


Working with Weaker Local Authorities

Final Summary Report on Findings

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1. Introduction

- 1.1 Annual Progress Reports are assessed each year, by the DfT against a range of criteria. The assessment criteria have been modified throughout the LTP period, to reduce the emphasis on the quality of reporting and put greater emphasis on delivery and achievement of targets. The 2002/03 APRs were therefore assessed against the following themes: Delivery on the ground; progress towards targets and objectives; an effective spend programme; evidence of improvement; consultation; and good practice and presentation.
- 1.2 In 2001 and 2002, the assessments were used to classify authorities performance as 'Well above average', 'Above average', 'Average', 'Below average', and 'Well below average', and also influenced the level of funding authorities achieved. In 2003, the 'Below average' and 'Well below average' categories were merged and replaced by a 'Weak' category. A 'weak' rating reflects a percentage score of below 56% in turn reflecting a failure to follow guidance, provide evidence of delivery and/or outcomes against targets'. Ten of the eighty five LTP submissions were classified as 'weak'
- 1.3 In addition to using the 2003 scores to influence funding levels for authorities, the DfT also decided to support those authorities assessed as 'weak' in delivering aspects of their targets and plans, by providing specific advice and support.
- 1.4 Atkins has been commissioned by the DfT to assist with the provision of such advice and support through working with authorities to identify the nature and extent of problems affecting transport performance, develop possible solutions and agree expected improvements.
- 1.5 The objectives of this are twofold:
- (i) to provide support and advice to authorities to assist their effective delivery of integrated transport;
 - (ii) to research areas of performance shortfall, diagnose the underlying causes and report on where improvements could be achieved.
- 1.6 The work has been undertaken in the period March to June 2004 and therefore, has engaged local authorities during the preparation of their fourth Annual Progress Report (APR4s) for the financial year 2003-04.
- 1.7 The research dimension also provides valuable input to the long-term evaluation of the Local Transport Plans policy being undertaken by Atkins on behalf of DfT and will inform the Department's stewardship of LTP2.¹

¹ (Long-Term Process and Impact Evaluation of the Local Transport Plan Policy, a three-year research study being undertaken by Atkins in association with PricewaterhouseCoopers and Warwick Business School between September 2003 and September 2006).

PARTICIPATING AUTHORITIES

- 1.8 Eight of the ten local authorities classified as 'weak' in terms of APR3 submissions for the financial year 2002-03 were engaged by teams from Atkins, firstly to diagnose problems and then to translate this into advice. The teams comprised Transport Performance Improvement Officers with local authority transport practitioner experience at senior management level and/or specialists experienced in the local transport planning and annual progress reporting process.
- 1.9 The eight LTP authorities participating in the research (with their APR3 percentage scores shown) were:
- ◆ East Sussex (51%)
 - ◆ Luton (55%)
 - ◆ Milton Keynes (55%)
 - ◆ North Somerset (55%)
 - ◆ Portsmouth (55%)
 - ◆ Plymouth (42%)
 - ◆ South Yorkshire (55%)
 - ◆ Thurrock (53%)
- 1.10 East Sussex and Thurrock had 5% of their Integrated Transport Block indicative allocation withheld. Plymouth had 10% withheld.
- 1.11 Two of the ten authorities classified as 'weak; were considered to have specific issues affecting their APR score that were more appropriately addressed directly between the Local Authority officers and the DfT/ Government Office rather than through this research.

METHOD OF WORKING

- 1.12 Precise programmes and methods of working were tailored to each of the authorities needs.
- 1.13 However, in general terms, the following steps were pursued:
- (i) Meeting with Government Offices (GO) and DfT Officers to confirm issues likely to be the greatest barriers to performance in each authority and to clarify DfT requirements;
 - (ii) Initial meetings with the named contact at each authority to agree a process and timescale for undertaking a diagnosis of the problems and to agree appropriate work streams;
 - (iii) More in-depth investigations by work stream to determine the causes of problems and to develop possible solutions;
 - (iv) Meetings with each authority to feedback findings, to shape the work to a form most beneficial to the authorities and to agree what improvements can be expected by following recommended actions;

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- (v) If necessary, refinement of the diagnostic work to take account of comments received from the participating authorities;
 - (vi) Preparation of a Guidance Report for each authority but structured in such a way as to enable common workstreams and issues between authorities to be easily identified;
 - (vii) A brief report to the Department summarising the key findings, views on the value of the exercise and lessons for the future regarding the future guidance on LTP2, APR assessments and the merits of future support to the weaker authorities;
 - (viii) A close out meeting with the Department to discuss any issues arising from the reports.
- 1.14 This document is the draft version of the report to the Department and will form the basis of a presentation to the Department on 17 June 2004.

AREAS OF PERFORMANCE SHORTFALL

- 1.15 Discussions between Central Government officials and the above authorities identified at the outset that there is no one clear area of weakness or aspect of the transport delivery programme that is failing and hence there is no one set piece of work could be undertaken to deliver performance improvements.
- 1.16 However, within the APR's assessed categories there are some themes that reoccur as areas of shortfall. Table 1 lists the agreed scope of the support and areas for investigation in each of the eight authorities under a number of generic themes.
- 1.17 APR3's were submitted in July 2003 and were therefore written a year ago. They refer to work carried out during 2002/03 and some manifestations of weakness could therefore have occurred up to two years ago. The research, necessarily, addresses the underlying cause of the APR3's as assessed. However, the Transport Performance Improvement Teams have been able also to review improvement actions taken and proposed.

