



# news update

*Welcome to the special roads, highways and street lighting edition of the consultancy newsletter. This deals with projects which APSE is currently undertaking, or has completed in this year.*

## Highways verge cutting review results in £200, 000 savings

APSE has identified £200,000 per year savings on a County Council's highways verge cutting service. The Council initially wanted to assess the potential benefits in taking in-house the verge grass cutting operations currently incorporated in an outsourced Highways Contract. However, following meetings with Council heads of service, it was considered necessary to widen the review to address a proposed reduction in the highways verge vegetation budget and to incorporate additional verge grass cutting related work. Accordingly, the revised scope of the review incorporated not only the potential benefits to the Council in undertaking highways verge maintenance but also a review of the current rural and urban highways verge specification and standards of work.

APSE conducted the review in two stages. Phase one consisted of substantial on site input, including meetings with key Council staff and site surveys in the collation of information such as: site measurements and bills of quantity, analysis of financial information and operational assessment of service requirements.

In Phase two, Phase one data was

used to evaluate the optimum resource requirements to provide the service in terms of vehicles, machinery operatives and supervisory requirements. The resource requirements were translated into an annual cost for the highways verge maintenance work.



APSE concluded that there were advantages in bringing the highways verge grass cutting contract in-house and awarding the urban, i.e. village verge grass cutting, to the in-house service provider based upon the current specification. APSE also recommended that the Council transfer the management of rural verge grass cutting and associated grass cutting operations to the in-house service with the option of either undertaking the work with its own staff / resources or alternatively, sub-contracting the work and charging a management fee.

APSE compared the Council's current grass cutting policy for rural verges with those of other county councils in England. Accordingly, a survey was undertaken on other local authorities' rural verge grass

cutting policies. Following this, APSE recommended that the Council reduce the specification for rural grass cutting.

## Highways critical friend

APSE has been acting as a critical friend to a City Council and Unison through the process of determining the best way forward for the Council's highways service. This has involved examining the case that has been made for a possible joint venture solution as well as assisting with the exploration of a potential in-house transformation model.

APSE became involved in November 2009 following representations from the Trade Unions who felt that the options appraisal process had hitherto not given full consideration to the option of an improved in-house service. The option appraisal was carried out against a background of a cross authority initiative to secure greater efficiency and cashable cost savings. The preferred option is expected to deliver savings as well as service improvement. Following the options appraisal, the choices were





refined to leave three serious options: a transformed internal service, a straight outsourcing and a joint venture.

APSE identified the need to establish substantial baseline data in order to verify objectively the projected savings derived from the market testing exercise. The Council subsequently joined and submitted data to APSE Performance Networks to benchmark the Council's current service against other similar authorities.

At the end of 2009, the authority took the decision to further explore the in-house transformation model. Consequently the Council were able to compare the offer from the market against what could be achieved by the in-house team. This also would perhaps help members to gauge the reliability of the private sector projections.

APSE produced a series of papers, including comments on the options appraisal and comments on the risk matrix used. APSE wrote a substantial report on the 'Establishment and use of external delivery vehicles for council services' which was designed to explain the positives and negatives of the various council created, external service delivery vehicles. The Council is currently still considering how best to deliver the highways service.



## Comparison of Key Roads and Street Lighting Activities

11 local authorities asked APSE to compare the arrangements that each participating authority has in place for the management and delivery of a selection of key activities associated with the delivery of Roads and Street Lighting services. Specific activities addressed by the Consultant were Communication, Fleet Management, Procurement and Risk Assessments.

The first four reports have now been completed and sent to the participating authorities. This constitutes Phase One. From these comparisons, further issues have been discovered and the consultant has recommended what the authorities should look at next.

The work is important in that it looks behind the headline data which authorities submit for national indicators. In situations where one authority does not appear to be performing well it can demonstrate why and show opportunities for improvement. Moreover, it will highlight where an authority is performing well.

The pool of knowledge that comes from this will save authorities time and money as they are sharing good practice through working together. For example, in the risk assessment benchmarking, 510 risk assessments have been submitted. These will be shared amongst the participating authorities who can now use the work that others have already done instead of duplicating the effort.

## Economic footprint

APSE is working with a member authority who have requested consultancy support to assess the local economic footprint of their street care service, incorporating highways, street lighting, street cleansing, grounds maintenance and transport. In particular the research will look to drill down to focus on the highways aspect of this service.

The local economic footprint will be calculated to cover both the Council's own geographical boundaries and the sub-region. This work will enable the Council to demonstrate how and where it spends its resources and the benefits to the local economy. This pioneering research has delivered some remarkable results in other authorities and demonstrates the vital role played by local public services in helping to anchor the local economy against external shocks brought about by global economic forces, financial crises and recession.

APSE, along with the Centre for Local Economic Strategies (CLES) has pioneered this approach to measuring the local economic multiplier effect of council front-line services in terms of both procurement and employment spend.

**To find out more about how the consultancy can help you, contact:**

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