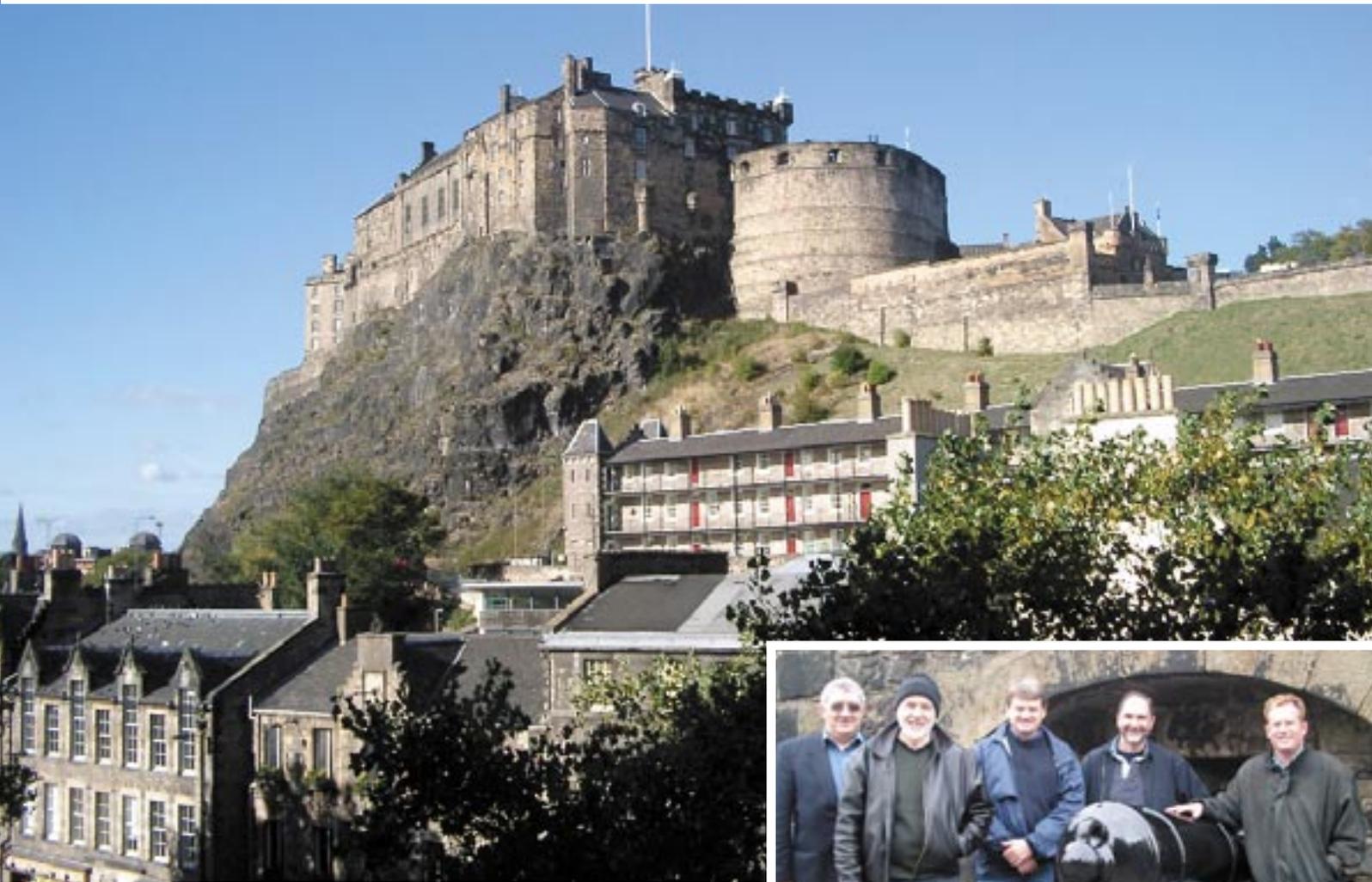


IPWEA National UK Study Tour 2003

ENTER



Edinburgh Castle



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Report by Claude Cullino

Sponsored by the Municipal Engineering Foundation, Victoria and Manningham City Council.



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Solace Study Tour 2003

Claude Cullino

Executive Summary

The study tour was funded and supported by the Victorian Municipal Engineering Foundation and the Manningham City Council. I am grateful to both for the opportunity and support to undertake the Study.

The purpose was to attend the Society of Local Authorities Chief Executives (SOLACE) Conference in Edinburgh UK and also to explore the current practices and issues at a number of municipalities throughout the United Kingdom.

Two principal lessons for me on this tour are that my own organisation and Victorian local government are performing well with what I was able to observe and secondly that after Best Value Comprehensive Performance Assessment will occur.

The theme of the SOLACE conference was “Best Practice, Diversity & Innovation”. As well as the conference sessions, there were a number of contacts made during the sessions.

A significant cross-section of UK Senior Managers and a strong contingent of international delegates attended the conference. There were delegates from Australia, New Zealand, Canada, USA, Czech Republic, Belgium, South Africa, Slovak Republic, Malta, and Portugal.

Local government issues appear to be consistent, but solutions are applied to reflect the communities represented.

The Study Tour group came from a range of engineering and executive management backgrounds across Australia from diverse urban cities and regional rural communities.

The group's interests were broad, covered the full range of general administration and public works management and operational service delivery and included:

- Local Government Management Practices;
- Infrastructure Asset Management;
- Stormwater Management;
- Water Supply & Wastewater; and
- Pricing policies.

The UK Central government funds local government in terms of grants and subsidies to a level of around 70%, consequently central policy was set and local authorities were expected to deliver services accordingly. The “Office of the Deputy Prime Minister” manages local government and produces a series of Handbooks and Guides to provide support and direction.

Diversity was a major theme of the Edinburgh Conference. Zoë Van Zwanenberg from the Scottish Leadership Foundation spoke on racial and ethnic tensions and the opportunities to improve organisations and service delivery. The challenge being to enable ‘workforce diversity’ to influence practices and decision making of local authorities and to have different groups included.





The opportunity for Australian local authorities is to embrace a concept of 'professional' diversity as this could contribute to ongoing enhancement and improved decision-making in an organisation.

Market diversity, business diversity and workforce diversity being the three major elements for harnessing improvement and the management actions being promoted included:

- Diversity and leadership being a performance measure;
- Creating diverse teams to problem solve;
- Ensuring flexible work practices;
- Creating support networks;
- Celebrating and publishing success;
- Senior management being effective role models; and
- Effective delegation for 'team' problem solving.