REPORTING

- 1.18 Each authority has been provided with a Guidance Report, firstly, describing Atkins diagnosis of the problems and underlying causes and, secondly, providing recommended actions specific to the authority in question.
- 1.19 The Guidance Reports for each authority have been submitted to the relevant authority, the relevant Government Office and the Department. Each Guidance Report contains a summary table provided setting out:
- ◆ the areas for improvement;
 - ◆ outline of problems;
 - ◆ underlying causes;
 - ◆ proposed remedies; and
 - ◆ recommended actions.

Table 1 - Summary of Key Areas Requiring Investigation

| | Authority 1 | Authority 2 | Authority 3 | Authority 4 | Authority 5 | Authority 6 | Authority 7 | Authority 8 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------------------------------|-------------|
| Corporate processes and relationship to the transport service, | ✓ | | | | | ✓ | | |
| Management approach, organisational structure and operational practices for transport delivery and production of the APR | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Resourcing | | ✓ | | ✓ | | ✓ | | ✓ |
| Divergence between actual delivery and programme | ✓ | | | | ✓ | ✓ | | ✓ |
| Scheme programming and prioritisation | | | | | | | ✓ | |
| Setting/rationalising targets and performance indicators | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Monitoring progress towards targets | | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Data management | | | | | | | ✓ specifically accident data | ✓ |
| Consultation/communications | ✓ | | | | | ✓ | | ✓ |
| Clarity of reporting and compliance with guidance | ✓ | | | ✓ | | ✓ | | |
| Sharing of best practice | | | | | | | ✓ | |

- 1.20 In all cases the Guidance Reports take account of improvements already implemented and actions proposed by each of the Local Authorities.
- 1.21 This separate Summary Report draws on the specific recommended actions identified in the Guidance Reports and seeks to provide the Department with an overview of the key findings from the research and recommends how improvements might be sustained in the future.

REPORTING STRUCTURE

- 1.22 This report is structured in four further sections:
- 1.23 Section 2: provides some general observations concerning the value of the exercise and summarise our overall conclusions.
- 1.24 Section 3 and 4 summarise our diagnosis of the underlying causes of a shortfall in performance and provides recommendations as to how these can be addressed in the future. Section 3 covers causes relating to corporate and departmental management, whilst Section 4 addresses causes more specific to the technical process of local transport planning. In practice the management issues are often manifest in the technical performance/capability and, hence, we cross-reference between these Sections where appropriate.
- 1.25 Section 5 summarises the main recommendations.
- 1.26 The evidence base for our findings is clearly the work of our Transport Performance Improvement Teams with the eight authorities. However, we have drawn on our experience of working with other authorities and the Department on the LTP process in developing our recommendations.
- 1.27 For statements describing a shortfall in performance we provide an indication of the number of authorities to which this shortfall is evident from our investigations, thereby helping to quantify the weight of evidence.

2. Overall Conclusions

LOCAL AUTHORITIES ACCEPTANCE OF THE NEED FOR ADVICE

- 2.1 All local authorities engaged have adopted a co-operative and positive attitude to the concept of support and advice being provided by the Department.
- 2.2 Despite obvious initial disappointment regarding the APR3 assessment the overwhelming reaction has been one of openness and a genuine commitment to improvement.
- 2.3 Any initial concerns regarding the APR3 assessment related to the:
- ◆ lack of detailed information or the scoring against different criteria;
 - ◆ the significance of a 1% difference in performance between authorities scored 55% (and classified as weak) and those classified at 56% (and classified as average).
 - ◆ misunderstandings regarding the APR guidance and interpretation of informal advice provided by the Government Office.
- 2.4 Understandably many authorities (six out of eight) sought to rationalise their weak assessment as being more a reflection of the presentation and content of the APR and less a true reflection of their progress in delivering transport improvements. Lack of conformity and clarity of presentation has certainly not helped their assessment. However, our overall view is that whilst APRs in most cases could be better presented or convey a clearer message on progress, there are significant underlying factors and structural deficiencies within the authorities limiting delivery and/or progress towards targets. These underlying deficiencies do vary in their severity and improvement will be much easier to achieve in some authorities than others.
- 2.5 Many authorities attribute a lack of conformity to changes in the DfT guidance and the late issuing of this guidance. The APR3 Guidance was rather different from previous years in that the balance of scoring was much more on evidence of delivery, divergences between plans and actual implementation and targetry. Authorities had not fully absorbed this change in emphasis when preparing their APR3.
- 2.6 Only in two of the eight authorities did we experience any evidence of continued denial of underlying structural deficiencies. Here, nevertheless, there was a genuine acceptance of the shortfalls amongst the majority of management and technical staff and a commitment to improve shared by all.
- 2.7 It is clear to us that the ranking of APRs act as a trigger to drive improvements and, hence, a valuable contributor to engendering higher standards of performance.
- 2.8 Best Value reviews and CPAs can also act as a trigger for improvement at a corporate level. However, where the scope for improvement is focused internally in areas other than transport, this can contribute to the importance of the transport service performance being underplayed (evident in seven of the eight authorities).

- 2.9 It is less clear from our work how much performance funding (i.e. withholding of moneys) in addition to being classified as 'weak' triggers a commitment to improvement. The weak rating appears a stronger motivator than withheld funds. The withheld funds are seen as a stigma and there is a determination to recover them, but as part of the overall recovery rather than an end in itself.

