

**Report to:** Cabinet

**Date of Meeting:** 23 October 2012

**Lead Member / Officer:** Lead Member for Public Realm  
Corporate Director: Customers

**Report Author:** Project Manager

**Title:** Conwy & Denbighshire Highways and  
Infrastructure Collaboration

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**1. What is the report about?**

The progress Conwy and Denbighshire Local Authorities are making towards collaboration within the Highways and Infrastructure Services.

**2. What is the reason for making this report?**

To present the recommendations of the Conwy and Denbighshire Highways and Infrastructure Collaboration Programme Board following the consideration of the '*Conwy CBC and Denbighshire CC Joint Highways and Infrastructure Fully Integrated Service: Report on the Draft Service Design (September 2012)*' on the 12<sup>th</sup> September 2012.

**3. What are the Recommendations?**

The *Conwy and Denbighshire Highways and Infrastructure Collaboration Programme Board* (supported by both Corporate Executive Teams) recommends to Cabinet that;

- (i) Because the Business Case does not make a clear case for a fully integrated Highways and Infrastructure Service, Conwy and Denbighshire do not proceed with this option; and
- (ii) Conwy and Denbighshire continue to look for further opportunities to rationalise management, reduce costs and improve services to our residents by:
  - strengthening those areas of sub-service that are under single management,
  - exploring the Highways and Infrastructure sub-service areas where collaboration might bring benefits to our residents,
  - exploring local (Authority specific) opportunities for collaboration and joint management arrangements between existing services,
  - maintaining and developing our commitment to the regional developments on transport which, if delivered well, may secure additional benefits. Decisions will need to be based

on a sound business case for change for in respect of such elements,

and;

- (iii) the Corporate Directors report back to Cabinet in November 2012 on the work inherent in Recommendation 2.

#### **4. Report details.**

A full copy of the '*Conwy CBC and Denbighshire CC Joint Highways and Infrastructure Fully Integrated Service :Report on the Draft Service Design (September 2012)*' is available in Appendix 1.

#### ***Background***

Conwy and Denbighshire are committed to developing collaborative ways of working where there is a business case to do so. Our authorities have a strong track record on collaboration and we want this to continue over the lifetime of our new administrations.

Our collaboration on Highways and Infrastructure is delivering benefits to our residents and both councils are committed to strengthening joint working wherever there is a clear financial or service case. Three years ago Conwy and Denbighshire were the first in Wales to appoint a joint head of Highways and Infrastructure Services in order to deliver service improvements and drive out financial savings. Over the past three years our Highways and Infrastructure collaboration has delivered £300k of savings which allowed both councils to invest in other priorities or prevent cuts to services. We have also appointed joint management in important areas: school passenger transport and street lighting.

These achievements and our commitment to collaboration in this area had led us to consider fully integrating all the sub-services within the Highways and Infrastructure Service under a single fully integrated management structure. In early 2012 the Authorities commissioned a detailed study into whether or not there is a business case for doing this. That study has now been completed and is attached to this report. The detailed study shows that the costs of fully integrating the service would be prohibitive. In addition the perceived advantages appear not to outweigh the considerable disruption and possible dip in service that would be involved. For these reasons the recommendation from the Conwy and Denbighshire Joint Collaboration Board, supported by both Corporate Executive Teams, is not to proceed with the fully integrated model.

#### ***The Way Forward***

Our two authorities remain committed to pursuing other ways of strengthening our collaboration. We will look for further opportunities to rationalise management, reduce costs and improve services to our residents. This will include the following:

- We will strengthen those areas of sub-service that are under single management.
- We will explore the Highways and Infrastructure sub-service areas where collaboration might bring benefits to our residents.

- We will explore local (Authority specific) opportunities for collaboration and joint management arrangements between existing services.
- We will maintain and develop our commitment to the regional developments on transport which, if delivered well, may secure additional benefits. Decisions will need to be based on a sound business case for change for in respect of such elements.