In discussing innovation, Victorian local government is in a consolidation phase where Best Practice is being defined and described in the many service areas, generally through the Best Value process. The question from the elected members is "what's next" after Best Value.

The next phase in the UK is CPA, Comprehensive Performance Assessment. The UK central government has established the CPA process as a means of helping local municipalities improve the services they deliver to local communities. UK Audit Commission undertakes CPA audits. The audit is a scorecard that summarises the performance of a Council. The CPA process gives an overall score for each Council as either excellent, good, fair, weak or poor.

The score is made up of two parts:

1. How the Council is run; and
2. How the Council's core services perform.

The lesson learnt in establishing CPA is that after some initial controversy and poor performance by Auditors, municipalities are now encouraged to undertake self-assessment before inviting the Audit Commission Review.

Half of the UK local authorities are performing well while the performance of the other half is mixed.

There is no doubt that it will be only a matter of time before Comprehensive Performance Assessments (CPA) will be introduced into Australia.

The Study Tour Group undertook visits to Perth Kinross in Scotland, and the municipalities of East Riding of York, Coventry Council, Oxfordshire and Hertfordshire in England.

It is apparent that community expectations concerning the environment will drive improvements over the next decade. Should voluntary sustainable practices not occur then based on observations in the United Kingdom, legislation to arrest environmental decline is inevitable.

Transport initiatives taken by Perth Kinross included the introduction of Park and Ride facilities to encourage residents from outlying areas to drive and park at facilities where the fees were low with a free shuttle service into the city departing every 10 minutes. The Transport Department from Central Government was funding this initiative. The additional benefit from this project has the effect of encouraging carpooling by villagers.

At East Riding of York the Corporate Management Team operates from a single open floor plan with no separate offices. The seven member Executive Team takes a broad organisational focus on programs and issues, service delivery standards, culture and links between service delivery units and in a holistic sense, overviews the financial performance of the municipality.

The objective of the Executive Team is to be a high performing group and has set its goal to be in the top 10% performing municipalities in the U.K. and is a beacon Council for four of its services. It regularly makes submissions for Sector Awards and it encourages a positive staff attitude. It routinely assesses its performance and is an Investor in People organisation.

The Executive Team indicated that there is a positive working relationship between it and the Council and there is a program to nurture and train Council members.





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East Riding York Council has put in place a Beacon Council Scheme and the municipality's local agenda 21 has a number of objectives. Within each objective, there were a series of action plans, defining partners and contacts for projects under each of those elements. The timeframe and targets are also described.

The municipality had a sophisticated IT system and Pavement Management system. The road inventory was effectively documented and managed with work instructions directed through its "Confirm" work management system. East Riding of Yorkshire Council has established community aims, the community plan, the corporate plan and the Striding Ahead 5-Year Program for Change to drive continuous improvement. Performance Management and striving for Excellence Program, Best Value, CPA and Local Public Service Agreements are also key drivers.



Coventry

Coventry Council's initiative and key objective is the Community Safety Plan. The main aim of the Safety and Crime Reduction Plan is to ensure that the community feels safer and that public infrastructure improves community perceptions of safety.



There is a strong participation by Central Government with the Coventry Council in the partnership arrangement such that the legislation for the municipality is generally directed to achieve the strategic outcomes.

It was interesting to interview a municipality that is deemed to be performing poorly. The approach is that the municipality is given primary responsibility to achieve an outcome, however, there is close supervision and support by the central government as it focuses the municipality on the national programs and provides additional funds to achieve positive results.

Oxfordshire

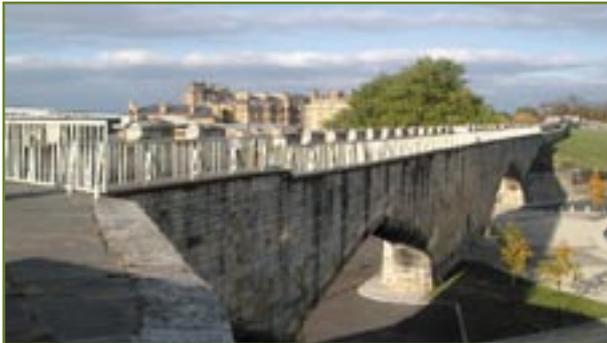
Oxfordshire County Council has set its target to be in the top 30% within the next 5 years and consequently has established performance targets and corporate objectives to achieve this particular goal. It has established a five-year Transport Plan. It has a broad overview of the Integrated Transport with regard to Public Transport Plan and the alternate modes that included Park and Ride facilities, and Walking Bus Program.

Generally the professional services for Asset Management has been out-sourced with key issues, such as staff retention and Career Development





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being major concerns for the Council. The Infrastructure Directorate is endeavouring to build its professional knowledge base in order to retain local knowledge. There is now a strong focus on career development and professional training as part of its retention strategy.

Oxfordshire Council's effective strong performance has enabled it to exercise a degree of freedom and is given considerable latitude by central government in its delivery of services.

Hertfordshire

We visited the Hertfordshire's Highways Unit that is part of the Council's Environmental Department. The Hertfordshire Highways Group was created in October 2002 as a partnership contract between the County, an Engineering/Technical Consultant (Mauchel) and the Operational Works Contractor (AmeyLafarge). This Alliance Agreement brings together around 1,000 staff from all three organisations operating out of one central office. Asset Management is a special focus with a view of being comprehensive and functional with all partners sharing the systems with dedicated lines in order to facilitate communications and retrieval of information from the database.

The Council drove the contract initiative and the Alliance Partners have embraced the arrangement. The indications are that performance is outstanding with the CPA Scrutiny Committee scoring it high in the area of quality and is rated as excellent by other municipalities. Savings and losses are shared equally between the partners. At the time of the interview, the contract had been operating for 7 years of the 10 years and this duration has enabled appropriate relationships to be built, thereby mitigating against negative practices.

Conclusion

My conclusions are that at a personal level, the trip was valuable in regards to the networking opportunities and the relationships built on the tour. The ongoing discussions on the findings proved to be valuable and often we learnt much from each other and found that our observations on the tour prompted discussion and debate, and my belief that alliances and building trust are universally the ingredients required for the pursuit of excellence were confirmed.

The Councils and Government Agency Committees work in a prescribed environment and the Office of the Deputy Prime Minister has a pivotal role in defining policy and process.

The UK Central Government funds 70% of the local Council's budget and hence dictates policy and expectations. The literature from the Office of the Deputy Prime Minister and the importance allocated to local government by being overseen by such a senior Minister is another learning opportunity for Australia.