LOCAL AUTHORITY CAPACITY TO PROGRESS TOWARDS TARGETS

- 2.10 The requirements of local authorities to be delivering transport improvements that contribute to desired outcomes, to monitor these and to do so in a climate of local government modernisation, evolving strategic policy frameworks, performance management and scrutiny regimes and often corporate restructuring have left some authorities lagging. This is manifest in:
- ◆ transport planning design and implementation responsibilities being confused in corporate structures or restructures;
 - ◆ a lack of priority afforded to transport delivery;
 - ◆ an incomplete understanding of the rationale behind the APR and, hence, oversight of the key requirements;
 - ◆ an inappropriate mix and level of staff skills.
 - ◆ an unwillingness to explore good practice and benchmark with other Authorities.
- 2.11 In all these areas at least seven of the authorities engaged are still experiencing difficulties. Not necessarily because individuals have been slower to learn than in other authorities but often because inexperienced staff are being tasked with managing progress and preparing the APR. This reflects, at least in part, shortages of resources and expertise.

CAPACITY TO IMPROVE

- 2.12 Many of the authorities have already put improvements in place in their wider organisations and in transport which have directly and indirectly affected transport. Some improvements have, therefore already been achieved through Local Authorities own initiatives and actions are in hand to address performance deficiencies.
- 2.13 All the participating local authorities are committed to improve their APR ranking through their July 2004 submission. There is a determination amongst all not to repeat previous mistakes. All had already taken actions ranging from corporate re-organisations to increasing their resource capacity to addressing specific issues regarding technical aspects of their approach to transport planning and monitoring.
- 2.14 The Transport Performance Improvement Teams have, therefore, served as a sounding board for the actions already implemented or proposed and have added some additional capacity to the authorities own diagnosis and recommended course of action. The Guidance Reports submitted to each authority, themselves provide the basis of a 'Local Improvement Plan' to assist each authority in implementing improvements.

- 2.15 Also, the greater engagement with DfT and the GOs prompted by the 'weak' categorisation has greatly assisted local authorities in paying more detailed attention and, hence, being more compliant with the guidance. Hence, greater transparency and clarity from all authorities in APR4 can be expected.
- 2.16 Consequently we are confident that all eight authorities will be able to report improved performance on their APR4 relative to APR3. However, successful implementation of identified courses of action will take longer and, in some cases, may prove difficult to achieve.
- 2.17 The main continued barrier to improvement is likely to be the difficulties in some of the authorities obtaining the appropriate management and technical skills. Also, there is a concern that the priority afforded to transport corporately might be transient and/or still not full endorsed corporately. DfT's programme of engagement on the shared priorities will be important here in gaining commitment at Chief Executive and Cabinet level.
- 2.18 In a number of authorities the division of responsibilities between different directorates is both a barrier to a co-ordinated and holistic approach to improvement but at the same time a true reflection of the mix of skills from planning, programme management through to engineering required to prepare and deliver the transport services. A strong focus on delivery, well managed, with a commitment to corporate objectives and corporate working is needed. Reorganisation whilst reducing some inefficiencies is not likely, in itself, to drive improvements and, if not managed carefully, can run the risk of destroying centres of professional knowledge and experience.

3. Management Challenges

3.1 The research has identified seven areas where management actions will be necessary to address underlying causes of weak performance:

- ◆ M1: Insufficient priority afforded to the APR itself and the monitoring of progress;
- ◆ M2: Insufficient linkage between local authority transport agendas (plans and delivery) and corporate objectives;
- ◆ M3: Corporate improvement plans stimulating large scale reorganisation diluting the focus on delivery on the ground;
- ◆ M4: Weak project, programme and performance management;
- ◆ M5: Lack of cost management and prioritisation of budgets to ensure effective programme delivery;
- ◆ M6: Insufficient recognition of the importance of communication;
- ◆ M7: Recruiting and retaining the required skills.

3.2 For each we summarise the management challenges and provide recommendations.

M1 INSUFFICIENT PRIORITY AFFORDED TO THE APR ITSELF AND THE MONITORING OF PROGRESS.

3.3 There is still insufficient recognition of the critical importance of the LTP and APR process.

3.4 Those responsible for providing the APR and monitoring progress in at least seven of the authorities have insufficient authority or support from their senior managers and consequently have difficulty in communicating the monitoring obligations of the authority and obtaining information from service delivery budget holders.

3.5 The delegation of responsibilities for producing the APR to relatively inexperienced staff is a common occurrence (six out of eight authorities). Also the key contributors are dispersed, inexperienced, busy and lack ownership. Responsibilities can be confused with there being little ownership amongst those in the best position to monitor progress. This reflects, in part, a lack of ownership of the original LTP and, in particular, the “unrealistic” targets set.

3.6 Understanding performance in terms of delivery on the ground, cost effective spending and progress towards objectives and targets in all authorities is given little attention until shortly before APR submissions are required.

3.7 In all authorities insufficient commitment is made to both establishing monitoring processes and undertaking/resourcing monitoring. In six out of the eight authorities this is indicative of insufficient interest afforded to transport by leading Members and senior officers resulting in transport being given lower priority and consequent difficulties with resources.

