeholder

group discussion will be programmed as part of the Audit Commission inspection of the transport service in July 2004.

## Findings and conclusions

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### ***Corporate framework***

30. During the course of this review, in April 2004, work was undertaken by W S Atkins on behalf of the Department for Transport (DfT) to provide advice and diagnostic support related to the County Council's transport services. This sought to establish how corporate objectives influence transport targets and programme selection. A number of findings emerged from this work that underpinned this best value review. The most relevant of these are:
- The Council has undertaken an immense amount of work on the development of its Council Plan, performance management and communication strategies – all of which will support improvement in the delivery of its transportation strategy and services. This work is widely and justifiably recognised, for example by the Audit Commission as best practice.
  - It is clear that: members and the public have a high level of interest in transportation; transportation is an essential part of many corporate objectives; in terms of both revenue and capital expenditure transportation represents a large budget commitment for the Council; and the Local Transport Plan (LTP) and Annual Progress Report (APR) process attracts a large proportion of the Council's funding.
  - Given the co-ordinating role of the Chief Officers Management Team (COMT), officers are clear that linkages between the Council's transportation strategies and other services has taken place and does exist. Indeed, transportation strategies are linked into the Corporate Plan as well as services plans, such as for Strategic Management and Economic Development and Community safety, Community Planning and E-Government and the Structure Plan.
  - Notwithstanding the need for a range of management improvements which was recognised by the Council, in general the transportation service was well managed
  - The principle shortcoming was the reporting of the Council's performance through the APR rather than project delivery although there was a need to further explain the divergences that had occurred from the planned programme.
31. The Atkins report suggested that an essential outcome of this best value review should be to address an apparent lack of clarity of links between transport programmes and local and national targets, perhaps through the development of a hierarchy of objectives and targets. Understanding these links became a core activity of this review.

## **Conclusion**

32. There are effective policy links between the LTP, the Council Plan, the Transport and Environment departmental service plan and other plans such as for strategic management, economic development, community safety, community planning, e-government and the structure plan.
33. These will help to ensure that local Council priorities are firmly embedded within the LTP alongside national transport priorities (recommendation 1).

## **Policy framework**

### **Trunk roads and the box system**

34. The development of a trunk road *box system* (comprising a rectangle of motorways and trunk roads around the perimeter of the County) was reflected in the first LTP but was originally adopted in the East Sussex and Brighton and Hove Structure Plan (1991 – 2011). The rationale for the *box* was that longer distance and through traffic should be encouraged to use trunk roads to remove traffic from less suitable roads in sensitive rural areas and coastal towns.
35. Trunk roads in East Sussex are currently considered by the public to have insufficient capacity resulting in increased traffic on minor roads leading to a range of concerns about congestion, safety and maintenance. The County is perceived by the public to be ineffective at lobbying for trunk road improvements.
36. This view reflects the reduced level of service realised from the poorer quality and extent of single carriageway sections of trunk road in East Sussex compared with the dual carriageway sections in neighbouring counties. This has further been reinforced by a series of publicised cases where proposals for improvements in trunk road capacity have been rejected.
37. Nonetheless, the County Council has lobbied central government and has secured a number of improvements by submitting evidence making a case for improvements to inform:
  - The Access to Hastings Multi Modal Study (1999 – 2000)
  - The South Coast Corridor Multi Modal Study – SoCoMMS (2001 – 2002)
  - The emerging Regional Transport Strategy (2003 – 2004).
38. The Secretary of State's decision on SoCoMMS included the referral of a number of trunk road improvement schemes in the County to the Highway Agency for further investigation and development.
39. The County has developed and consulted upon a *freight strategy* to be considered by Cabinet in June 2004. One intended impact of this strategy is to provide recommended routes for freight traffic on local roads that will minimise deterioration rates. In defining these routes

there are likely to be a number of *public relations* issues that need to be addressed to take account of local concerns that have arisen.

40. The Secretary of State also tasked the County Council to work with the statutory environmental bodies to develop a link road option between Bexhill and Hastings. Such an option, developed in part through public consultation, will be submitted in July 2004 for a decision by the government in December 2004.

### **Conclusion**

41. The effect of the lack of investment in the trunk road system has resulted in traffic rerouting to less suitable minor roads in the County. The burden on these roads has increased with consequential negative environmental impacts.

### **Visibly better roads**

42. A key service target for roads maintenance is to *make roads visibly better*. The Council Plan for 2004/05 states that the Council will undertake a series of initiatives over the year to improve the appearance of roads and the roadside environment through:
  - continuing with an additional cut of urban grass verges
  - village maintenance teams deployed in summer to carry out agreed locally-targeted work
  - improved quality of signs at main road junctions
  - enhanced road marking maintenance; and
  - keeping key roads free of ice, specifically for 2004, developing our policy for salting and clearing roads and footways when snow is forecast.
43. The Strengthening Local Relationships (SLR) programme has led to closer working relationships with parishes and has provided opportunities for regular joint meetings on items of mutual interest, many of which are roads maintenance related and relate directly to the *visibly better roads* key service target. This programme has been extended to 17 parishes and is now more widely publicised.

### **Conclusion**

44. The primary objective underlying the service target of *visibly better roads* is a transport objective, which is to improve roads *per se*. The *visibility* aspect was interpreted by the Board as a measure of the extent of improvements. However, the Board considered that a clearer statement of service standards would assist the public to understand better the levels of transport service it can expect from the Council (recommendation 9).
45. Resources appear to be *following priorities* in this key service target. The approach has influenced the programme of schemes taken forward within the LTP and the amount East Sussex has bid for. More

is bid for maintenance than for passenger transport and this priority is reflected in budget allocations. For example:

- Street lighting has been allocated £200,000 each year for the previous two years and the current year reversing an earlier increase in life expired units
- The maintenance budget has not been exposed to the same degree of budgetary reductions as other budgets over the previous two years.

### **Modal strategies**

46. The modal strategies adopted by the Council cover: bus travel, cycling, speed management, walking, rail travel, freight, road safety, passenger transport information and parking.
47. Together these strategies create the overarching policy framework for both the area strategies (LATS) and individual schemes outside the geographical constraints of LATS. They have been developed with active engagement by parishes and districts and all have been informed by extensive public consultation.

### **Conclusion**

48. There is a comprehensive and well developed policy framework to inform future investment in the development of transport facilities, investment in partnership working with key stakeholders and consultation with the wider public.

### **The *package* or LATS approach**

49. East Sussex is a diverse County with remote rural and environmental sensitive areas, market towns and larger urban areas. Over two thirds of the County lies within an area of outstanding natural beauty or is designated as a site of special scientific interest. Accordingly, each area has its own inherent and unique local transport issues that need to be considered in the context of contributing towards the achievement of the overall vision, objectives and targets of the Local Transport Plan.
50. The Council has adopted a *package* approach towards addressing transport issues through the development of Local Area Transport Strategies (LATS) covering the urban areas of the County. Under this approach transport is dealt with in individual and discrete areas. GOSE has accepted this as a reasonable approach.
51. A LATS is a set of policies and proposals for transport related issues in a particular geographical area that aim to:
  - reconcile all modes of travel and competing demands for the movement of people and goods in a way that best meets local needs whilst balancing economic, social and environmental considerations
  - encourage walking, cycling, bus and rail use, parking and traffic speed management as part of an integrated approach to transport

- improve access to employment areas, shops, schools and leisure facilities and help to reduce the level of car use to access these facilities and thereby promoting more sustainable communities
  - act as a framework for supporting bids to finance transport measures under the LTP settlement and provide access to matched funding
  - support local partnerships to bid for funding from sources such as the Countryside Agency's Parish Transport Grant
  - give direction to funding opportunities from commercial and residential development; developers will be required to contribute to the local accessibility needs set out in a LATS to a level commensurate with the impact of the development in addition to any required capacity, safety and access improvements
  - provide the framework for identifying schemes and measures that improve transport choice and improve access to jobs, health, shopping, education and leisure.
52. Over the period of the first Local Transport Plan (2000 – 2005) LATS have been adopted for the larger urban areas and market towns in the county where capital investment was needed to make improvements to the local transport system. Areas have been defined by considering:
- Previously existing *package* areas and programmes of urban area plans
  - Existing travel patterns and infrastructure
  - Opportunities for planned future developments and for changing travel behaviour.
53. The LATS approach has resulted in the distribution of limited resources to market towns over a wide geographical area that have relatively small transport problems compared to the larger towns of Eastbourne and Hastings.
54. An alternative approach focussed solely on achieving the maximum contribution towards the government's national ten-year transport plan targets would result in very different and locally unacceptable outcomes. Under this alternative scenario, plans for the larger towns (Hastings and Eastbourne) would take precedence over all the smaller towns to reflect the intensity of the problems and regeneration opportunities leaving plans for the smaller towns as relatively minor parts of the Local Transport Plan. This approach was rejected early in development of the first LTP.