Local municipalities had problems with recruitment and retention of professional staff. This simply reinforced and highlighted the need to nurture professional development and retention practices and is a lesson that must be understood by us in Australia.

Another study objective was to consider the consultative processes and the Triple Bottom Line assessment. The technique used by UK organisations was consistent with those being used in Australia and there were no new observations but simply highlighted that TBL assessment methods will remain fundamental to building any business case.

I believe that Comprehensive Performance Assessments (CPA) will be introduced into Australia. How CPA will be embraced will be dependent upon the sensitivity of its introduction given that local government in Australia is fundamentally self-funding.

The concept of CPA is simply the next generation after best value, and put simply, it is a measure of the municipality's performance in the implementation of its Corporate or Council Plan.





1: Introduction

The study tour to the United Kingdom was funded and supported by the Victorian Municipal Engineering Foundation and the Manningham City Council. I am grateful to both for the opportunity and support to undertake the Study.

The purpose was to attend the Society of Local Authorities Chief Executives Conference in Edinburgh UK and also to explore the current practices and issues at a number of municipalities throughout the United Kingdom.

The Study Tour party was lead by Chris Champion - IPWEA, John Bonker (WA), Stewart McLeod (NSW), Tom Bradshaw, and Claude Cullino (Victoria); our group is from a range of local government engineering and executive management backgrounds as well as different size urban cities to regional country municipalities. The period of the tour was 11 October 2003 to 24 October 2003.

I found that there was a diversity and level of complexity within the institutional arrangements and the way local Authorities were empowered to function.

Generally there are only two levels of government, central and local. However, there are County Councils, District Councils and Parish Councils with overlapping responsibilities. Furthermore, the European Parliament has also an impact on priorities of both central and local government.

The Councils and Government Agency Committees work in a prescribed environment and the Office of the Deputy Prime Minister has a pivotal role in defining policy and process.

The UK Central Government funds 70% of the local Council's budget and hence dictates policy and expectations.

Two principal lessons for me on this tour are that my own organisation and Victorian local government are performing well with what I was able to observe and secondly that after Best Value, Comprehensive Performance Assessment (CPA) will occur. Whilst this is discussed later, the key point emerging in the United Kingdom is CPA being carried out by Central Government and it is CPA that is now driving the change or continuous improvement process within Local Authorities.

2: Background

The theme of the SOLACE conference was "Best Practice, Diversity & Innovation". There were a number of contacts made over this period and various municipalities visited that included Perth and Kinross in Scotland, East Riding of York, Coventry Council, Oxfordshire and Hertfordshire.

The group was fortunate to be given a personalised tour of Parliament House Westminster that gave us a sense of history as well as a perspective on the matter of governance and government process. On the tour, we met with local government managers and public works practitioners to discuss their experiences, innovations and lessons learnt as they progressed service delivery to their respective communities.





3. Areas of interest

The Study Tour members included senior local government Engineers and Consultant working for urban and regional rural municipalities.

The group's interests were broad and covered the full range of general public works, administration and service delivery.

Areas of interest included:

Local Government Management Practices

- Comprehensive Performance Assessment;
- Outcomes and relationship to Best Value;
- Triple bottom line;
- Intergovernmental arrangements;
- Public/Private/Partnerships, Private Funding Initiatives; and
- Community safety issues (crime prevention, vandalism and graffiti).

Infrastructure Asset Management

- Sustainable infrastructure management;
- Fleet management; and
- Integrating risk and asset management.

Stormwater Management

- Water sensitive urban design; and
- Water quality management.

Water Supply & Wastewater

- Community perceptions of privatisation; and
- Pricing policies.

My interest focused on the application of Best Practice, Continuous Improvement Cycle and any innovation relating to partnerships between levels of Government and the Private Sector and whether these add value to the local delivery of Transport and Stormwater Management services.

The study objective was to consider the consultative processes and the Triple Bottom Line assessment. My aim was also to assess the technical arrangement for the preparation of policy and the consultation process adopted to determine the Action Plan for program implementation.

I was also interested in exploring the processes used to accumulate and transfer knowledge.





4: Discussion of conference highlights

4.1 Solace Conference - Edinburgh 2003

The conference theme in Edinburgh was Best Practice, Diversity and Innovation and was attended by a significant cross-section of UK Senior Managers and also a strong contingent of international delegates.

Sessions, while not comprehensive, included:

- Keynote Address – Diversity and excellence in Local Government by Rt Hon Nick Raynsford MP, Minister of State for Local & Regional Government;
- Diversity for Excellence - Think Tank Progress by Mel Usher, Consultant Solace Enterprises;
- Learning from the Private Sector by Margret Regan, President & CEO, Future Work Institute;
- Celebrating Innovation in Local Government by Colin Mair, Director Scottish Local Authorities Management Centre;
- Diversity in Leadership by Zoe van Zwanenberg, CEO Scottish leadership Foundation; and
- The Story behind the Founding & Development of the Coffee Republic by Sahar Hashemi, Founder & former CEO of Coffee Republic.

It became apparent that local government issues are consistent worldwide and solutions are different only in the way they are applied to reflect the communities represented.

Apart from the UK delegates there was representation from Australia, New Zealand, Canada, USA, Czech Republic, Belgium, South Africa, Slovak Republic, Malta, and Portugal.

The international delegates were invited to a dinner function at Dundas Castle on the outskirts of Edinburgh and the exchange and frankness was one of the highlights of the tour.

4.2 Best Practice

The UK Central government funds local government in terms of grants and subsidies to a level of around 70%, consequently Central policy was set and local authorities were expected to deliver services accordingly. Hence the “client/provider” model was that between the two levels of government. The relationship is prescriptive with local government being of significant importance that the “Office of the Deputy Prime Minister” manages local government.

From my perspective, Victorian local government has been through Amalgamations, CCT and Best Value; consequently best practice is understood and there is considerable investment in benchmarking which is ongoing and is part of the ‘continuous improvement cycle’.

The processes in place in Australia are comparative equal to what I observed and Australia is well placed in the collection and analysis of benchmarking data such that we compete well with the UK local authorities.

Observations suggested that central control in some cases lead to some services to be less than optimum because of the constraints and interference.





Readers may be interested in a series of Handbooks and Guides that provides support to U.K. local authorities:

Strategic Service Partnering – a decision-makers' guide (ODPM 2003)

Rethinking Service Delivery Services series:

- Volume 1 – An introduction to Strategic partnering;
- Volume 2 – From Vision to Outline Business Case;
- Volume 3 – From Outline Business Case to Public/public partnerships;
- Volume 4 - From Outline Business Case to contract Signing; and
- Volume 5 – Making the partnership a success.