- 3.8 In at least six cases there is a disconnection between data collection and monitoring programmes undertaken by delivery teams and the information required for understanding overall performance.

Recommendations

- 3.9 Commitment is required from managers to monitoring and to the implementation of management processes designed to secure accurate information on progress from delivery budget holders on an ongoing and regular basis. Authorities need to continue to be encouraged to follow guidance and to ensure transparency in reporting progress in relation to programme.
- 3.10 Best practice examples of monitoring management processes should be made available to all authorities showing the inputs required from different teams with and outside the authority, how these are collated and how an overall understanding of progress is derived.

M2 INSUFFICIENT LINKAGE BETWEEN LOCAL AUTHORITY TRANSPORT AGENDAS (PLANS AND DELIVERY) AND CORPORATE OBJECTIVES

- 3.11 In six out of eight instances there is no acknowledgement of the role of the LTP or APR in corporate plans, community strategies and other policy documents AND insufficient recognition of the role that transport can play in contributing to cross-service objectives e.g. health and education.
- 3.12 In all authorities too little priority is afforded to transport at the Chief Executive and Corporate level. This results in:
- ◆ the directorate responsible for transport determining policy and investment priorities/decisions with insufficient regard for wider corporate objectives;
 - ◆ the transport service area being isolated from other functions and given low priority in the allocation of internal resources; and
 - ◆ transport is seen essentially as an engineering function where the focus is more on implementing infrastructure schemes and less on implementing policies to influence travel behaviour and on analysing progress towards outcome objectives; or
 - ◆ responsibilities for and ownership of the LTP and APR residing in the Planning department resulting in it rightly being integrated with land use planning policies but with too little emphasis being placed on delivery on the ground; and/or
 - ◆ responsibilities are shared between separate engineering and planning directorates leading to a fragmented approach to transport from policy through to implementation.
- 3.13 Transport does not necessarily have an obvious home in authority organisational structures. For example, in one authority the responsibility for the APR and LTP2 has been moved from the Planning department to the Engineering department in recognition of the need for a greater emphasis on delivery on the ground.

Recommendations

- 3.14 We recommend local authorities continue to review and reorganise reporting structures to obtain a greater collective responsibility for transport beyond those directly in charge of delivering schemes and policies. Greater recognition needs to be given to the contribution of transport in key policy documents.
- 3.15 We also recommend that examples of how transport can contribute to policy objectives outside the transport sector i.e. the cross-sector benefits to health, education, economic regeneration and social inclusion are disseminated through best practice case studies. Further assistance/ guidance should be provided on how the Shared Priorities can be best delivered through policies cutting across local authority traditional service areas.
- 3.16 Best Value and CPA Corporate Inspections may assist this by checking for “plan convergence” between the transport service and wider corporate, community and service plans. CPA 2005 may itself look towards a greater emphasis on the Shared Priorities with the result that this should favour transport.

M3 CORPORATE IMPROVEMENT PLANS STIMULATING LARGE SCALE REORGANISATION DILUTING THE FOCUS ON DELIVERY ON THE GROUND

- 3.17 Best Value Inspections and CPA, have helped trigger, in at least four of the authorities, re-organisations as a means of achieving corporate improvements. Whilst necessary, this can lead to a focus on organisation structure and procedures and run the risk of diverting attention, at least in the short-term, of senior officers and members away from delivery of transport in general and the APR in particular.
- 3.18 For example, in one authority the Best Value review has stimulated debate about how best to deliver transport improvements. However, this authority has a good CPA rating and finds it difficult to understand criticism that transport is not integrated into its corporate management.

Recommendations

- 3.19 Transport delivery needs to be given more explicit recognition and possibly greater weight in the CPA.

M4 WEAK PROJECT, PROGRAMME AND PERFORMANCE MANAGEMENT

- 3.20 Effective and cost efficient delivery requires strong project, programme and performance management across different delivery teams in line with corporate priorities.
- 3.21 Project management and leadership skills are in short supply in most of the ‘weak’ authorities and their role in driving improvements can be under-estimated.
- 3.22 Performance management is under-developed also with little evidence of progress being scrutinised, programmes re-prioritised and a pro-active approach taken to get the most from the resources available. Performance is often measured by delivery

teams in terms of their own output with little or no connection to the wider desired outcomes (see also T4). This can be reinforced by Members who find delivery on the ground a more tangible measurement of progress/performance than outcomes which are more elusive.

Recommendations

- 3.23 Local authorities strengthen their programme and performance management function. For example, one authority has recently introduced a new corporate performance management system linking the Community Strategy, the Performance Plan, Budget and service plans.
- 3.24 DfT may wish to facilitate stronger capability in programme and project performance through a combination of training, sharing of best practice and encouraging Local Authorities to identify programme and performance managers through which Government Offices can obtain regular updates on progress.

M5 LACK OF COST MANAGEMENT AND PRIORITISATION OF BUDGETS TO ENSURE EFFECTIVE PROGRAMME DELIVERY

- 3.25 Six out of eight Authorities have not only struggled to implement but have diverged considerably from their planned programmes.
- 3.26 The under-estimation of time and hence cost associated with progressing contentious schemes is often a cause of authorities achieving less for their money. However, in addition the way budgets are allocated between different service areas or area teams can further hamper delivery of planned programmes (evident in four out of eight of cases).
- 3.27 Divergences for planned programmes are explained in three of the eight authorities by budgets being assigned at the outset to the delivery teams for safety, cycling etc. with insufficient regard for the delivery programme. Delivery teams then implement minor schemes in accordance with their budget allocations with little regard to how these schemes contribute to the desired outcomes and with insufficient understanding of the balance between initiatives as embodied in the programme. .