### **Conclusion**

55. The Board endorsed the broad objectives of the LATS approach and concluded that for East Sussex the advantages significantly outweigh the disadvantage because LATS:
- Provide for a greater opportunity to identify and consult on localised issues and schemes; this helps to forge effective local

partnerships with key stakeholders in the community (as in the Uckfield scheme, page 41) and in particular with parish councils

- Effectively inform the transport input to local strategic partnerships and community strategies
- Forges greater ownership and understanding of the Council's sustainable transport agenda across the County
- Are consistent with the integrated transport elements of the LTP and contribute towards achieving the LTP vision, objectives and targets.
- Help identify *soft* or low-cost measures to encourage more movements to be made on foot or bicycle that would not be easily identified otherwise.

### **Traffic and safety**

56. Traffic and safety work is funded from basic credit approval secured through the Local Transport Plan process and amounts to one third of the integrated transport element together with a revenue budget totalling approximately £1.5m annually.
57. Road safety in general and speeding in particular was a particular public concern emerging from the consultation event. In general lower speed limits were a priority, especially in rural areas.
58. Although all transport schemes contribute to improving road safety, in some safety is the overriding factor. East Sussex has a specialist group of staff which is very much target led. Road safety education, including driver training and cycle training, is some of the best in the country. There is a speed management strategy run in conjunction with the parishes.
59. There are two types of scheme, *traffic calming* which is usually at the request of residents and *local safety schemes* introduced at road crash hotspots. The record of good work has enabled the County to *stretch* the government's targets to reduce the number of people killed and seriously injured on the roads to no more than 325 by 2008, two years early, compared to the 1994-98 average of 400.
60. Casualties on trunk roads, which do not fall within the remit of the County Council, account for approximately 10% of the total but are included in the figures. Some other local authorities have successfully negotiated the exclusion of trunk road statistics to provide a fairer comparison.
61. Active cooperation of the police is needed to ensure successful traffic enforcement. However, the police do not regard this as the highest priority function as they continue to reduce the proportion of resources allocated to traffic.
62. The case study evidence for Sutton Avenue (page 42) suggested that there have been occasions when maintenance issues were not fully taken into account during the design of traffic and safety schemes.

### **Conclusion**

63. Future maintenance issues need to be identified at the design stage of all traffic calming schemes. Designers should ensure that area team managers are aware of proposals. This need has already been recognised by the department and the proposed departmental restructuring will ensure greater linkages. Recommendations 3, 5, and 7 are further designed to ensure that all relevant factors are taken into account as early as practicable in the development of transport schemes.

### **Highway maintenance**

64. The County Council has a Highway Maintenance Policy Plan in place. This sets out the road hierarchy, inspection frequencies and maintenance standards for the network.
65. Funding for highway maintenance amounts to £15.2m annually for contractual obligations (for example winter maintenance) and *reactive* work (for example responding to trips in pavements). There is a traffic management budget of £100,000 for small schemes. A proportion of urban and rural bus challenge funds is allocated for infrastructure improvements.
66. East Sussex spends a higher proportion than other authorities on revenue funded work (some 62% of the total) compared to capital expenditure on road and bridge maintenance. This expenditure is not simply applied to reactive work but appears, on the whole, well planned and programmed to complement capital investment in highway maintenance.
67. Highway maintenance has received additional Council resources with a small pump priming grant to support the achievement of stretched targets established through a public service agreement (PSA).

### **Maintenance backlog**

68. In 1999 a calculation was undertaken on the survey information available at that time which put the backlog figure at £42m. This calculation was based on data arising from:
- Residual life data for the whole 'A' class road network
  - Skidding resistance (SCRIM) information for all the principal road network
  - Street lighting inventory (age of columns)
  - Structure strengthening needs assessment
  - National Road Maintenance Condition Survey (NRMCS).
69. A more recent estimate for the backlog provided by officers to the Board put the figure at £48m. Highways deterioration is thought to occur currently at the rate of approximately £5m a year.
70. East Sussex experiences very high usage on its roads because of the poor trunk roads and rail network serving the County. This has resulted in additional loads on other roads (see also paragraph 41).

71. Budget constraints only allow pavements to be replaced every 100 years compared with a typical 20 year design life; this in future will require more imaginative solutions to extend the working life of surfaces.
72. The government's target is to halt deterioration in the condition of roads by 2004 and eliminate the backlog of maintenance by 2010. The additional impact of a dry summer in 2003 is reported to have taken an additional toll on the state of the roads of East Sussex. Officers reported that this damage was surveyed and estimated at £5.6m. An additional £4.6m has been allocated in 2004 to meet the cost of this damage. On the basis of this, officers consider that the Council is on target to halt deterioration by 2004.
73. The lifespan of particular surface treatments is not currently assessed to a level that would enable a whole-life cost asset approach. The Asset Management Approach, recommended in a previous best value review, will be prominent in the second generation Local Transport Plan and is being developed. However, it will take up to three years to value the County's assets and provide a more accurate *deterioration model*.

### **Conclusion**

74. East Sussex is on target to halt deterioration by 2004; the PSA for highway maintenance has assisted the Council to meet this target.
75. The current backlog of works is estimated by the Transport and Environment Department at £48m for the whole road network based on information currently available. These figures currently stand as estimates and further scrutiny work is needed to ensure the accuracy and transparency of these figures, as well as understanding the resultant priority areas.
76. Part of this work needs to include an assessment of the growth, or otherwise, of the backlog in the light of current and recent revenue and capital spend in this whole area. Development of this work is important in the short term but the quality of such work will be greatly improved as the proposed Asset Management Approach is developed.
77. Future comparisons of the maintenance backlog in East Sussex should be made with those of other local authorities together with an assessment of the impact of future LTP expenditure on the backlog. More generally, such work needs to include comparative analysis on spend to provide a benchmark on cost effectiveness (recommendation 6).
78. The Board was satisfied that the proposed Asset Management Approach and related move to whole life costing and the identification of the most timely intervention points would, in time, greatly enhance the residual life of the highway stock. This would in turn make inroads into, and prevent a future backlog of need. The Board wished to ensure that the additional information provided by the Asset Management

Approach would result in greater clarity about the most efficient ways of addressing the backlog (recommendation 6).

79. The full implementation of the approach is two or three years away. When in place it will involve a different approach to pricing assets and accounting processes. It should enable better planning for future asset requirements based on projected growth and service levels, and enable better monitoring of the performance and condition of individual highway assets.
80. There is evidence of effective links between maintenance and safety teams, although these could be improved to contribute towards efficiencies and to providing a more *joined up* service from the public's point of view (recommendations 2, 3 and 7).

### **Passenger transport**

81. The Council's ability to subsidise uneconomic passenger services has been reduced in real terms by two thirds over the last seven years. This issue combined with *cherry picking* of profitable routes and withdrawing of unprofitable services by the transport operators has left some communities in East Sussex without public transport.
82. Best value performance indicator (BVPI) 102 provides a comparison of numbers of bus passenger journeys per year across the country. The data shows that in 2002/03 both the target and estimate place East Sussex in the lower median quartile (15,400,000 passenger journeys) compared to other counties. The increase in numbers of motorists on the County's roads is suggested as an explanation in part.
83. The Passenger Transport Team continues to seek and bid for funding to promote new projects in partnership with other organisations, operators and transport groups.

### **Conclusion**

84. Creative and innovative attempts are being pursued to maximise the use of available resources. Quality bus partnerships are working to good effect and the team is aiming for the integration of the transport needs of education and social services with supported public routes. The Arrow system is a good example of a system of bookable boarding points funded through the Urban Bus Challenge (recommendations 3 and 5).

## ***Scheme selection***

### **National and local targets and the Local Transport Plan (2006 – 2011)**

85. GOSE considered (December 2003) that East Sussex should provide a more detailed explanation as to how its programmes are helping to deliver national and local targets. It expressed concern that there is little evidence being provided to show how divergence from programmes is affecting targets or objectives and asked the Council to demonstrate what plans are in place to get negative divergences back on track.
86. Other south east counties tend to be more densely populated and therefore have, overall, a greater ability to achieve modal shift compared to similarly funded schemes in East Sussex. Such authorities' ability to submit more efficient schemes (in modal shift terms) would undoubtedly make them more attractive for government funding than East Sussex.
87. In the same way that East Sussex prioritises funding across the County as a whole, GOSE appears to prioritise resources to those areas likely to provide maximum impact on national targets. East Sussex is therefore unlikely, within the current transport funding regime, to be able to achieve the same level of transport related funding as other counties in the south east region.
88. If economic factors were to play a minimal role within the aims and objectives of the second generation LTP then there is likely to be a continuing conflict between the government's ten-year transport targets and local objectives.
89. One example is the proposed Bexhill – Hastings link road. This scheme is designed to support both economic development in the area and resolve congestion issues contributing to air quality standard failure on the A259. Its impact will be measured as such. It is unlikely to contribute significantly to the national target of modal shift from cars, although it will improve priority for public transport to some extent.

### **Integrated transport**

90. The County Council consults local transport forums to inform options. The annual programme of integrated transport schemes is then approved by the Lead Member with supporting officer advice. At the approval and early consultation stages, very little detail about individual schemes is available under the current system.
91. Local transport schemes, under the package approach, undergo lengthy consultation programmes that result in schemes geared to meeting public needs. Consultation processes are wide and clearly have succeeded in engaging the wider public. However, the publicity for some schemes has failed to capture the imagination of residents resulting in a limited response.