In the light of the recommendation not to fully integrate, it is now necessary to consider whether or not the current model of service delivery is the best model for the future. The two chief executives have commissioned a working group to consider the available options, consisting of two corporate directors Sasha Davies from Conwy and Hywyn Williams from Denbighshire, supported by; Danielle Edwards (Project Manager) who led the study and has significant knowledge of the area, the S151 Officers, and the HR Heads of Service. The brief given to the corporate directors is that the options must consider the following:

- deliver financial savings for both councils without loss of important services to residents;
- strengthen the collaborations that the two authorities have committed themselves to at a sub-service level, i.e., school transport and street lighting;
- consider inter-authority as well as intra-authority options for models of service delivery;
- ensure that options for consideration are consistent with regional developments.

Corporate directors have been asked to report to their Chief Executives by the end of October. This will lead to a report to Cabinets in November recommending the way forward.

## **5. How does the decision contribute to the Corporate Priorities?**

This decision contributes to the overarching statement made by Denbighshire County Council, namely to be an Excellent Council, Close to the Community. The new Corporate Plan had identified seven priorities and undertaking this work relates directly to the priorities for 'Improving our Roads', 'Modernising the Council to deliver efficiencies and improve services to customers', 'Clean Streets and Tidy Towns', together with 'Developing a vibrant, healthy and strong local economy.'

## **6. What will it cost and how will it affect other services?**

The detailed study (see Appendix 1, Section 10) shows that the costs of fully integrating the service would be prohibitive. In addition, the perceived advantages appear not to outweigh the considerable disruption and possible dip in service that would be involved.

As part of the option appraisal on the way forward, there will be consideration of the costs, HR and the impact on other services.

## 7. What consultations have been carried out?

Since April 2012, the Project Manager has worked with the Project Team and the H&I Communication Officers to engage with internal stakeholders (inc. Unions) throughout the project by way of; the Development Teams, Quality Assurance Teams, Workshops (Visioning and Service Design), Newsletters and Meetings. Feedback has been recorded where it has been received, most noticeably in informing the Vision, Benefits, Risks, and the Service Design.

No formal consultation has taken place since April 2012.

In order to ensure that our stakeholders remain fully informed before, during and after the democratic process, a *Communication Plan* (Appendix 2) has been developed, underpinned by the Highways and Infrastructure Communication Strategy. The key dates for communication are as follows:

| <b>Communication Activity</b>  | <b>Date</b> |
|--|-------------|
| 1. Letter to the Minister  | 20/09/2012  |
| 2. Briefing Meeting with the CCBC & DCC H&I Service and Sub-service Managers, inc. the HOS for those sub-services not aligned. | 25/09/2012  |
| 3. Sharing with the Collaboration Officers Group   | 25/09/2012  |
| 4. Informing the Unions  | 03/10/2012  |
| 5. Newsletter to Staff and Members   | 04/10/2012  |
| 6. Scrutiny and Cabinet Meetings   |             |
| 6.1 <i>DCC Partnership Scrutiny</i>  | 11/10/2012  |
| 6.2 <i>CCBC Partnership Scrutiny</i>   | 16/10/2012  |
| 6.3 <i>DCC Cabinet</i>   | 23/10/2012  |
| 6.4 <i>CCBC Cabinet</i>  | 23/10/2012  |
| 7. Notification of the Executive Decision from CCBC and DCC Cabinets   | 24/10/2012  |

## 8. Chief Finance Officer Statement

One of the key drivers of entering into collaborations is cost saving. If no case can be made for savings, or as a minimum improved service at no extra cost then the project should not continue as proposed. The collaboration has produced successful joint services such as street lighting and there is no reason why these should not continue.

The Council should not continue to pursue the project in its current format but should continue to explore ways of delivering savings from joint working in this area.

**9. What risks are there and is there anything we can do to reduce them?**

A full project risk register for the fully integrated service is included within the full report (Appendix 1)

A separate risk assessment will be undertaken as part of the options appraisal for the way forward.

**10. Power to make the Decision**

S111 Local Government Act 1972

Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2002

Article 6.3.2 of the Council's Constitution

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