Recommendations

- 3.28 Local authorities strengthen their programme management function and assign budgets based wholly on their established priorities and balance of scheme types embodied in their programme. For example, in one authority the role of the monitoring group has been redefined to embrace a strategic overview of programme balance in addition to financial monitoring.
- 3.29 Local authorities should be required to place greater emphasis on understanding the value for money likely to be obtained from different elements of their programme which should then be prioritised accordingly.

M6 INSUFFICIENT RECOGNITION OF THE IMPORTANCE OF COMMUNICATION

- 3.30 Many of the weak authorities accept that for APR3 they would have benefited from greater dialogue with the Government Offices - particularly in terms of seeking clarification on the APR contents and presentation (five out of the eight authorities). At least five of the authorities are critical of the advice provided by the GOs, believing that they were given insufficiently clear guidance. We are unable to comment on this but suggest this concern is indicative of the local authorities paying insufficient attention to the guidance and, hence, not grasping a detailed understanding of what was required. This lack of meaningful engagement is also manifest in local authorities not keeping GOs informed of progress and not recognising the importance of explaining divergence from planned programmes (see T7).
- 3.31 Communications within the Local Authorities appear to have been lacking between:
- ◆ those responsible for drafting the APR and those implementing the scheme and providing the monitoring data (in all cases);
 - ◆ different service heads to ensure transport is contributing to broader objectives (in all cases).
- 3.32 'Silo' working was evident in (five of the eight) authorities with little joined up working both within the highways and transportation service and the wider authority.

Recommendations

- 3.33 Communication between the weak authorities and the GOs seem to be much improved with the 'weak' label itself serving as a trigger to seek guidance. GOs/DfT are providing valuable input through meetings and exchange of information meetings. These authorities have also welcomed the engagement with Atkins through this research work. We recommend that this raised level of engagement and access to advice is maintained beyond APR4 submission.
- 3.34 GO and DfT involvement in regional workshops to discuss APR requirements, approaches to meeting these requirements and areas for co-operation/joint working between authorities is also supported.
- 3.35 Improved communications within local authorities require a stronger corporate commitment to corporate transport (see above) and a commitment to more rigorous performance monitoring with clear lines of responsibility and accountability for monitoring. In one authority a 'Project Charter' has been introduced where all those involved in the project team have personally signed up to submitting a step change improved APR in July 2004.

M7 RECRUITING AND RETAINING THE REQUIRED SKILLS

- 3.36 Seven of the eight Authorities are experiencing difficulties in recruiting and retaining key transport planning and traffic engineering staff. This has resulted in particular difficulties in managing the local transport planning process and an inappropriate balance of skills. Senior staff can have too many diverse commitments resulting in insufficient attention being afforded transport planning and progress monitoring. In

some authorities there is too greater reliance on a core municipal engineering capability as opposed to a more strategic approach to ensuring transport is contributing to desired social, environmental and economic outcomes. In contrast the focus on delivery can be diluted where the LTP programme is managed by officers from a transport or planning background more related to policy development and presentation rather than project delivery. In the LTP preparation stage and the first year of the plan period there was a need for 'visionary' in some cases 'evangelistic' zeal to drive policy change (possibly down playing some of the practical problems). The progressive shift towards delivery however requires more a robust, pragmatic and sometimes hard-headed project management approach which at least one authority has failed to recognise in its organisational arrangements.

- 3.37 Staff shortages are exacerbated by the long time it can take authorities to recruit to key management positions. For example, in one authority there are some 20 vacancies in the Engineering and Transport Division.
- 3.38 A shortage of skilled management contributes to a low morale and a high turnover of more junior staff. Reorganisations designed to provide more effect team and departmental structure and, hence, facilitate better staff recruitment/retention will themselves be disruptive and increase the risk in the short-term of staff leakage.
- 3.39 CPA and BV inspections have encouraged at least two authorities to enter into arrangements with the private sector to provide technical support through framework contracts. In some instances these are confined to short-term specialist advice and others tend to be longer-term engineering support focused on scheme implementation rather than preparation. Others can be broader partnering agreements including co-location of staff, joined learning and non-adversarial/adversarial contractual conditions etc.

Recommendations

- 3.40 Local authorities are encouraged to be more flexible and responsible in dealing with staff requirements. A greater commitment to staff career development and training (through existing professional frameworks such as Transport Planning Skills Initiative) could assist retention. More interaction between local and central Government staff through secondments would also assist.
- 3.41 Authorities need to retain strong internal ownership of their transport delivery and need a management capacity with requisite expertise to achieve this. However, given resource shortages and recruitment difficulties, authorities need to give careful consideration as to how best to involve the private sector. Options to consider in addition to simply securing top-up framework contracts for engineering design include use of:
- ◆ performance managers
 - ◆ securing top-up framework contracts for engineering design
 - ◆ experienced transport strategists in an interim management role;
 - ◆ project and performance managers;

- ◆ extending the scope of support required and selecting some partners capable of providing a greater breadth of capability from policy evaluation and plan preparation through to implementation;
 - ◆ involving term maintenance contractors at an earlier stage in design of small schemes thereby accelerating the pace of delivery and avoiding over-design.
- 3.42 Whilst most authorities have considered different models for procuring support there is some merit in examples of good practice being disseminated to authorities and, in particular, to the small unitary authorities with the greatest resource shortages and the least capacity to evaluate options.