92. Sophisticated methods have yet to be developed to determine the precise impact of individual schemes on national or local transport targets in advance. It is recognised qualitatively that different schemes or activities do contribute to particular targets to varying degrees; indeed schemes would not be allowed to progress unless they make some degree of contribution to transport targets.
93. A number of factors makes it difficult to judge the extent to which schemes actually impact upon national transport and environment targets:
- Very minor differences in scheme design can significantly change the extent to which various objectives are achieved making predictions difficult to make in advance; transport team officers often experience problems in trying to choose between competing views arising from local consultation, a point explored further at paragraph 108. For example, whether bus stops are built into lay-bys or on a carriageway can dramatically improve *either* congestion *or* the efficiency of passenger transport.
  - When a successful funding bid is made requiring the local authority to match fund an approved scheme, it is often necessary to transfer money from another scheme or risk losing the new funding. The impact on schemes due to this reason has not always been fully explained in the past and yet can clearly be a justifiable reason for diverging from a previously agreed programme.
94. Other local authorities such as Surrey County Council compile integrated transport programmes *politically and through consultation* (see evidence from Surrey County Council – page 54). A system of prioritisation aims to put forward those schemes that meet *both* local and national priorities but the more rigorous techniques used by the private sector comparators are not used.

### **Traffic and safety**

95. Traffic and safety schemes are selected using objective and systematic formulae to assess priorities based upon clear or SMART targets. Priorities emerge by reference to accident statistics. Requests for safety measures are prioritised by scoring each site against ten factors including the number of accidents, levels of pedestrian and cycling activity and proximity to schools.
96. Reports to cabinet show clear priority lists for all potential schemes using a clear assessment framework. The future Asset Management Approach is considered likely to improve this process.
97. Public consultation is carried out on few traffic and safety schemes because of the statutory nature of the work or priorities are assessed through scientifically collected data and measurements. Consultation is carried out exceptionally where, say, sites are in towns with many people directly affected.

## Highway maintenance

98. Highway maintenance schemes are selected using objective and systematic formulae to assess priorities based upon clear or SMART targets. These rely on a methodology underpinned by a series of scientific tests to determine skid resistance, road deformation and numbers of visible defects. The *worst* highways are then prioritised.
99. Whilst maintenance and safety schemes are, on the whole, signed well and information is available, there is scope for improved public information through leaflets and the web to provide greater indications as to why road works in general are being carried out and the extent of public consultation that can be expected.

## Passenger transport

100. Investment in engineering works to facilitate improved reliability of bus journey times and to give priority to buses over other road users is delivered through the integrated transport programme.
101. Investment in revenue support of non commercially viable service provision is targeted to help resolve issues of social inclusion and accessibility to employment and key services. Investment also supports marginally viable services where these meet a local need.

## Key findings on scheme selection

### *Policy framework*

102. Schemes are selected within a clear corporate policy framework that clearly links the LTP with corporate policy objectives as discussed by the DfT consultants at paragraph 30. There is no evidence to suggest that these links will not continue to work satisfactorily in the future.
103. Integrated transport schemes are selected through the LATS process primarily on the criteria that they reflect community aspirations and economic factors. They were often prioritised on the basis of whether they could be delivered within the timescale and resources available. This approach results in beneficial schemes that are supported locally but potentially make a lesser contribution to achieving national transport and environment targets. However, the LATS approach enables a greater ability to prioritise and allocate funding equitably across the County rather than focus on one location to the detriment of others, thus minimising the marginalisation of individual communities.

### *Conflicting priorities*

104. National targets may sometimes conflict with local priorities where for example *bottom up* community priorities meet the *top down* targets of government. For example, a government national target promotes modal shift of people out of their cars to other more sustainable forms of transport; a contrasting message from the public consultation exercise carried out as part of this review suggests that people in East Sussex consider the car to be an essential part of their lives and resist proposals that give priority to other modes.

105. Some general targets not attributed to specific functions appear to have no transport and environment department officer clearly identified as being responsible for monitoring achievement. For example, the traffic reduction target appears to straddle different teams and activities.
106. There are justifiable reasons for taking forward the schemes selected under the LATS process even if these schemes are not solely selected on the basis of their contribution to national transport targets. However, the issues involved, including the fact that there are potential financial implications in not hitting national targets, should be identified and spelt out (recommendations 1, 3 and 5).
107. Programmes should be developed wherever possible that maximise the impact on national targets as well as successfully meet local objectives. Systems should be developed that attempt to define in more detail the impact of transport schemes on national targets and that highlight and enable divergences to be identified and reported earlier and more effectively (recommendations 1, 2, 3 and 5).
108. The 2004 APR must address all the current criticisms of GOSE as well as anticipating new issues as the emphasis moves increasingly towards real and measurable outcomes for targets at the end of the first LTP period. The balanced scorecard approach is intended to facilitate this process (recommendations 1 and 3).

#### ***Consultation and communication with the public***

109. Consultation often results in conflicting priorities between different consultees or between consultees and wider targets (as in the Sutton Avenue example, at appendix 2, page 42). There needs to be greater clarity as to what is an appropriate point for stakeholder consultation to stop and works to start to avoid delays in scheme implementation. Whilst this principle applies to all transport schemes, it is of particular importance for safety schemes (recommendation 10).
110. The tone in Council consultation documents used in the process of establishing local views appeared to the Board as unduly *grateful* for responses. Instead, the importance and value of full public participation should be emphasised in public consultation because of the significant impact such schemes often have on the community and local environment (recommendation 10).
111. Other organisations have experienced problems with the *roving exhibition* or *voluntary survey* approach to scheme consultation, finding that they gain a more balanced view by a face-to-face approach. This avoids minority, unrepresentative views being given too much weight (recommendation 10).
112. Signage in respect of road works should be as accurate as possible especially where dates and timescales are concerned (recommendations 8 and 10).

### ***External comparators***

113. The experience gleaned from external comparators was extremely valuable in comparing approaches to scheme selection and meeting targets (see Appendix 2). Some of the approaches used elsewhere that may be adapted for use in East Sussex to address some of the concerns identified above include:
- Seeking to identify a fixed and limited number of clear objectives that are carefully negotiated to be achievable in advance with identification of adequate linked funding (recommendations 1, 2 and 4).
  - Having a single overriding target standing above all the others to refer to when there are competing priorities. BAA uses *safety* as its overriding target but East Sussex could select an alternative objective to reflect the particular priority for each integrated transport scheme (recommendation 4).
  - Use of a balanced scorecard: each project is assessed against a large range of relevant parameters; factors are quantified wherever possible within a matrix to provide a *picture* of the extent to which different projects are hitting relevant targets (recommendation 3).
  - An annual presentation *bids exercise* carried out in front of all senior managers (BAA and Southern Water have their own variations on this approach – see page 46); this process is found to result in better proposals because of the provision for peer challenge of poor project ideas. The process also focuses managers' minds on clarifying expected outputs early in the process (recommendation 5).
114. A number of other approaches adopted by the private sector external comparators were not put forward in the review's recommendations. These are highlighted in the detailed evidence from BAA and Southern Water beginning at page 46.

## ***Departmental structure***

### **Current structure and improvement initiatives**

115. The current Transport and Environment Department organisational structure places the four transport related teams considered within this best value review into three separate divisions in the department. The department structure is shown at appendix 2.
116. From the evidence, the Board considered the key strengths and weaknesses of current structure, arrangements for joined up working and initiatives being taken to address shortcomings:

#### ***Key strengths***

- There is some good coordination between different teams (for example highway maintenance and traffic safety; integrated transport and highway maintenance) resulting in individual programmes that address a variety of needs; there is input by local office staff in helping to identify and clarify local community needs.
- A recently introduced departmental process of case conferences for larger schemes now enables scheme promoters to ensure that their scheme's impact on a whole range of targets is assessed at an early stage. Officers were often, but not always, aware of others' targets and activities when making proposals and developing schemes.
- There exists experienced, skilled and motivated in-house staff with a desire to develop service delivery and with a willingness to deliver a value for money service within available resources; there is a significant pool of local knowledge and a sense of accountability.

#### ***Key weaknesses***

- The department experiences difficulties in attracting and retaining key personnel (see paragraph 120).
- There are opportunities for more joined up service delivery with some evidence of a need for tighter project management systems.
- A lack of flexibility and scope for innovation in the current client – consultant – contractor arrangements.
- There is a need for consultants and contractors to develop a greater understanding of the nature of accountability to Members and the public.

### **Service reorganisation**

117. The need to restructure the department has arisen from, amongst other things, difficulties of key staff recruitment, consideration of the flexibility of current arrangements and particularly from examination of the Council's relationship with external partners. There is an underlying

acceptance that there will continue to be a shortfall in availability of funding.