Website www.odpm.gov.uk

The Local Authorities in the U.K. fundamentally strove to minimise central government overview and the incentive was that the higher the performance the greater autonomy and independence from central government.

UK Central Government provides the majority of the funds to local authorities and hence policy is determined by it. Comparatively the level of self-funding by Australian and the majority of Victoria local municipalities is approximately 70% and this enables a significant level of autonomy in policy and service delivery by Australian local authorities.

Given the level of external funding being provided and the 2-tier government framework in the UK (although it can be more complex with District and Parish Councils), service delivery policy is determined by central government with the local Council having limited flexibility to establish its own policy outcomes. Hence service delivery is constrained and limited to the corporate/council plan framework and credibility, and independence is achieved by effective performance through a structured audit/assessment process.

4.3 Diversity

I was impressed by a presentation on Diversity and Leadership from Zoë Van Zwanenberg of the Scottish Leadership Foundation.

Her discussion centred on racial and ethnic tensions that were issues in many municipalities and the opportunities that these differences had to improve organisations and service delivery. The discussion centred on the social and ethnic divides that exist in a number of UK municipalities. Ms Van Zwanenberg emphasised the need to effectively embrace these different cultures and have these communities included as decision-makers.

Australia has a multi-cultural society and our "fair go" values have enabled us to resolve issues without conflict and multi-culturalism is regarded as a national asset.

The concept of 'professional' diversity would be certainly very applicable and such a concept could contribute to ongoing enhancement and improved decision-making in any organisation. Given the diversity of service delivery in local government and the silo mentality created by Market Testing, such a concept would greatly assist in creating team environments and innovative problem solving.





The different thinking, learning, work cultures and differing views of individuals, all adding to a more balanced and holistic process enabling a collective vision and enhanced leadership.

Three areas that merit the application of diversity are:

Market Diversity	Business Diversity	Workforce Diversity
<ul style="list-style-type: none"> • Open market • Competition • Customisation • Variable channels • Hybrid Cultures & Aspirations • Regulations 	<ul style="list-style-type: none"> • Weakening demarcation • Fragmented value claims • Alliances & Joint Ventures • Complex Matrix Structures • Cross-functional teamwork • Outsourcing, Co-sourcing 	<ul style="list-style-type: none"> • Changing Demographics • Need for Talent • Meritocratic Cultures • Weakening Barriers • Diverse Styles, Approaches

The message being that diversity, co-operation and alliances of talent are the preferred mix to achieve continuous improvement and excellence in organisational performance.

The challenges for the UK were to achieve the following:

- Even balance between gender, ethnicity, disability and age;
- Greater representation of women and ethnic groups in senior roles; and
- More inclusive management styles at all levels.

The management actions being promoted included:

- Diversity and leadership being a performance measure;
- Creating diverse teams to problem solve;
- Ensuring flexible work practices;
- Creating support networks;
- Celebrating and publishing success;
- Senior management being effective role models; and
- Effective delegation for 'team' problem solving.

The diversity as described thereby enhancing creativity and a continually improving organisation.

4.4 Innovation

In discussing innovation, Victorian local government is in a consolidation phase where Best Practice is being defined and described in the many service areas, generally through the Best Value process. Whilst municipalities may be at different stages of this process, some have completed these reviews.

The question from the elected members is "what's next"?
What is the next change on the horizon?

What I found is that the in the UK, CPA, Comprehensive Performance Assessment appears to be the new paradigm.





4.5 Comprehensive Performance Assessments (CPA)

The UK central government has established the CPA process as a means to assist local municipalities to improve the service delivery to local communities. UK Audit Commission undertakes these CPA audits. In effect CPA is a scorecard that summarises the performance of a Council. The CPA process gives an overall score for each Council as either excellent, good, fair, weak or poor. Definitions of each term is provided, but in discussing C.P.A., it is essential to remind readers that UK local government provides a broader range of services that includes education, housing, transport and all social services.

The score is made up of two parts:

How the Council is run; and

How the Council's core services perform.

The issues considered by the Commission in determining how well a municipality is performing are:

- What is the Council trying to achieve?
- How has the Council set about delivering its priorities?
- What has the Council achieved/not achieved to date?
- In light of what has been learnt, what does the Council plan to do next?

After some initial controversy and poor performance by Auditors, municipalities are now encouraged to undertake self-assessment before inviting the Audit Commission Review.

The method being promoted by senior executives in the UK is:

Pre-Assessment	Assessment	Action Planning	Implementation
<ul style="list-style-type: none"> • CPA Tester • Network Support • Completion of BV Reviews 	<ul style="list-style-type: none"> • Self Assessment • Challenges & Support • Alliances • Partnerships • Change Management 	<ul style="list-style-type: none"> • Facilitation Team • Action Plan 	<ul style="list-style-type: none"> • Performance Plan • Project Management • Procurement

A summary of an assessment is provided for reference. The Audit Commission indicated that the overall performance was:

1. Poor	9%	} 50%
2. Weak	15%	
3. Fair	26%	
4. Good	35%	} 50%
5. Excellent	15%	

Half of the UK local authorities are performing well while the other half are mixed. An example of the CPA process is detailed in clause 5.2.6 at the East Riding of York where the municipality's aim 'to improve the health and prosperity of the municipality' is discussed.





Oxfordshire is discussed later, but in its rating of fair the Audit Commission stated, “The Council delivers variable standards of service and has been unable to achieve sustainable improvement across services although it has been successful in some areas, such as waste management. The education service is satisfactory and the Education Action Zone has delivered real improvements. But the Council needs to address weakness in social care for children and adults. It also needs to develop clear priorities in discussion with local people to link resources more effectively to these if it is to deliver significant improvements in services for local people. “

The service performance is as follows:

- Education 3 out of 4;
- Social care – Children 2 out of 4;
- Social care – Adults 2 out of 4;
- Environment 3 out of 4;
- Libraries & Leisure 2 out of 4; and
- Use of Resources 3 out of 4.

Overall service performance being 3 out of 4.

Hertfordshire is also discussed later, but in its rating of excellent the Audit Commission stated, “The Council provides strong services for local people, particularly in education and social care. It uses its resources well and operates within a sound financial framework that allows priorities to be funded. The Council has clear priorities that are derived from effective consultation and initiatives for the benefit of local people and is investing in a range of projects to secure continuous improvements in services.”

The service performance is as follows:

- Education 4 out of 4;
- Social care – Children 3 out of 4;
- Social care – Adults 3 out of 4;
- Environment 3 out of 4;
- Libraries & Leisure 3 out of 4; and
- Use of Resources 4 out of 4.