4. Technical Challenges

4.1 The research has identified eight areas where action in the technical transport planning process will be necessary to address underlying causes of weak performance:

- ◆ T1: Over reliance on bottom-up processes for programme assembly;
- ◆ T2: Difficulties in obtaining/managing data and distilling from this a coherent explanation of progress;
- ◆ T3: Difficulties in settling realistic yet challenging targets;
- ◆ T4: Difficulties with distinguishing between performance indicators that reflect desired outcomes (objectives) and other indicators that describe inputs and outputs;
- ◆ T5: Cumbersome consultation processes that delay rather than assist delivery
- ◆ T6: Lack of experience and expertise in progress reporting;
- ◆ T7: A failure to explain divergence from programme and planned progress;
- ◆ T8: Not fully capturing the benefits of joint working and learning from others.

4.2 For each we summarise the technical challenges and provide recommendations.

T1 OVER RELIANCE ON BOTTOM-UP PROCESSES FOR PROGRAMME ASSEMBLY

4.3 A key consideration relating to programme and target delivery is the ‘maturity’ of the process by which schemes are originated and programmes assembled within the various LTP categories so as to maximise their contribution to transport and wider authority objectives.

4.4 ‘Immature’ processes tend to be wholly ‘bottom-up’ within specialist areas, based largely upon practical considerations of feasibility and construction rather than contribution to objectives. A bottom-up approach can underplay the effectiveness of an overall package of complementary measures with ‘schemes’ being defined as a series of separate measures reflecting departmental structures.

4.5 This bottom-up approach is also manifest in discrepancies between the LTPF4 Finance forms and the actual work programmes. It also explains, in part, divergences in programmed and actual delivery on the ground and cost overruns.

Recommendations

4.6 Local authorities need to be encouraged to adopt more mature processes focusing more on ‘top-down’ target based scheme preparation and consultation given this will steer the programme towards more complex schemes.

T2 DIFFICULTIES IN OBTAINING/MANAGING DATA AND DISTILLING FROM THIS A COHERENT EXPLANATION OF PROGRESS

- 4.7 Whilst the need to monitor progress has been embodied in guidance pre-dating LTPs, it is apparent that all eight authorities have struggled to develop evidence based monitoring programmes.
- 4.8 Insufficient thought has been given as to what monitoring is necessary to assess progress towards objectives (outcome indicators). Instead, in all authorities, there is an over-reliance on outputs. Measurement of highway conditions and accidents rely on standard approaches. Even here, the reliability of the data and inconsistencies between data for different years is sometimes questioned by local authorities - often with insufficient analysis to provide a reliable estimate of progress (three of the eight authorities).
- 4.9 Data collection and standardisation can appear to be ad hoc with examples of data being collected for one year but then not repeated and hence no trends can be established (in at least four of the eight cases).
- 4.10 Even when data does exist those responsible for producing the APR have problems in obtaining information in a form suitable for explaining progress. Data collection responsibilities often reside with those responsible for service delivery. This leads, in all eight authorities, to an over emphasis on reporting progress in terms of delivery on the ground (outputs) rather than outcomes and insufficient attention to what evidence is most appropriate for assessing progress towards objectives and targets.
- 4.11 A common approach is for the APR team to require data in terms of performance indicators at the start of the APR preparation. Often the information provided can be little more than a 'dump' of what information is readily available. This has exacerbated the difficulties of distilling a coherent explanation of progression in seven of the eight authorities.

Recommendations

- 4.12 Local authorities need to be encouraged to better plan exactly what monitoring is required, and to be clear who is responsible for monitoring specific performance indicators if they are to report more accurately on progress towards desired outcomes. This is an area where greater scrutiny and guidance would have assisted local authorities prior to the reporting period. We recommend local authority monitoring proposals for LTP2 are scrutinised following the LTP2 submission.
- 4.13 Greater weight would be attached to monitoring if it were more closely linked to authorities wider approach to performance management, which is an integral part of the CPA Corporate Assessment.
- 4.14 Two organisational approaches are recommended to ensure monitoring is given greater importance.
- 4.15 Monitoring against desired outcomes needs to become either an integral part of the scheme and policy delivery function; or, to be undertaken by a performance/

programme management team with a remit to review priorities in light of evidence obtained and analysed.

T3 DIFFICULTIES IN SETTLING REALISTIC YET CHALLENGING TARGETS

- 4.16 All Authorities are still getting to grips with target setting both in terms of establishing appropriate outcome performance indicators and then setting appropriate targets.
- 4.17 There is a lack of ownership of some targets in at least seven authorities, reflecting the fact that these were derived originally without a clear understanding of what could be achieved.
- 4.18 In consequence, some targets look over challenging whilst others have been achieved already. In some instances (five out of eight) the relevance of certain targets to the transport objective scheme and policies being delivered is difficult to understand.
- 4.19 This situation reflects the targets being derived initially at the outset of LTP1. Local authority transport practitioners are now more experienced in the progress and in discerning realistic targets although there is scope for a stronger analytical underpinning of these targets. In at least seven instances, targets for APR4 are being reviewed. However, there is a reluctance to amend targets downwards without strong justification. Admission that targets were incorrectly set initially is not seen as strong justification by officers. This partly reflects concern by members of not wanting to concede that progress will be below that originally hoped.
- 4.20 There is also some evidence that authorities will make some minor adjustments to targets in APR4 ahead of a more comprehensive review in LTP2. At least two authorities have engaged the Government Office in rationalising their performance indicators to both reduce the number used and to draw a distinction between output and outcome indicators.
- 4.21 Overall this gives rise to an attitude amongst some officers, in most (six) of the authorities that targets are not primarily genuine goals being pursued by local authorities but more a process requirement set by DfT as part of the bid for funding.