118. In respect of complaints or queries, Council Members and the public view the local authority as a main point of contact for enquiries rather than contractors; authorities operating a focal point or call centre have identified advantages both for customer care and operational efficiency.
119. The expiry of two major contracts with Owen Williams (consultancy) and Colas (maintenance) in 2005 has provided an opportunity for rethinking how these services could be provided more effectively in the context of a significantly changed environment since 1998 when the services were originally outsourced.
120. A best value review of highway maintenance, design and construction (April 2003) made a number of recommendations that directly influenced the nature of the current proposals for a new departmental structure. Following that best value review further research was carried out demonstrating:
  - That staffing recruitment and retention is a nationally recognised problem for some transport related disciplines; possible reasons include: local authorities have traditionally provided the training but in recent years the private sector has taken on much of this work and may not have developed training programmes to the same degree; or trained staff leave counties such as East Sussex for more lucrative jobs elsewhere.
  - That the Transport and Environment Department needs greater flexibility of staff to ensure future effectiveness; for example, there is scope for changing responsibilities to enable those who inspect work to be responsible for carrying out the work, for example in street lighting.
  - A strong correlation between the percentage of highway design work carried out in house and the CPA environment score; local authorities undertaking more of their design work in house generally scored higher. This may reflect efficiencies realised by increased flexibility from a tighter control of in-house consultancy commissions.
  - That all the authorities examined had externalised their highway maintenance works services and varying degrees of the highway maintenance function.
  - That Private Finance Initiative (PFI) schemes for highway maintenance are still in their infancy and require long term contractual commitments of the order of 25 years.
  - That out of six counties examined in the further research, none had highway maintenance agency agreements with districts because of a perceived need for greater consistency of approach towards highway asset management in line with implementation of larger scale highway maintenance contracts.

## **Conclusion**

121. The proposed changes in structure and systems will leave the service better placed to address the range of issues with the current system whilst building upon the strengths. The new structure would need to:
- Address staffing issues
  - Provide joined-up service delivery and value for money
  - Maintain flexibility for future policy and budget setting
  - Ensure appropriate accountability to Members and the public (recommendation 7).
122. The Board endorsed the following elements of the proposed department restructuring:
- Two network offices would be responsible for design and delivery of all road related projects in their area; these offices would adopt a new approach towards assessing need, providing more information back to the strategic centre and receiving clearer targets
  - All maintenance and transport projects up to £300,000 would be developed directly by Council employees at the relevant network office to provide a strong core management of the area; there will be continuity of project management from feasibility through to delivery.
  - Schemes over £300,000 and under £1m would be allocated to a consultant whilst anything above that amount would be tendered for individually; these limits should not be seen as absolute constraints and the best mechanism would be adopted depending on the individual circumstances.
  - Strategic services would be located centrally, set policy and budgets, and supply specialist services; specialist teams will have the flexibility to work across different geographical and professional areas to achieve continuity of project management
  - There would be a significant change in the way the County interacts with its customers. A single telephone number will be provided with public access to an operator with accurate, timely and relevant information; this entails significant investment in IT (recommendation 8).
  - Some staff would be transferred to the department from the external consultants wherever possible; but in any case, attempts would be made to recreate an environment where East Sussex can successfully recruit, develop and retain staff.  
[An external comparator, BAA, has removed incremental pay scales and introduced a bonus pay system for senior managers by force ranking them into a hierarchy to determine the level of bonus pay ranging from zero to some 40% in exceptional cases. Senior manager remuneration across the County Council is

currently subject to a corporate review. The BAA approach will be sent to the Director of Personnel & Change Management for consideration along with the alternative approaches already under consideration.]

- Contract terms and durations for external contractors would be reconsidered; five years is now considered to be too short a timescale, and seven to ten years may be more appropriate with contracts including both *carrot and stick* conditions.
- The boroughs of Eastbourne and Hastings presently have agreements to deliver services on the County's behalf. Work would be needed to assess whether these services could be allied effectively to that of the network offices. In the light of the evidence at paragraph 120, the Board considered that the effectiveness of the highway maintenance agency agreements with boroughs should be reviewed.
- The *Asset Management Approach* is to be a central function of the new structure and will enable a more systematic, planned and consistent approach to managing the County's transport assets.

123. Staff consultation exercises have been conducted with all staff in the department in December 2003 and there is to be a further round after April 2004; this process has demonstrated that there are skilled and motivated staff with a desire to develop and improve service delivery.

## **Appendix 1: Background documents and references**

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### **List of documents referenced in the Project Initiation document (PID) influencing the scope of this review:**

1. The Council Plan and relevant public service agreements (PSAs).
2. East Sussex County Council Local Transport Plan (LTP).
3. Annual Progress Report (APR) of July 2003.
4. Government of the South East (GOSE) letter dated 19 December 2003 assessing East Sussex's performance as weak compared to other transport authorities; this judgement was based upon the APR of July 2003.
5. Outcome of Best Value reviews of passenger transport (reported March 2001), road safety (reported June 2002) and highway maintenance/highway design and construction (reported July 2003).
6. Views and responses of the public extracted from consultation as reflected in a SWOT analysis.

### **Board meeting of 13 January 2004**

7. Service area proformas summarising key service targets, performance measures, brief outline of previous best value reviews, benchmarking comparisons for Passenger Transport, Transport Planning, Highway Maintenance and Road Safety teams.
8. Director's overview with SWOT analysis for each service area.
9. Minutes of the Board meeting of 13 January 2004

### **Board meeting of 4 February 2004**

10. Stage 1 inspection report on the review by the Audit Commission
11. Case study papers: Uckfield Town Centre Steps Forward
12. Case study papers: Newhaven Town Centre accessibility Improvements
13. Listing of targets derived from: Government national transport targets, Community Safety action Plan, Community Strategy, The Council Plan 2003/04.
14. Minutes of the Board meeting of 4 February 2004

### **Board meeting of 3 March 2004**

15. Case study: papers: Traffic calming scheme –Sutton Avenue/Steyne Road Seaford
16. Case study papers: A26 Bunny Lane junction
17. Local safety schemes and minor works – general comments including financial risk issues discussion paper
18. List of high accident frequency sites based on the casualty record for 1999 to 2001
19. Minutes of the Board meeting of 3 March 2004

### **Board meeting of 11 March 2004**

20. Organisation structure chart for Transport and Environment Department
21. Accident and casualty figures for trunk roads in East Sussex
22. Case study papers: Highway maintenance schemes showing maintenance types, funding distribution, stakeholder views, corporate priority links and staffing structure.
23. Case study papers: Passenger transport – background information
24. Case study papers: Hastings Urban Challenge.

25. Case study papers: Traveline public transport information service
26. Best Value performance charts for transport BVPIs to 2003
27. Minutes of the Board meeting of 11 March 2004

#### **Board meeting of 19 March 2004**

28. Programme and detailed content for the public consultation workshop to be held on 20 March 2004.
29. Minutes of the Board meeting of 19 March 2004.

#### **Board meeting of 5 April 2004**

30. Miller Associates – summary of findings from the public consultation exercise of 20 March 2004.
31. Report to Cabinet of 19 November 2003 outlining proposals for the future provision of highway and vehicle services in East Sussex
32. Results of research with English County Councils seeking details of their arrangements for the provision of highway design, construction and maintenance services.
33. Minutes of the Board meeting of 5 April 2004

#### **Board meeting of 22 April 2004**

34. Stage 1 interim report on progress with the best value review to the Audit Commission
35. Audit Commission response to the Stage 1 report
36. Comprehensive chart of updated information on progress with implementation of recommendations of previous best value reviews.
37. Draft report on East Sussex LTP APR – relationship between corporate processes and production and delivery of the LTP and APR – a brief research paper conducted by W S Atkins on behalf of the Department for transport, 13 April 2004.
38. List of questions and issues to discuss with British Airports Authority.
39. List of questions and issues to discuss with Southern Water.
40. Minutes of the Board meeting of 22 April 2004.