Overall service performance being 4 out of 4.

I would suggest that it is only a matter of time before the CPA audit is applied in Australia. In Victoria it would be a natural flow on from the Best Value process given that the legislation required the process to be undertaken within a five-year time frame, hence an audit is an inevitable flow on from this requirement. I would also suggest that the service delivery reforms and alliance developed by many Victorian local Councils are comparatively equal to the practices I observed.





5: Municipalities visited

The municipalities visited were Perth Kinross in Scotland, East Riding of York, Coventry Council, Oxfordshire and Hertfordshire. The municipalities were gracious in their welcome and we appreciated their open and frank sharing of information.

Generally there are only two levels of government, central and local. However, there are County Councils, District Councils and Parish Councils with overlapping responsibilities. However, the European Parliament also impacts on the service priorities of both levels of government.

5.1 Perth Kinross, Scotland

5.1.1 General

The population of the municipality is 147,000, covering an area of 26,000 square miles. Officers from the Infrastructure area advised that there were some 2,400 miles of all-surface roads and a service plan for the management of the road network was in place. Their department also controlled the parking and had a formal process to hear appeals on parking infringement. The matter of raising revenue through parking infringement is a contentious issue. Certainly nothing new in this!

5.1.2 Roads

The Construction and Maintenance Group we spoke to provided a comprehensive service delivery package with a number of Field Officers scattered across the municipality responding to a single call centre that dealt with all enquiries and reports.

Road Classifications are generally designated as:

- Public Roads, Private Roads;
- Council Roads;
- Right-of-Way; and
- Paths or Access Rights.

The major arterial routes are designated either as a motorway or a trunk road and these were managed by central government.

Care and maintenance of roads is controlled by service standards and in regards to the trunk roads, an Agreement is in place with the Central authority to meet the service standards. An audit is undertaken periodically by Audit Scotland to determine compliance with these service standards as part of a National Condition Audit of the roadways and a report prepared accordingly.

Collaboration between the levels of government appears to be directed through the Society of Chief Officers for Transportation and this group constantly liaised and worked co-operatively with the National Scotland Audit Agency.

The Infrastructure Group provides operational support to a number of municipalities in the region and they indicated that Service Agreements are in place. They also advised that service agreements with a value of greater than 100,000 (AUD \$250,000) are required to be market tested and that about 20% of the work is





outsourced. The Council has established a number of alliances in order to undertake much of the infrastructure activities including the asset upgrade, capital works and general maintenance.

The establishment of alliances and partnerships with in-house Service Providers appears to be a consistent outcome and can be described as Best Practice.

5.1.3 Governance

We were informed that Scottish local municipalities enjoy a higher level of autonomy when compared to their English counter parts because of the independent Scottish Parliament.

Perth Kinross parliament has 47 elected members. The political parties being predominantly Labour, Conservatives, Liberals and a number of Independents. There are a number of Committees that oversee the major areas of Council business and these Committees generally have 12 Councillors serving on each. Elected members are paid a 12,000 (AUD \$30,000) allowance.

5.1.4 Water, Drainage and Sewerage

The municipality controls the Drainage and Sewerage management while the water supply is under the control of Scotland Water.

We were also informed that legislation passed by the European Parliament is impacting on UK local authorities as these new laws are now requiring implementation of environmental controls and improved sustainable outcomes that enhance urban amenity.

The municipality was experiencing contamination from poor maintenance management of the many septic tank systems with the resulting environmental degradation. In response to these new requirements the Council has introduced a WasteWater Management Program that targets the proper management of septic tanks in the unsewered areas.

It is apparent that community expectations concerning the environment will continue to drive improvements over the next decade and my conclusion is that should voluntary action not occur, and then based on the European experience, legislation is inevitable.

5.1.5 Asset Management

Senior Perth Kinross Managers indicated that engineers are generally responsible for the Civil and Asset Management with information technology being used extensively. However, the level of sophistication varied considerably across Scotland.

5.1.6 Transport

Due to the size and remoteness of some of the villages in the rural areas and the congestion within the city precincts, the municipality has constructed Park and Ride facilities strategically located around the municipality to encourage residents from those outlying areas to drive and park at these. Parking fees at these facilities was low at 1 (Aud\$2.50) per day with a free shuttle service into the city departing every 10 minutes. The Transport Department from Central Government was funding this initiative and the project also had the effect of encouraging car-pooling by Villagers.





5.2 East Riding of Yorkshire Council

5.2.1 Background

We met with the Executive Group of the Yorkshire Council at the main Offices at Beverley located in the northeast of England. Beverley has a population of 20,000 and the municipality has a population of 320,000 and covers approximately 1,000 square miles with 17,000 staff and an EFT (equivalent full time) staff of 12,000.

5.2.2 Governance

East Riding is a unitary municipality recently formed with the amalgamation of the County Council and District municipalities. The Municipality was formed in 1995 and began operating in 1996. There are 67 Councillors with a Cabinet of 10 members with various Committees known as Scrutinising Committees that review proposals and policy formulation that go before the Council.

I found it interesting that the Corporate Management Team operates from a single open floor plan with no separate offices.

The seven members of the Executive Team take a broader organisational focus on programs and issues, service delivery standards, culture and links between service delivery units and in a holistic sense, overviews the financial performance of the municipality.

The organisation has a Senior Management Team of 19 heads of department with a strong customer service focus even though there are 73 separate services and around 300 Section heads.

The budget of East Riding of Yorkshire is £600 M (AUD \$1.5bil) of which £340M is for its capital program. It operates a pension fund of some £1.1 billion that is used to invest within the municipality.

The objective of the Executive Team is to be a high performing group and has set its goal to be in the top 10% performing municipalities in the U.K.

5.2.3 Corporate Performance

The Municipality is requiring each of its 73 units to go through a benchmarking and self-assessment exercise. Performance is measured against an action plan and the Council generally focuses on the weaker team members and these are given support until such time as they reach the benchmark standard.

East Riding is a beacon Council for four of its services.

Achieving Beacon status means that the municipality has achieved success in consulting with the stakeholders; an effective Vision and Strategy; developing Partnerships defining Actions; achieving outcomes and high User and Community Satisfaction.

It does like going for awards and it encourages a positive staff attitude. It regularly measures itself and is an Investor in People organisation. The CEO has a regular chat session with staff and also encourages staff members to establish appointments on a one-on-one basis in order to establish a positive work culture. The Executive Team indicated that there is a positive working relationship between it and the Council. The Executive highlighted the fact that they did have a program to nurture and train Council members. Since the



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amalgamations of 5 district municipalities into a 'Unitary' Council, there now is a positive attitude where the elected members regularly consult with the community and stakeholders. They also stressed that they were fortunate that their elected members, and particular the Cabinet continually focused on the big picture and policy issues.