Recommendations

- 4.22 For LTP2 local authorities should be required to provide more rigorous evidence as to the realism of their targets, including trajectories, to encourage more commitment to achieving on an annual basis.
- 4.23 There is a sensible argument for waiting until LTP2 before revising targets significantly because:
- a) Authorities may wish to consult on them, which takes time;
 - b) DfT is expected to extend the number of core targets which will influence the local ones; and
 - c) DfT and LGA agreed to establish a working group in November 03 to inform the development of success criteria (PIs) for LTP2.

- 4.24 Greater engagement on target setting is likely to be required between Department and senior local authority officers (perhaps building on the shared priority initiatives) to facilitate stronger ownership of targets by local authorities and commitment to delivering these.
- 4.25 There is little evidence of joint working between authorities in setting their targets. It appears to us that agreeing appropriate outcome performance indicators and then seek a clear understanding as to which one authority can achieve more or less than another would be a useful exercise for authorities to participate in. This probably would be more efficient use of resources overall and would lead to more defensible and consistent targets at the outset of the LTP2 programme period.
- 4.26 More joint working would also sit comfortably with a stronger emphasis on a sub-regional approach and with statutory Regional Transport Strategies.

T4 DIFFICULTIES WITH DISTINGUISHING BETWEEN PERFORMANCE INDICATORS THAT REFLECT DESIRED OUTCOMES (OBJECTIVES) AND OTHER INDICATORS THAT DESCRIBE INPUTS AND OUTPUTS.

- 4.27 In APR3 submissions there remained too strong emphasis in all authorities on monitoring progress in terms of output and too little focus on outcomes. This reflects a combination of:
- ◆ insufficient understanding of the differences in outputs and outcomes;
 - ◆ data on outputs being more readily available;
 - ◆ outputs being more directly related to the responsibilities of local authority delivery teams and hence deemed to be better measurement of their performance;
 - ◆ insufficient analysis and under-developed thinking of the logical linkage between inputs (expenditure and other resources), outputs (scheme and policies delivered on the ground) and outcomes (objectives). The causal chain approach designed to encourage this thinking has been adopted by three of the eight authorities but its use in explaining how outputs have contributed to outcomes is variable and not readily apparent from the way APR Proformas A and B have been presented.

Recommendations

- 4.28 Local authorities need to be further encouraged in future APRs to provide a clear explanation of what they have implemented and why, what direct effects this has had and how these help explain progress towards desired outcomes.
- 4.29 Further training of local authority APR practitioners would assist here. Whilst best practice examples of APRs can be identified and disseminated it is, perhaps, necessary to emphasise the logical structure and clarity of explanation underpinning these.

T5 CUMBERSOME CONSULTATION PROCESSES THAT DELAY RATHER THAN ASSIST DELIVERY

- 4.30 At least six of the eight authorities have run into difficulties with consultation. Too much reliance has been placed on consensus support emerging from consultation exercises whilst in reality consultation exposes a myriad of concerns that require strong management and robust arguments to allay/rebut.
- 4.31 Also, at least one authority has faced criticism from the local community where it has not been seen to respond to a consultation exercise. Hence, the consultation process has increased opposition and scepticism rather than allayed it.
- 4.32 Overall, local authorities recognise that consultation is essential but can find it an expensive and time consuming process for little tangible reward. It therefore risks becoming perceived as a necessary chore rather than an effective means of establishing priorities and assisting delivery.

Recommendations

- 4.33 Local authorities should be encouraged to set out consultation frameworks that clearly identifies what the objective of the consultation/communication exercise is, the means of consultation, how this feeds into decision-making or scheme delivery and the timescales and form of feedback to be provided.

T6 LACK OF EXPERIENCE AND EXPERTISE IN PROGRESS REPORTING

- 4.34 As described earlier responsibilities for preparing APRs are often vested in inexperienced and/or junior staff (apparent in half of the eight authorities). This reflects not only insufficient priority afforded to the APR (see M1) but also the scarcity of appropriately skilled and experienced practitioners (see M7) capable of interpreting the guidance, co-ordinating and collating evidence of progress and expressing this in terms of the contribution to the policy objectives.
- 4.35 There is at times confusion between producing the APR as a report for government and as a local consultative publication. An attempt to meet both needs in one document hinders the clarity of progress reporting, particularly if there is little or no senior staff direction.

Recommendations

- 4.36 Additional and more comprehensive training is made available to local authorities for APR preparation. This should include greater collaboration and sharing of problems/solutions between local authorities. The Local Transport Planning Network can play a key role here.

T7 A FAILURE TO EXPLAIN DIVERGENCE FROM PROGRAMME AND PLANNED PROGRESS

- 4.37 All of the APR3 submissions provided no or insufficient plausible explanations as to divergence in:

- ◆ what was implemented versus what was planned;
- ◆ actual progress towards target versus what was expected.