#### **Board Chairman meeting with British Airports Authority**

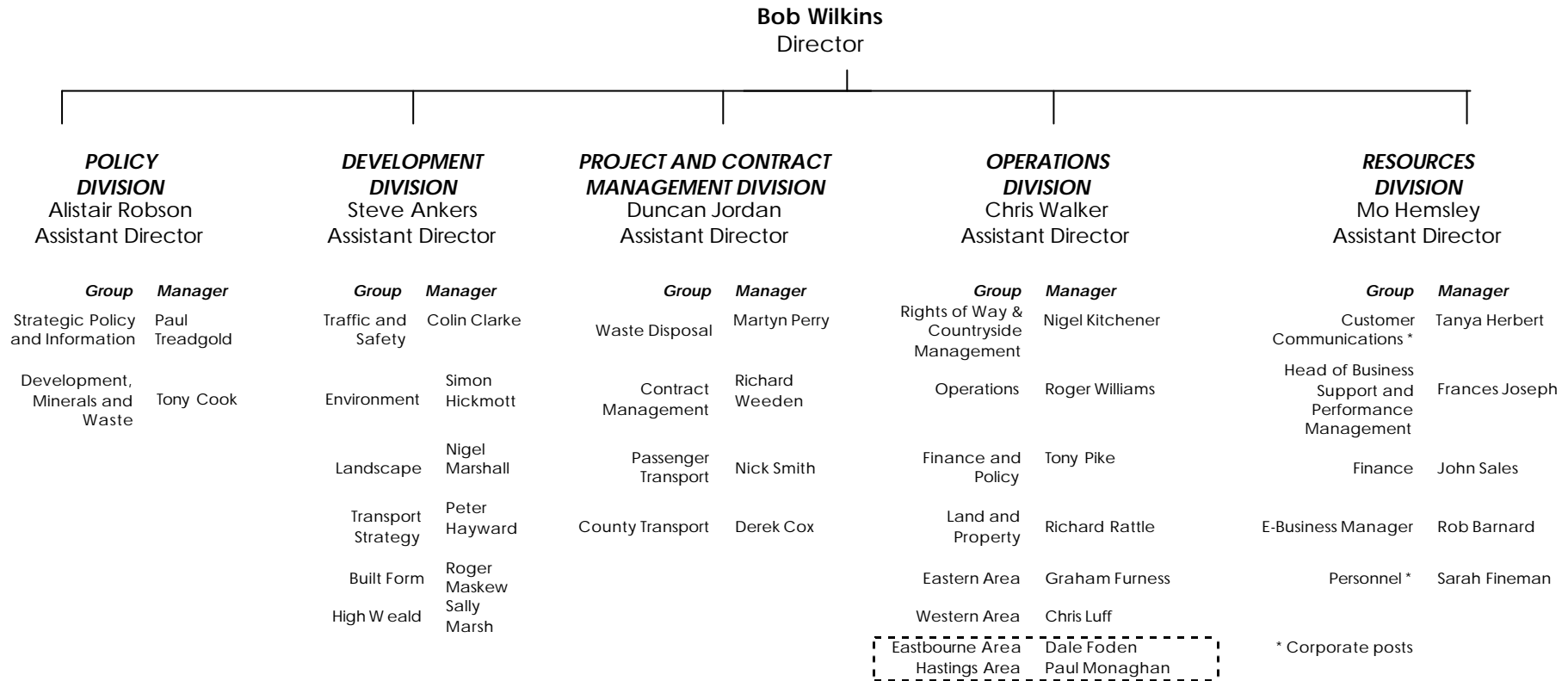
41. Notes of issues arising from a meeting with the Director of Planning and Environment, Gatwick Airport Limited and The Group Planning and Regulatory Affairs Director, BAA plc.

#### **Board Chairman meeting with Southern Water**

42. Notes of issues arising from a meeting with the Business Support Manager, Southern Water.

## Appendix 2: Evidence summary

### Transport and Environment Department structure chart



## Case studies

### Integrated transport schemes

Scheme	Aims	How selected	Consultation	Targets	Joint working
<p><b>Newhaven Town Centre Accessibility Improvements</b></p> <p>An economic, development and regeneration scheme to improve accessibility to the town centre for pedestrians, cyclists and public transport.</p> <p>Cost: £1.6m</p>	<p>Competing aims required compromise:</p> <p>Aimed to reduce unnecessary traffic and provide links between the town centre and housing and other sites.</p> <p>Removing traffic capacity on the ring road v. increased use.</p> <p>Increased use of the town centre by pedestrians and cyclists v. reduced congestion.</p>	<p>At the time it was implemented there were few other competing schemes that had been developed to an appropriate level.</p> <p>To promote economic regeneration in response to consultation, to some extent in isolation from transport targets.</p>	<p>“Hierarchy” of consultees from people affected locally to road users from further afield: local support for the scheme v. opposition from “through” drivers (who were not consulted here).</p> <p>A great deal of consultation was done in advance of the works which added value and flexibility.</p> <p>Feedback on stage 1 of the scheme will influence further stages.</p>	<p>Broad targets affected by the scheme are:</p> <ul style="list-style-type: none"> <li>Sustainable economic development</li> <li>Enhancing the environment</li> <li>Ensuring social inclusion</li> <li>Providing for a safer community</li> <li>Providing for a healthier community.</li> </ul> <p>This was the first phase of a four year scheme and so it is too early to assess whether economic benefits have resulted.</p>	<p>Case conference approach not used.</p>
<p><b>Uckfield Town Centre – Phase 1 works</b></p> <p>Local Area Transport Strategy (LATS) sets out a framework for integrated transport improvements.</p>	<p>Vision; to make Uckfield safer, healthier, more pleasant and vibrant place to live in, work in and visit, now and in the future.</p>	<p>Principle emerged from the LATS development process.</p> <p>Developed to fit an available budget.</p>	<p>Questionnaires (400 returned), an exhibition (1400 attended) formed part of the consultation process. Overall 78% were in agreement with the proposed scheme.</p>	<p>Traffic count surveys make the outcome of this scheme easier to measure.</p> <p>Impact upon modal shift targets (cars to public transport/cycling/walking)</p>	<p>Case conference approach not used.</p> <p>The disruption problems associated with the scheme were recognised and routine maintenance was delayed to combine</p>

Scheme	Aims	How selected	Consultation	Targets	Joint working
<p>Driven by economic development issues plus transport targets.</p> <p>Cost: £200,000</p>	<p>Specifically, to improve access and safety for all road users, particularly pedestrians, bus users and cyclists.</p>		<p>Competing demands between different user groups: locals v. outsiders in particular (similar to Newhaven case).</p> <p>The Uckfield Regeneration Partnership was involved at an early stage.</p>	<p>or traffic easing traffic congestion.</p> <p>Same level of pedestrian activity recorded for the winter compared to the previous summer and so some confidence that the scheme will help.</p>	<p>the works to minimise overall disruption.</p>

### **Traffic and Safety Schemes**

Scheme	Aims and outcomes	How selected	Consultation	Delivering objectives and targets	Joint working
<p><b>Sutton Avenue – a traffic calming scheme</b></p> <p>Focussed on local people and not just the interests of through traffic. Safety was the main criteria.</p>	<p>A successful traffic calming scheme. Speeds reduced by about 4mph.</p> <p>CSS traffic calming guide have picked this particular scheme as a model of good practice.</p>	<p>Requests prioritised by scoring the site against 10 factors including the number of accidents, levels of pedestrian and cycling activity and proximity to schools.</p> <p>Report to cabinet Oct 1999 showing Sutton Ave as top priority when assessed in comparison with other schemes using an established</p>	<p>Consulted town council and local members.</p> <p>Held public exhibition to consult locally.</p> <p>Various options were described.</p> <p>Consultation on minor aspects of the scheme took a long time. It was hard to decide at what point consultation should stop and scheme implementation should begin.</p> <p>Post scheme consultation</p>	<p>Targets were specific and indicators measurable.</p> <p>As well as safety targets, other targets such as bus routes and cycling were considered although these were not the primary drivers for the scheme.</p> <p>When consulting on different options officers were cognisant</p>	<p>Future maintenance issues were not considered.</p> <p>Consultation with area offices appeared to take place within a loose system and future maintenance requirements were not backed with funds on this occasion.</p>

Scheme	Aims and outcomes	How selected	Consultation	Delivering objectives and targets	Joint working
		assessment framework.	undertaken after 3 years. Although resource intensive, it informs future schemes.	of some other targets. Post scheme speed and casualty monitoring takes place.	
Scheme	Aims and outcomes	How selected	Consultation	Delivering objectives and targets	Joint working
<p><b>Bunny Lane – a local safety scheme</b></p> <p>Large scheme – statutory obligation due to the high casualty figures</p>	<p>Road is used as a partial by-pass for Tunbridge Wells.</p> <p>Scheme included illumination and right-turn lanes.</p> <p>A fatal crash during the development of the scheme resulted in pressure to build a roundabout (£3.5m) which was not agreed; this process delayed implementation.</p>	<p>Site had been a high accident site for years and has, over time, risen to the top of the priority list.</p> <p>Priorities emerge by reference to accident statistics, not by requests from the public.</p>	<p>Site is close to the border with Kent and Tunbridge Wells, these councils were consulted but were unwilling to liaise closely.</p> <p>Officers consider there is little need for public consultation and it is very difficult to consult “through” motorists in any case.</p>	<p>Scheme does not assist any other transport targets.</p> <p>But difficult judgement made between the accident reduction target and a) the environmental impact of additional street lighting, b) shifting traffic on to less suitable roads.</p>	<p>Scheme was combined with planned maintenance providing a good example of joined up scheme execution.</p>

**Highway maintenance:**

Scheme	Aims and outcomes	How selected	Consultation	Delivering objectives and targets	Case conference/ other joint working and communication
<p>No specific schemes as such. But there are examples where increased spending on non principal network allowed for an element to support integrated schemes (by allowing maintenance to be picked up at the same time) – eg Crowborough crossroads refurbishment of traffic signals was planned so the opportunity was taken to resurface the road at the same time.</p> <p>A similar approach is taken for traffic and safety schemes.</p>	<p>93% of A roads are above the <i>investigatory</i> level.</p> <p>We are ahead of target for the PSA for non principal roads.</p>	<p>Principal roads: needs based priority rating using 3 different measurement techniques. £8.5m enables just 1 in 4 possible schemes to be implemented.</p> <p>Non principal roads: budget allocated based on length of roads in each area. The PSA targets B, C and unclassified roads.</p>	<p>Perceived to be little scope for public consultation because of a clear statutory duty to maintain the road network.</p> <p>Definitions in the charter but information is not widely accessible.</p> <p>Area offices have good relationships with local parishes and regular meetings feed into local transport strategies and influence programmes of work.</p>	<p>Difficulty of understanding particular BVPI (186a – percentage of principal roads not needing major repair) – national confusion and so this BVPI is low priority.</p>	<p>Greater cooperation between passenger transport group and highway maintenance over budgets and schemes benefits from the case conference approach.</p> <p>Liaison with areas offices enables works to be combined.</p>