5.2.4 Roads and Asset Management

East Riding has 3,300 kms of roads with various bridges, public lighting and miscellaneous assets as associated with any road network. The budget was around £35-£36 M; £11 M was raised from local rates with the balance of £25 M from Central government. The municipality has its Local Transport Plan, a Capital Works Evaluation Process and Asset Management Plan with the Pavement Management System driving service standards and Project delivery.

The municipality has a sophisticated IT system and Pavement Management system. The road inventory is effectively documented and managed with work instructions directed through its "Confirm" work management system.

The principal road network is managed through a sophisticated management system that includes structural testing, traffic condition surveys, skid resistance, ground radar, rutting observations as well as other visual and general assessment criteria. Road surveys are undertaken on a 3-year cycle with data validation and integration occurring on a regular basis.

5.2.5 Other Matters

The Municipality has an effective recycling program with maintenance and intervention standards being clearly defined and response times articulated.

The municipality has a Transport Plan, with a policy focus on quality.

The municipality does have a recruitment issue. Consequently 80% of its designs are provided by external consultants and contractors carry out 60% of the City's construction work.





5.2.6 Comprehensive Performance Assessments at ERYC

The Comprehensive Performance Assessment process is generally discussed in clause 4.5 and in addressing CPA; East Riding York Council has put in place a Beacon Council Scheme. One of Council's aims is 'to improve the health and prosperity of the municipality' has 16 key objectives these being to:

1. Increase the proportion of waste being recycled;
2. Slow the growth of waste being generated and eventually reduce it;
3. Reduce the nuisance being caused by litter;
4. Improve accessibility to transport;
5. Develop safe and more sustainable forms and systems of transport;
6. Encourage and promote the sustainable use and management of land;
7. Provide accessible facilities and services at a local level;
8. Promote the sustainable use of energy and resources;
9. Increase the awareness and understanding of sustainable development;
10. Reduce levels of pollution;
11. Promote sustainable economic growth that increases employment opportunities and supports the local economy;
12. Encourage local production for local markets;
13. Raise the information and communication technology awareness within local communities and business;
14. Encourage and promote community spirit;
15. Improve and encourage imaginative partnerships and cooperation between communities, businesses, voluntary organisations and statutory agencies; and
16. Improve communication between the Council, the Community and other agencies.

Within each objective, there are a series of action plans, defining partners and contacts for projects under each of those elements. The timeframe and the targets that are to be achieved are also described.

For example, under Objective 1: '*To increase the proportion of waste being recycled*', key action plans included the following:

- Buy Recycle Campaign;
- Waste Recycling Scheme;
- Recycling in various schools;
- Plastic Recycling on farms;
- Home and business recycling directories;
- Plastic and Can Recycling; and
- Recycling Strategy.

East Riding of Yorkshire Council drivers for improvement include the community aims, the community plan, the corporate plan and the Striding Ahead 5-Year Program for Change, the Performance Management and striving for Excellence Program. At a national level it is Best Value, CPA and Local Public Service Agreements that assist continual improvement.





In measuring the performance the Audit Commission then assesses the corporate outcomes against each of the various programs and plans, and then evaluate and scored the Council's achievements against those set objectives and against national indicators.

A key support in the UK appeared to be the Guides and Manuals prepared by the Office of the Deputy Prime Minister.

5.3 Coventry City Council

5.3.1 General

Coventry has a population of 300,000 people and is primarily urban in nature. Our focus was primarily on drainage, waste and transport. This part of the U.K. was experiencing a dry spell with low water flows in the main waterways and potable supplies volumes were being drawn from the underground aquifers, although there were concerns that these too were being stressed.

Coventry has a strong history of manufacturing, however it experienced a significant downturn in manufacturing in the seventies and eighties with the changes to Information Technology, Commerce, Banking and Tourism.

The focus for the City is to move from a municipality with a poor performance assessment by the Audit Commission and corresponding Central Government overview to one of higher status and less intervention.

There are parts of Coventry that are categorised as most deprived, with ethnic tensions being significant. The issue of diversity and opportunities to embrace these differences were discussed earlier in Section 4.3. Coventry has attempted to harness the diverse nature of its community and this is reflected in its transport aims that includes the following:

1. Give everyone more travel choice and information about choices;
2. Make it easy for people with disabilities to travel independently;
3. Link young or unemployed people to jobs, education and training;
4. Make travel safer and more pleasant an experience;
5. Allow easier access to work, shops, community and leisure facilities; and
6. Promote sustainable transport aimed at reducing energy use and emissions.

5.3.2. Community Safety Plan

Community Safety is a significant issue for Coventry with a reduction in crime and reducing community fear a key objective of the City's Administration.

The primary aims of the Safety Plan and Crime Reduction Plan are to ensure that the community feels safer and that public infrastructure improves community perceptions of safety.

Drug abuse is also part of this plan and the strategy includes focused action plans to deal with substance abuse such as, illicit drugs, syringes disposal and alcohol. There is a strong participation by Central Government with the Coventry Council in the partnership arrangement such that the legislation for the municipality is generally directed (by Central Government) in order to achieve the stated strategic outcomes.



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While the Community Safety Plan and action programs have been developed to achieve specific outcomes, the Public Service Agreement (described later in Section 6) has been implemented and supports the Plan and its outcomes by targeting a 20% reduction in safety incidents. Progress is monitored and performance recorded for the purpose of the CPA process.

As an example, vehicle thefts were around 21% of all crime and consequently a key target in a public awareness campaign. The City introduced sophisticated numberplate recognition technology to assist enforcement personnel and to identify the 3,000 vehicles stolen per annum. CC TV monitoring is widespread throughout the municipality with private security services being provided to both the public sector and private organisations throughout Coventry.

Anti-social behaviour is significant within the municipality. The Council is endeavouring to take greater responsibility in order to reduce the level of home office or central government input and supervision. The level of "Central Government Support" is that the home office assists in recruitment and partners the municipality in formulating much of the Council's legislation.

The approach is that the municipality is given primary responsibility to achieve an outcome. However, there is close supervision and support by the central government as it focuses the municipality on the national programs and provides additional funds and supervision in order to address weaknesses and to achieve positive results.

5.3.3 Infrastructure Services

Management of the infrastructure Service Delivery and the City's Capital Development Program have been out-sourced.