4.38 Our research indicates this is attributable to a combination of:

- ◆ lack of attention and priority afforded to preparing the APR;
- ◆ lack of analysis and, hence, understanding internally as to why divergences had arisen;
- ◆ a disconnection between the APR reporting and the programme delivery functions with no-one accountable for linking the two;
- ◆ an over reliance on proffering barriers to deliver as factors beyond the authorities control with little evidence as to what actions, if any, had been taken to overcome these barriers. This again reflects an attitude that the APR is a process of benefit to the Department rather than local authorities;
- ◆ a lack of engagement with other delivery agencies to understand divergences. For example, obtaining the bus operators perspective of changes in bus patronage.

Recommendations

4.39 The above problems are largely symptomatic of other problems explained in earlier sections and performance management (see T1 and M5), dissemination of best practice (see T8 below) and on-going training are all relevant here.

T8 NOT FULLY CAPTURING THE BENEFITS OF JOINT WORKING AND LEARNING FROM OTHERS.

4.40 An overly insular attitude prevails in at least seven of the eight authorities. Resourcing difficulties, local politics and an internal fragmented approach have tended to constrain the amount of joint working with other authorities and delivery agencies (such as the Highways Agency) together with any learning from best practice elsewhere.

Recommendations

4.41 Local Authorities should be further encouraged to establish stronger links with neighbouring and/or similar authorities and to share thinking on issues such as monitoring approaches, target setting and explanation of trends. Memorandum of Understandings with other delivery agencies would assist in formalising a commitment to collaborative working for example with the Highways Agency on road conditions and safety.

4.42 A stronger focus on Regional Transport Strategies and sub-regional spatial planning in LTP2 Guidance should be used to encourage more joint working.

4.43 The LGA in conjunction with DfT is encouraged to be more proactive in brokering arrangements for exchange of good practice and benchmarking, building upon existing initiatives such as Local Transport Planning Network, Centres of Excellence and Beacon Councils.

- 4.44 The focus should be on practical issues (authorities already have enough high level good practice guides) and targeted at those responsible for monitoring and performance management.

5. Summary of Recommendations

- 5.1 We believe the research endorses continuation of the Department's approach of driving higher standards of performance through:
- ◆ continued ranking of Authorities based on an assessment of the progress made. We recommend continued use of the categorisations designed to identify substandard performance with the specific aim of triggering greater attention, corporate commitment and action by Authorities to improve;
 - ◆ greater prescription in the reporting requirements but focused on demonstrating progress in delivery and targets; and
 - ◆ greater engagement with local authorities to advise and help overcome underlying causes of poor performance. Ideally it would be more efficient for early engagement to promote good practice in advance of Authorities falling behind.
- 5.2 The evidence to support the case for further withholding of funds from authorities not able to demonstrate that funding is being put to good use is inconclusive from this research. However, continuing the principle of assigning funds to authorities able to put it to best use is supported.
- 5.3 The role for the Department is primarily one of continuing to encourage Authorities to commit to and deliver effective transport services as part of their corporate agendas.
- 5.4 There are a number of areas where the Department can usefully seek stronger commitment from 'weak' Local Authorities. These comprise:
- ◆ ensuring internal management arrangements are conducive to obtaining greater collective responsibility for transport beyond those directly responsible for service delivery and that objectives and priorities are better communicated;
 - ◆ explicit recognition of transport's contribution to wider objectives and priorities;
 - ◆ more robust monitoring including programme and performance management;
 - ◆ assessing value for money and using this and corporate objectives to determine priorities when preparing and implementing programmes;
 - ◆ increased joint working and resource sharing between authorities and between service areas within Authorities;
 - ◆ training and career development of project/programme management and technical staff; and
 - ◆ stronger adherence to guidance and greater clarity in reporting.
- 5.5 The two most significant and common underlying causes of weak performance tend to be:
- ◆ insufficient priority afforded to delivering effective transport improvements at the corporate level; and related to this
 - ◆ continued resource shortages and scarcity of expertise.

- 5.6 Greater priority is likely to be afforded to transport at a local authority corporate level if the CPA process places greater weight on transport explicitly. The Department are recommended to pursue this with ODPM as part of CPA 2005 placing greater emphasis on Shared Priorities.
- 5.7 We recommend that, in addition to the Department encouraging a greater commitment from authorities to better meeting their resource needs, it requires authorities to confirm their ability to resource the delivery of their programmes.
- 5.8 We advocate that the Department ensures Local Authorities have increased access to Government Office and Departmental staff, together with Specialist advisory teams (similar to the Transport Performance Improvement Teams responsible for this research) to assist local authority staff in finding pragmatic ways of improving performance and reporting on progress.
- 5.9 Also, the research evidence indicates that 'weak' authorities can be slow to fully grasp the Government's requirements as set out in the guidance and supporting information. We recommend the continued dissemination of best practice but with a more rigorous training provided and aimed more at the practical aspect of monitoring, assessing cross-sector benefits of transport planning and programme/performance management. Guidance on alternative approaches to procuring additional technical support would benefit small unitaries in particular.
- 5.10 Finally, a review of the improvements achieved by those authorities engaged as part of this research exercise in terms of their APR4 (cf APR3) will be a valuable endorsement or otherwise of the merits of the Department engaging in similar exercises in the future.