**Passenger transport**

<b>Scheme</b>	<b>Aims and outcomes</b>	<b>How selected</b>	<b>Consultation</b>	<b>Targets</b>	<b>Joint working</b>
<p><b>Hastings Urban Bus Challenge</b></p> <p>Cost: £871,000 (capital and revenue) over 3 years.</p> <p>Managed by the Passenger Transport team.</p> <p>Area of high deprivation.</p>	<p>Revenue support for evening and Sunday buses.</p> <p>Fares initiatives – families and workers.</p> <p>Marketing of new services.</p> <p>Accessible buses with low floors/easy access</p> <p>Improvements to bus stops to enhance accessibility.</p> <p>Arrow scheme – a part demand-responsive bus service with bookable points to fill gaps in the network – open to all unlike Dial a Ride.</p>	<p>Targeted investment in public transport in an area of urban deprivation.</p>	<p>Heavily reliant on partners – local business partnership, Hastings BC, local industry and large employers and the bus company.</p> <p>Also closely involved East Sussex Transport Strategy team and the design and contracts team.</p> <p>Feedback led to identification of deficiencies that are to be addressed by new evening and Sunday services.</p>	<p>Progress made under all headings.</p> <p>Scheme contributed to a 5% growth in passengers on that route. In Hastings overall growth is 3% and in East Sussex overall – 0%.</p> <p>20 out of 60 bus stops so far improved.</p>	<p>Passenger transport is integrated into the case conference approach.</p> <p>Problems with integrated ticketing and the Office of Fair Trading and its franchise rules. “Travel card” schemes can be introduced for certain groups (eg. school pupils or the over 60s)</p>
<p><b>Traveline:</b></p>	<p>Single source of impartial public information for local transport.</p>	<p>East Sussex has little control over the scheme – national scheme.</p>		<p>Major problems with software and provision of inaccurate information.</p>	

## External comparators

### British Airports Authority and Southern Water

Issue	BAA	Southern Water
<p>Dealing with conflicting targets.</p>	<p>Safety and security is an <i>anchor point</i> target that comes above all others. Having a single overriding target is helpful.</p> <p>There is a greater convergence of targets than one might at first imagine. It is in BAA's interests to ensure it meets all stakeholders' interests.</p> <p>An underlying management philosophy is that "there shall be no trade offs". So for example, traffic growth at an airport invariably involves increased noise. The task we had was to increase air traffic but without increased noise – generally considered impossible. The solution involved the introduction of noise monitors to bring about changed procedures that helped achieve both aims.</p> <p>[This approach was deemed to be superfluous for East Sussex. The balanced scorecard approach outlined in recommendation 3 will better ensure that projects are chosen that meet both national and local targets as far as practicable.]</p> <p>Increasing passenger numbers in terminals v. loss in quality of service: Queuing can have low cost solutions to increase passenger satisfaction. Actions have included providing more information about queue length, and having staff reassure passengers – reducing uncertainty is the key to improved satisfaction. Following the above philosophy would dictate "if there are to be queues then minimise the negative impact of them and ensure that passenger satisfaction scores remain high".</p>	<p>Quality Regulators define a significant proportion of the capital programme. (Environment Agency (EA) and Drinking Water Inspectorate (DWI)). Some 40% of the proposed capital budget is geared towards delivering water and wastewater quality improvements and these projects are fixed and relatively straightforward to define.</p> <p>Other expenditure within the programme is geared to dealing with population growth, maintaining and where necessary improving levels of service and undertaking necessary asset maintenance.</p> <p>A balanced approach is taken by the Company to ensure capital expenditure is prioritised across and within each of the above categories.</p> <p>The industry has limited influence on overriding legislation managing to bring about only small changes by working together.</p>

Issue	BAA	Southern Water
<p>Approach to project selection between competing schemes.</p>	<p>A combination of tools is used. No one tool provides all the information needed to decide which project or scheme to progress:</p> <p>1) Financial appraisal: a straightforward profitability assessment or cost benefit analysis.</p> <p>2) Balanced scorecard: each project is assessed against a large range of relevant parameters including company reputation benefit. Factors are quantified wherever possible within a matrix to provide a “picture” of the extent to which different projects are hitting the relevant targets and to what degree.</p> <p>3) Boston matrix: a graph plotting, for all potential projects, the value of each scheme to the organisation along one axis and the complexity on the other. This enables a comparison to be made of the risk involved in different schemes against their value to the organisation. So, for example, a high value project may not be undertaken because it is so complex that there is deemed to be a high chance of failure.</p> <p>A list of potential projects is reprioritised every year after a fresh reappraisal using the above assessment techniques plus views from stakeholders. Through this process, new projects are added to the list whilst others may be removed as their relative priority wanes.</p>	<p>Some water companies have a detailed prioritisation system for projects where different projects and project options would be point scored to determine relative priority.</p> <p>Southern Water does not have such a tightly controlled and theoretical approach but has an asset planning system that defines categories of improvement within which project planning is carried out. So for example with the flooding category: all projects that alleviate flooding are held in a single database and are prioritised based on factors such as flooding history, cost, and population affected etc.</p> <p>At the project level options to deal with the defined problems are identified and costed and <i>Value Management</i> techniques applied to ensure the most appropriate solution is chosen based on best value to the business.</p> <p>This Value Management approach involving sessions where relevant experts (technical and finance) meet to assess options.</p> <p>These half or full day sessions ensure that: different arms of the organisation are clear about the impact of the various projects at an early stage; cost assessments are reasonable, responsibilities are clear; projects are built into future maintenance programmes; non essential components are removed from project design to enable projects to achieve their objectives with minimum expenditure.</p>
<p>Cooperation or competition between airports/neighbouring water authorities? Any similarities to the</p>	<p>The BAA group level function assesses the relative benefits of different capital scheme proposals between airports. For example, comparing increases in passenger numbers for the same level of investment between schemes. The group level of the company acts as a moderator.</p>	<p>Relationships between water companies are friendly but there is no significant exchange of information.</p>

Issue	BAA	Southern Water
competitive framework between local authorities in competing for DfT money?	<p>This process has been refined over time. The group sets an initial ceiling for each London airport for example, asking them to present a case for the expenditure. Requiring them also to judge how they would spend an additional 10% if available or 10% reduction on the original ceiling figure is a particularly valuable and revealing exercise. Capital reallocations between airports can result directly from this.</p> <p>A presentation bids exercise is carried out in front of all the other airport managers. This process is found to result in better proposals because of the likelihood of peer challenge of poor project ideas. The process also focuses managers' minds on clarifying expected outputs early in the process, avoids bad planning and reduces under and over spends.</p>	
Is there any pressure to spend a budget by the end of the financial year for fear of <i>losing</i> money in subsequent years?	<p>All capital expenditure is undertaken only on schemes that pass the above tests. There is no expenditure on schemes solely to ensure that money is spent by the end of a financial year.</p> <p>The overriding pressure is to spend money on meeting targets. If budgets are underspent then there is pressure to reduce charges.</p>	<p>The budget is allocated and the cost base reviewed every five years so there is no end of year panic to use funds.</p> <p>Within that period the budget is reviewed annually and there is regular monitoring throughout the year with exception reporting and monthly summary tables feeding up to senior management.</p>
Delegation of authority for capital expenditure.	<p>The size of scheme is clearly delegated to an appropriate level within the organisation – for initial approval and for approval of expenditure changes to a project. A middle manager might have authority to vire sums of say £25k between projects within his/her programme, whilst an airport director's authority would be required to make substantial changes to large projects.</p> <p>Small projects under £2m don't require a "bid" as such and can be made through discretionary budgets; they are flexible so that they can be geared towards targets such as "improving passenger satisfaction". Customer satisfaction scores (QSM</p>	<p>A number of defined committees are in place to approve capital expenditure. These groups have defined roles and responsibilities and delegated powers from the Board to approve projects at various expenditure levels.</p>