5.4 Oxfordshire County Council

5.4.1 General

Oxfordshire County Council was another municipality visited. It has a population of 630,000, and is rural with a budget of some £665M. Service expenditure is £508 M, revenue from support grants amounting to £148 M, national non-domestic rates of £162 M and £198 M Council tax.

Discussions with County officials revealed that there are significant tension between it and the district municipalities within the County and we were advised that there are ongoing consultation forums in place to establish Agreements on responsibilities.

5.4.2 Governance

The City has 70 elected members based on geographic areas with reviews of boundaries occurring every 17 years by the Electoral Commission.

The Council is lead by the Mayor and its Cabinet. It has a number of Scrutiny Committees with non-executive powers and are serviced by Directors of the municipality to achieve outcomes.

The Executive Management Team has 6 members, the CEO and 5 Directors, some 18,500 staff with the 13,000 EFT's. The 5 Directorates are:

1. Learning and Culture;
2. Environmental and Economy;
3. Safety and Emergency;
4. Community and Social Health; and
5. Resources/Property.

There are 5 district councils within the boundary of the Oxfordshire County and there are a number of agreements to enable effective service delivery. There were tensions at arriving at these service agreements and the parties are working through the issues to arrive at a sustainable solution.

As an example, the County has regional responsibility for infrastructure, which includes the highways and trunk roads, and it has entered into an Agreement with each of the District Councils regarding these primary roads.

The County Council has established a five-year Transport Plan. It has introduced a strategic overview of the Transport in the County and with regard to the Public Transport Plan, has integrated the alternate modes that included Park and Ride facilities, and also the Walking Bus Program.

Generally the professional services for Asset Management has been out-sourced with key issues such as Staff Retention and Career Development being major concerns for the Council. The Infrastructure Directorate is endeavouring to build its professional skills base in order to retain local knowledge. There is now a strong focus on career development and professional training as part of its retention strategy.





5.4.3 Comprehensive Performance Assessment

Oxfordshire Council has invested heavily on an internal assessment program with a basket of service objectives and guidance recipes for each service area.

There is a rational approach to service delivery with a strong customer focus. The result of the Comprehensive Performance Assessment (CPA) audit in each of the 6 areas being assessed (i.e. education; social care - children; social care - adults; environment; libraries and leisure; and use of resources) is the major driver for the organisation.

Oxfordshire County Council's under the CPA formula performance was:

- overall service score - 3 out of 4; and
- the way the municipality is run 2 out of 4.

Oxfordshire Council has set its target to be in the top 30% within the next 5 years and consequently has established performance targets and corporate objectives to achieve this goal. The plans for Oxfordshire can be visited on their web site, which is www.oxfordshire.gov.uk and the reader can assess the various themes and actions, including the responsible officers for the various plan objectives stated in its Corporate Plan.

Part of the Performance Plan on the environment states the objectives as 'Improve footpaths by installing over 250 new signposts and ensuring that over 1,700 miles of footpath are easy to use by March 2003'. The municipality failed achieve this target but was very close having achieved 250 new sign posts erected and 1,680 miles of footpaths easy to use by that date.

Another target was to increase recycling and composting of Oxfordshire's household waste from 16% to 18% in partnership with district councils. This target was achieved.

Because of the Council's stated Corporate Plan and level of achievement and performance, Oxfordshire is able to exercise a greater degree of freedom. This municipality is given more independence by central government in its delivery of services than Coventry.





5.5 Hertfordshire County Council

5.5.1 General

The last municipality visited was Hertfordshire County Council. Hertfordshire is located immediately north of London. It has a population of 1 Million people and a budget of 1 Billion (\$AUS2.6 Billion). There are 20,000 staff or 16,400 EFTs with a high economic dependence on London as 25% of the population commute into the capital making both recruitment and retention of employees within the County very difficult.

We visited the Hertfordshire's Highways Unit, a Branch of the Council's Environmental Department. The responsibility of this Unit is to maintain all the roads in the county area with the exception of the motorway and trunk road routes.

The Hertfordshire Highways Unit was created in October 2002 as a partnership contract between the County, an Engineering/Technical Consultant (Mauchel) and the Operational Works Contractor (AmeyLafarge). This Alliance Agreement brings together around 1,000 staff from all three organisations operating out of one central office at Welwyn. There are however, four area offices and four operational depots to manage the road network of 4,700 kms of sealed road pavement surface. These roads are defined as flexible, rigid and semi-rigid pavements with an appropriate Asset Management System to monitor and control the workflow. Other assets managed include 5,000 kms of public right-of-ways, 1,400 bridges, 390 traffic signal controllers, some 122,000 street trees and also 200 contracted bus services.

5.5.2 Customer Service

There has been a strong customer-focus since October 2002, with a Customer Service Centre offering a single point of contact and a one-stop-shop customer service point. There has been a heavy investment in technology as well as a rigorous best value review. This Review was carried out in 1999 and focussed on procurement, asset management of infrastructure, quality control and fixed budgets. About 70% to 80% of the service has been out-sourced to the private sector with an alliance/partnership arrangement on a two-year review cycle.

5.5.3 Alliance Service Contract

The Operations Contractor is required to undertake the safety inspections with a search and repair format in the program. There is an integrated team approach to break down the silo mentality between the three partners with a shared stewardship culture being the focus to ensure ownership of decisions by personnel employed by all three Alliance partners.

Our host was honest enough to indicate that there had been a steep learning curve and that the alliance arrangements has grown from the initial negativity to now having an innovative and sharing environment. A conflict resolution process has been established within the Alliance Agreement and a Strategic Alliance Board meeting occurs regularly to establish goodwill, and to ensure co-operation between the partners. The level of savings achieved through this alliance approach has been around 30% and staff is encouraged to limit work to 48 hours maximum per week to encourage a life balance approach to work. Asset Management is a special focus with a view of being comprehensive and functional. All partners share the systems with dedicated lines in order to facilitate communications and retrieval of information from the database.

The Council drove the contract initiative and the Alliance Partners have embraced it. The indications are that performance is outstanding with the CPA Scrutiny Committee scoring the service high in the area of quality and is rated as excellent and considered a model by other municipalities.



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5.5.4 Asset Management of Roads

This excellent rating and superior performance for Pavement Asset Management appears to be as a direct result of the three-way alliance.

It also reflects the quality of staff and, we were glad to discover, the use of the Institute of Public Works & Engineering, Australia's International Infrastructure Asset Management Manual. This publication has been used to produce the Council's Asset Management Plan 2001-2004. Given that the International Infrastructure Manual was developed in Australia suggests that the UK community is learning much from systems and techniques developed in Australian and New Zealand.