Issue	BAA	Southern Water
	<p>measures) would influence this level of expenditure eg. small projects might include carpets renewal or toilet facilities improvement. Service managers will have the scope to make the kinds of local decisions that are going to impact quickly on QSM scores.</p> <p>There is no equivalent of government or audit commission inspections, nor requirements for “ring fenced” expenditure as for local authorities.</p>	
<p>Managers’ targets, rewards and organisational culture.</p>	<p>BAA is aiming for a culture where every member of staff has a clear view of the company’s overall objectives and targets.</p> <p>Financial incentives, whilst not the only means of ensuring good performance, are considered to be an effective means of communicating very clearly to staff their value to the organisation.</p> <p>Pre-privatisation, all staff were on incremental scales with staff normally progressing up the scales until they reached the top (rather like the current system in local government).</p> <p>Middle and senior managers are no longer on incremental scales, but instead have a salary that is subject to annual review to reflect the significance of each individual’s contribution to the business, also having regard to changes in RPI. BAA companies now undertake this salary review of senior managers by force ranking them into a hierarchy of five categories, as a result of which some managers will receive a pay award greater than inflation, most will receive awards broadly in line with inflation and others will receive a lower percentage or, indeed, will remain on their previous year’s salary.</p> <p>Managers are separately eligible to receive an annual bonus which, for the most senior managers, can theoretically reach</p>	<p>There is a bonus system at management level but not at team level. Targets and objectives cascade down through the management team with individual and joint targets.</p>

Issue	BAA	Southern Water
	<p>40% of their base salary. Business performance targets for the Group and for subsidiary companies determine most of whatever bonus may be payable, with 25% being determined by an individual's performance against his/her personal objectives for the year in question.</p> <p>Personal targets are increasingly SMART in nature and linked directly to business improvement objectives; they are multi-dimensional, perhaps relating to cost control or income generation but also addressing other issues, eg staff absence or environmental improvements. Some targets are, by nature, less SMART (eg "improve relationships with airlines") and this does require a disciplined approach by managers in thinking through how staff performance can be assessed.</p>	
Cross checking between managers' targets.	<p>An <i>alignment day</i> is held annually at which the targets of the management population are cross checked to ensure appropriateness, avoidance of duplication and synergy between different managers' targets. This process is constantly being refined and improved. It ensures that senior managers have an adequate familiarity with the personal objectives of others with whom they have little day to day dealing.</p> <p>Example of a successful outcome: An <i>alignment day</i> resulted in the finding that too few managers at the right level had a personal objective linked to reducing staff sick leave levels; this was then corrected.</p> <p>[This approach was deemed to be too prescriptive for direct transfer to East Sussex. Recommendation 2 addresses the key issue of ensuring clarity of ownership of every target, particularly those that straddle different teams.]</p>	The cascading process and clear lines of responsibility and accountability at Director level ensure that targets are clearly set. Crosschecking does not need to take place.
How do you consult with	Customer satisfaction is assessed through two main measures:	Regular surveys are used to gauge public views and expectations and to assess the service the company is

Issue	BAA	Southern Water
stakeholders?	<p>The QSM measures involve interviewing some 160,000 passengers annually on some 16 indicators ranging from “wayfinding”, “smoking facilities” to “quality of toilets” etc. The monthly indicators from this are considered at the BAA Group executive Committee.</p> <p>“Hard measures” are recorded also – eg. the speed with which passengers’ bags are delivered.</p> <p>Very often, low QSM scores can radically improve by simple changes such as providing better quality and timely information – clearer “wayfinding” or using roving information assistants stationed in check-in areas to spot confused passengers and alleviate their concerns by providing information and reassurance.</p> <p>There is a complaints card system and every complaint is read. Every letter of complaint sent to the Chief Executive is sent to all executive board members to provide a good “temperature” test of the organisation.</p> <p>Passenger user committees are not found to be particularly effective; preference is given to the information deriving from direct contact with travellers through the QSM interviews and feedback from the roving information assistants.</p> <p>All BAA staff are encouraged to be customer service oriented and to report and act upon informal feedback received from friends or relatives using the airports.</p>	<p>providing.</p> <p>Key stakeholders for large capital projects are involved as early as possible in the planning process. All possible methods of consultation are used to ensure stakeholders are fully engaged in the delivery process.</p>
How do you keep local people on board?	<p>Each major airport has a formal consultative committee (Gatwick has a committee of some 28 members and substitutes. 18 local authorities including East Sussex and parish councils are represented along with the travel industry, businesses and trade unions).</p>	<p>Significant public consultation takes place on capital projects to ensure the plans proposed by the company are understood and endorsed. Public meetings and exhibitions are just two of the many ways the company ensures the views of their customers are fully understood.</p>

Issue	BAA	Southern Water
	<p>Committees are able to ask questions on any aspect of the airport as well as take on the role for formal consultation on development strategy as well as being consultees on the development strategy and DfT aviation policies.</p> <p>Regular dialogue takes place with local authorities, particularly with planning authorities. BAA is keen to promote good working contacts with senior management and members in partner authorities and is seeking to try to extend these kinds of contacts.</p> <p>BAA talks to rotary clubs and other amenity groups and has a community relationship programme in schools.</p> <p>Some staff have personal targets for engaging in community initiatives.</p>	
How does stakeholder feedback affect policy?	<p>Airlines: The pressure from airlines is often to cut costs. BAA spends a great deal of time talking to airlines explaining and discussing the consequences of following or not following various actions. Some facilities, such as security, is provided at a level that is unlikely to be affected by any stakeholder pressure solely to cut costs.</p>	
East Sussex consults extensively over its local transport schemes, some have argued, at the expense of speedy implementation. How does BAA balance the views resulting from consultation with scheme implementation?	<p>Consultation on matters where there are permitted development rights occurs preferably through local authorities, planning authorities in particular.</p> <p>Previously, BAA consulted on its development strategy by taking an exhibition out to libraries; this was considered relatively unsuccessful; the effectiveness seemed to depend on many factors including the position of the exhibition within the library which could not be controlled.</p> <p>Using public meetings as a means of consultation poses</p>	

Issue	BAA	Southern Water
	<p>problems such as establishing the “representativeness” of participants. BAA attends a limited number of public meetings, usually at the request of parish or other local authorities.</p> <p>Representative surveys from residents around the airport are often a better way of establishing a local view because you can reach people who would otherwise not come forward.</p>	
Improved relationship with East Sussex?	East Sussex County Council is considered an important partner by BAA and there is a good relationship. BAA sees this developing through more contact with members	Risk management and sharing certain facilities may provide scope for greater joint working with local authorities and other large organisations.

## Surrey County Council

### ***Dealing with potentially conflicting targets (local v. national) or competing priorities. Does Surrey have a “hierarchy” of targets?***

1. A hierarchy of targets achieved through the corporate plan with a range of priorities. There are approximately 35 key transport targets and the Council aims to achieve them all. There is a cascade of key priorities that can be customised at local office level.

### ***How do you select between competing projects or schemes and what are the compromises involved in doing this? Are specific techniques used to assess schemes’ impact on the various targets***

2. The programme for integrated transport schemes is influenced politically and through consultation. Scheme coordination is carried out at local office level. Each local office has a local service plan with its own key targets. Local offices then bid for schemes within the LTP but there are normally too many priorities. The prioritisation system aims to put forward those schemes that meet local and national priorities. Local integrated transport schemes are developed to deliver LTP objectives (as well as meet local needs) – all transport schemes have to hit national targets to some degree.
3. Local offices often have to work together on schemes that lie close to or cross boundaries.
4. Members are involved early in the process as part of a local committee and Executive member in respect of the central pot.
5. Major schemes are approved centrally along with bus schemes (because they cross district boundaries).

### ***How do managers’ targets, rewards and organisational culture contribute to effective performance? Is there a means of cross checking between managers’ individual targets across the department to ensure that there is minimal duplication and that no key targets are omitted?***

6. All targets are linked with individual accountability from the Council’s corporate plan through to the department management plan. A *Grandparent* approach through appraisals ensures managers are aware of targets of staff two levels below them in the departmental structure which avoids duplication and ensures all targets are allocated.
7. There is no performance related pay except for the most senior managers who can receive an annual increment of 0, 3% or 6% depending on performance.

### ***What do you find are the most effective ways of consulting with stakeholders?***

8. We are tending towards using *blank sheet consultation where possible*; we involve people early in scheme development.
9. Methods used include: exhibitions, the Web, questionnaires, leaflets, and public meetings publicised through leaflets and surgeries.

10. Focus groups are used when possible because they provide an informed and therefore more useful response.
11. Surrey has not discovered any real shortcuts to consultation. The process is speeding up marginally as we become increasingly aware of the important issues in each district.

***How do you keep the public or other stakeholders on board with unpopular decisions?***

12. Through dialogue: local district *surgeries are being trialled* whereby the local transport offices establish a local consultation meeting for interested members of the public.

## **The public consultation workshop – 20 March 2004**

1. Miller Associates, a market research organisation, carried out a one-day workshop near Uckfield on Saturday 20 March 2004. 40 residents of East Sussex attended representing a range of different social and age groups. These residents were recruited from right across the County to provide a representative cross section of the County's population.
2. The day included discussions on: priorities for the Local Transport Plan; priorities for highway maintenance; and better ways of engaging the public on transport issues. Following a presentation on the Local Transport Plan, residents discussed in groups what they saw as their priorities.
3. Residents were welcomed by Councillor Tony Reid, Lead Member for Transport and Environment. This was followed by a presentation giving background to the Local Transport Plan (LTP) and the Highway Maintenance Service.
4. The first part of the day was spent discussing priorities for the Local Transport Plan. The afternoon session was spent discussing the Highway Maintenance Service. Views regarding how the County Council should engage the general public regarding these issues were interspersed throughout the day.
5. All discussions were tape recorded and transcripts of the tapes formed the basis of the consultant's final report.
6. The process identified a range of issues, concerns and criticisms on which the review Board commented. The consultant's report formed the first stage of a programme of consultation work that will inform the next generation of the Local Transport Plan to be published in 2005.
7. This event represented the beginning of a major consultation programme that will influence the content of the second generation LTP. The results of the workshop will, over the next few months, be supplemented by the results from a questionnaire to be sent to:
  - a sample of households in the County
  - all County Council Members
  - local planning authority Member workshops
  - all parish councils
  - younger persons consultation workshop.
8. A select committee event will also take place at an early stage of the LTP development in July 2004. The invitees include a range of stakeholder interests:
  - South East Forum for Sustainability
  - South Downs Conservation
  - Stagecoach South

- English Regions Cycling Development Team
- Rail Passenger Committee
- Sussex Enterprise Board
- Seaspaces (Hastings/Bexhill Task Force)
- Automobile Association

***The car – an overriding view***

9. An overriding view expressed by residents at this event was the recognition that whilst it was important to promote modes of transport other than the car, it was necessary not to lose sight of the fact that the car is *part and parcel* of everyday life in East Sussex because:
- East Sussex has a large rural component.
  - It is often necessary to drive in order to make connections with buses and trains.
  - Public transport does not always connect the places residents need to travel between.
  - When travelling late at night cars are the only option, even for routes well served by public transport during the day.

***Local Transport Plan***

10. In developing a Local Transport Plan, residents felt it was important for the County Council to:
- Improve public transport, particularly reducing cost, improving reliability and frequency recognising that the County's population and economic activity will increase in the coming years
  - Provide an integrated transport system: particularly in respect of buses and trains with greater and more reliable real-time information; improved facilities for bicycles on trains.
  - Make safety a priority, for both road and public transport users; trains are particularly perceived as being unsafe. Traffic speed should be controlled by speed reaction signs and effective enforcement rather than traffic calming measures such as road humps; speed cameras were previously perceived to be useful whereas opinion now seems to have changed partly as a result of the slant the media has adopted.
  - Focus the promotion of cycling as a leisure activity rather than business or commerce because on-road cycleways are perceived to be unsafe; residents alleged that some cycleways appear to *end without warning* leaving cyclists on a main road with heavy traffic.  
[Council officers argue that the County's cycleways do not in fact end without warning but there are some lengths of cycle routes visible alongside main roads that are part of a much wider off-road network. Such public observations indicate a need for greater

publicity to a wider audience than already committed cyclists who are already aware of the networks through readily available information and cycle route maps].

- Make more provision for socially excluded/disadvantaged groups, particularly the elderly, the disabled, and people living in rural areas through addressing: bus service frequency, accessibility to all buses on a route, cost and reliability; bus pass validity over a wider area than the home town or area; and pavement surface improvements.
- Continue to lobby the government for better transport, mainly road, links particularly trunk roads throughout the County; residents perceived that the government had been unfair in its treatment of the County in the past and that greater effort is needed by the County in future.
- Relieve congestion by concentrating on bottlenecks and road junction design right across the County.
- Redress the east-west imbalance; there is a perception that there is less investment in transport in the east of the County.
- Co-ordinate work, both internally and externally, to develop policies which are *joined-up* with other relevant policies such as those affecting housing development and commerce.
- Feed into national campaigns on, say, healthier lifestyles, that will ultimately lead to people regarding their car differently and hopefully reducing dependence on the car.
- Encourage e-commerce as a means of trying to reduce the number of car journeys; Internet shopping, for example cuts down car journeys.
- Encourage business, local authorities and schools to develop *green* travel plans to reduce problems such as the school run, congestion and parking problems.  
[The Board considered it important to link improvements and road enhancement projects, for example, to the walking bus programme and thus maximise the contribution that LTP funding can make to influencing travel choice (recommendation 1)].

### **Highway Maintenance**

11. Confirming the findings of the highway maintenance survey conducted in October 2002, residents also felt that maintenance of roads and pavements were key priorities. As far as the former was concerned, there was acknowledgement of the dilemma in which the County Council finds itself because, on the one hand, people complain about the state of the roads, and, on the other, they complain where there are road works. As far as road works were concerned, it was apparent that people have deep concerns about the way in which contractors are used. They suggested a number of ways in which these concerns could be alleviated.

12. Residents identified upkeep of pavements as a priority for the following reasons: litter, dog fouling, chewing gum, and verge maintenance (which impacted on pavements, particularly in rural areas). Not all of these are County Council responsibilities.

***How to consult effectively with the public***

13. It was felt that consultation with the general public about transportation and highways issues was a very important area of work for the County Council. In order for consultation to be effective, however, it should be focused, structured, only undertaken if people can have real influence, listened to, understood how the views of different stakeholder groups will be balanced, and communicated as to why a particular decision has been taken.

***Parking***

14. The consultation reflected concerns about parking problems, in Lewes particularly. Recent redevelopment in Bexhill, though having huge public support at consultation stage, is now under criticism because there are fewer parking places.
15. Parking is a problem shared by the county and district councils which seem reluctant to charge for off-street parking. The Board considered that companies should be encouraged to let their parking spaces be used by the public at weekends. East Sussex does this and commends the practice to other organisations.
16. New developments are now required to specify maximum parking standards rather than minimum ones. New Supplementary Planning Guidance will be submitted to the Cabinet for decision shortly. The new policy should result in some £2m of developer income if the policy is applied effectively by the appropriate planning authorities.

## Appendix 3: Glossary of terms used in the report

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Term	Explanation
Annual Progress Report (APR)	Local Transport authorities are required to submit an APR for each year of the LTP period. APRs provide the mechanism to report on how LTP programmes are being implemented, and the progress made towards achieving the LTP's objectives. It is also a statutory requirement to report on the individual targets set out in the LTP.
Audit Commission	<p>An independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health and criminal justice services.</p> <p>Mission:</p> <p><i>To be a driving force in the improvement of public services. We promote good practice and help those responsible for public services to achieve better outcomes for citizens, with a focus on those people who need public services most.</i></p>
Comprehensive Performance Assessment (CPA)	<p>CPA is a process devised by the Audit Commission by which every council can be judged to be excellent, good, fair, weak or poor. It is intended to: <i>help drive continuous improvement; ensure that Councils identify improvement priorities and take action to deliver them; identify councils that need special support to raise their performance; provide a means for giving councils who merit it freedoms and flexibilities in how they work as a reward for good performance.</i></p> <p>East Sussex East Sussex County Council has been measured as <b>Good</b>.</p>
COMT	Chief Officers Management Team
Department for Transport (DfT)	Government department with the objective of <i>overseeing the delivery of a reliable, safe and secure transport system that responds efficiently to the needs of individuals and business whilst safeguarding our environment.</i>
Government Office for the South East (GOSE)	<p>Represents central government in the South East. GOSE works to influence, contract and develop government programmes and initiatives at a regional and local level, by working in partnership with relevant organisations to meet local needs.</p> <p>Government Offices exist to manage regional programmes on behalf of participating Departments, to support and facilitate effective linkages between partners and programmes and to inform the development of Departments' policies from a regional perspective.</p> <p>Mission:</p> <p><i>To work with regional partners and local people to maximise competitiveness and prosperity in the regions, and to support integrated policies for an inclusive society.</i></p>
Investors in People (IIP)	The national Standard that sets out a level of good practice for training and development of people to achieve business goals.
Local Area Transport Strategy (LATS)	A set of policies and proposals for transport related issues in East Sussex within a particular geographical area, which has sustainability as a core objective and which balances economic, social and environmental considerations. This approach is also referred to as the <i>package approach</i> .

Local Transport Plan (LTP)	LTPs give local authorities the opportunity to produce comprehensive integrated transport strategies covering all forms of surface transport. LTPs replaced the transport policies and programme (TPP) system as the basis for allocating resources for local transport capital expenditure. The system was designed to give local authorities greater discretion on spending and more certainty over future funding levels.
Private Finance Initiative (PFI)	A means of funding fund large capital projects. The approach usually involves a local authority purchasing a comprehensive service from a private sector provider within a long-term contract.
Quality bus contracts	The County Council will specify an integrated network of rural, small town and inter-urban bus services and operators will be able to compete for contracts to operate these services. This approach will enable the County Council to plan a stable network of bus services with integrated ticketing that can take into account opportunities and challenges such as new development and green travel plans.
SMART target	A target that is Specific, Measurable, Achievable, Realistic and Time-related.
South Coast Corridor Multi Modal Study (SoCoMMs)	A report making recommendations for a long term strategy to address passenger and freight transport movement needs on key transport corridors along the South Coast (August 2002).

## **Appendix 4: Acknowledgements**

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**Project Officer:** Peter Hayward

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Nick Smith, Head of Passenger Services

Owen South, Strategy Officer, Passenger Transport

### **Other evidence sources:**

A brief research paper undertake by W S Atkins on behalf of the Department for transport, 27 April 2004.

Miller Associates, Report of a consultative workshop on transport issues, 20 March 2004.

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