There are about 170 professional engineers in the Unit and the balance is technical staff.

The partnership group informed us that they were experiencing difficulty finding sufficient numbers of professional engineers to draw on. The main reason given was the City is competing with London employers offering higher salaries and better career opportunities. It was also suggested that there is limited professional training of its own staff thereby making retention difficult.

There is a strong relationship between the client/ provider with all data available to all three partners. There is a collective focus on quality with significant auditing (about 10%) occurring. Savings and losses are shared equally between the partners. At the time of the interview, the contract had been operating for 7 years of the 10 years and this duration has enabled appropriate relationships to be built, thereby eliminating all negative practices.





6. Local Public Service Agreement (LPSA)

Local Public Service Agreement (LPSA) program supports the national government priorities and Comparative Performance Assessment Audits. LPSA's were designed to help local priorities identified in the Best Value Program and are aimed at stretching performance.

LPSA's are also utilised by municipalities to attract funding and are a feature of the customer service commitments to achieve improved performance outcomes.

7. Performance

The various Council Plans are the basis of performance assessment and are used to determine priority and resourcing. The elected members monitor progress and the performance of the municipality's services provision and undertake reviews against set criteria and goals. The focus of the senior officers interviewed was primarily the operational issues, budget management and income generation. They also monitored performance of the Council's service delivery, gave qualitative advice on policy issues, resourcing and priorities.

We found that the objective of the municipalities visited was to achieve a high audit rating and hence gain a high level of independence from central government. In the case of the East Riding of York, the Council set a target to be in the top 10% of UK Councils while Oxfordshire set its target to be in the top 30%. These are clear, concise targets and effective easy to measure business drivers for both the senior officers and elected members of these municipalities.





8: Conclusion

At a personal level, the trip was valuable in regards to the networking opportunities and the relationships built on the tour. We found that our observations on the tour prompted discussion and debate, and hence the value was gained in this exchange rather than information from the municipality visited.

My specific theme was to investigate the application of Best Practice and the introduction of innovation and partnerships with other government Agencies. I looked at the Continuous Improvement Cycle where creativity is being initiated and how Partnerships between levels of Government and the Private Sector added value to the local delivery of services, specifically Transport and Stormwater Management.

My views that alliances and building trust between individuals are universally the ingredients in the pursuit of excellence were confirmed.

The tour confirmed that Australian municipalities are performing well and are effectively pursuing best practice. Municipalities are certainly at different stages along an evolutionary process, but we in Australia are learning well from one another and this tour is an example of the commitment by Australian professionals and our support from the various State Municipal Engineering Foundations.

Comprehensive Performance Assessment in the UK is a continuation of Best Value and the Victorian model of Best Value and Council Plans (now a legislative requirement in Victoria) is mimicking the trend to CPA.

Council (Corporate) Plan process establishes measurable performance measures and indicators (KPI's), with quantities, timing and costs defined to enable quantification of performance.

In the United Kingdom the Council and Government Agency Committees work in a prescribed environment with the Office of the Deputy Prime Minister having a pivotal role in defining policy and process.

The UK Central Government funds 70% of the local Council's budget and hence determines policy and expectations. Hence the relationship is the Client/ Provider model between governments and audits, under an assessment program such as CPA, are valid and necessary in terms of Central Government determine program-funding effectiveness.

The inter-government and administrative processes and arrangements were not evident or easily identified, but appeared to be determined by the professional relationships developed. The Office of the Deputy Prime Minister offered much of the guidance and I concluded that the Department's communication process is the vehicle for constructive consultation.

The guides and literature from the Office of the Deputy Prime Minister are a valuable source for local authorities. Also the importance allocated to local government by being overseen by such a senior Minister is another learning opportunity for Australia. Local municipalities had problems with recruitment and retention that simply reinforced and highlighted the need for our organisations in Australia to ensure professional expertise at the municipal level. There is a need to nurture professional development and retention.

Another study objective was to consider the consultative processes and the Triple Bottom Line assessment used by UK organisations. There were no new concepts and the need to integrate the social, economic and environmental issues are well understood in Australia and my observations simply highlighted that TBL assessment techniques will remain fundamental to building any good business case.

There is no doubt that Comprehensive Performance Assessments will be introduced in Australia and how it will be embraced by local government will dependent upon the sensitivity of its introduction, particularly as local government in Australia is fundamentally self funding.





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The concept of Comprehensive Performance Assessment is simply the next generation after Best Value.

Implementation will occur in Australia and, in my view, the Victorian State Government will endeavour to introduce a similar program to evaluate the compliance with the 'Best Value' legislation.

Put simply CPA is a measure of the municipality's Best Value performance in the implementation of its Corporate or Council Plan.

The UK government's carrot and stick stems from the funding provided by it but in our case in Australia, there is no carrot and consequently expectations would be that the State government must negotiate with local government to determine an appropriate CPA approach. The CPA process in the UK appeared to have been imposed by Central Government and in the first instance was poorly introduced causing much adverse reaction. There now appears to be consultative processes in place to implement the assessment.

Cost shifting to local government in Australia has been exposed and recognised nationally as a major issue. The investment by local municipalities to benchmark service delivery and service standards across the country has been significant. Partnering between levels of government is critical for our national competitiveness and I would strongly advocate that any assessment of municipal performances be a collaborative arrangement so that it is sensibly and sensitively implemented.

I was also interested in exploring capacity building and processes used to accumulate and transfer knowledge. However, I could not identify programs for technical professionals.

There is little leading edge material in the area of asset management, roads, drains, sewers and water supply and the IPWEA's International Asset Management Manual was being used as a major guide for Best Practice.





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The Group met in Edinburgh, Scotland, on Saturday 11 October 2003.

Attended the Society of Local Authorities Chief Executives (SOLACE) Annual Conference in Edinburgh UK from 14 October to the 16 October 2003.

The municipalities visited between 11 October and 24 October included, Perth Kinross in Scotland, and in England the East Riding of York Council, Coventry City Council, Oxfordshire and Hertfordshire County Councils. The municipalities were gracious in their welcome and hospitality.

Society of Local Authorities Chief Executives (SOLACE): www.solace.org.uk

Perth Kinross in Scotland
www.pkc.gov.uk

East Riding of York Council
www.eastriding.gov.uk

Coventry City Council
www.coventry.gov.uk

Oxfordshire County Councils:
www.oxfordshire.gov.uk

Hertfordshire County Councils
www.hertdirect.gov.uk

UK Audit Commission
www.audit-commission.gov.uk

Office of the Deputy Prime Minister:
www.odpm.gov.uk

Report by Claude Cullino

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