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London Traffic Snarls Up Over Utility Road Works creating a serious asset management problem



When I returned from the USA in Nov 1998 I wrote about the application there of lane rental charges to road maintenance companies to encourage greater efficiency and reduce disruption to road users. (*AMQ International, Vol 2, Issue 7, p. 6*)

At the time, lane rentals were not being applied to US utility companies, but there was a feeling that they should be because of the increasing road use by utility companies.

Now the idea is surfacing in London. Privatisation has created a plethora of utility companies, each of which has been granted a licence to dig up the road to access their buried utilities. There are currently 138 firms (water and sewerage, gas, electricity and telecom) licensed to dig up the roads, and it is creating havoc.

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Privatisation

When the utilities were originally privatised the licence to dig up the roads was granted as a means of getting them up and running quickly. But the telecom revolution was not foreseen at the time and there are now 86 telecom companies trying to meet the needs of Londoners wanting to get 'wired'. The roads are now dug up so regularly that the surface is suffering and Camden Council has estimated that the lifespan of its busier streets is now just eight years where it used to be 20 years.

One of the factors increasing traffic congestion is the work practices of the road contractors. Most work no longer than from 7.30am to 5pm so that the holes are unattended more than they are being worked on.

Contracts generally go to those who provide the cheapest quotes rather than the quickest service. There is no incentive at all to get works finished quickly. Yet in Holland, it is reported that when 24 hour and weekend shifts were introduced, related traffic hold-ups were reduced by 30%.

Public frustration is now reaching highest levels. So much so that the House of Lords is currently debating the issue.

Some of the ideas that have surfaced are:

Make utilities publicly responsible

Lord Peyton of Yeovil, a former Transport Minister, thinks it is high time the utility companies showed some consideration for road users. "I want to see on every site a notice saying who these people are, what they are doing, how long it will take, and a number I can telephone if things aren't as they should be!"

Encouragement

Westminster Council has established a "Considerate Roadworks" scheme. "We award a prize and contractors compete with each other to

win it." There is not much evidence, however, of enthusiasm to win the award.

Better Public Co-Ordination

Three years ago, the Department of Transport, Environment and the Regions attempted to set up a computerised nationwide register of road works. The computer was designed to allow councils to co-ordinate works but was beset with software problems and the sheer weight of works to be handled. When it was abandoned councils had to revert to asking utilities to inform them of their plans via a fax and letter but this system was far too prone to human error. A year ago a second computer system was introduced whereby contractors would send electronic notification via e-mail. The problem with all of these systems, however, is that even at best they could only streamline the administration – not necessarily the works themselves.

Fines

One suggestion is to give councils the power to impose daily fines on contractors who do not meet agreed deadlines. (This is actually a power that already exists, but it is not used. It is easy to see why. Councils would be embroiled in myriads of 'reasons' why the deadline has been exceeded and the costs of legislation could far exceed the penalties collected to say nothing of the time involved.)

Lane Rentals

Most local authorities favour the idea of charging a lane rental fee. In the USA, for road companies (although not for utilities!) there is a lane rental charge. It is determined according to the location and the time of day during which the works are to be carried out. Contractors are required to state in their bids WHEN they will carry out the work.

With a lane charge in effect it is no longer effective for companies to close roads when work is not being done. There is encouragement to work

longer hours and to complete the works sooner. (Some have argued that the pressure to complete works sooner could result in poorer work being done. If this should turn out to be a real problem, then another idea from the USA could be applied – if road works need to be redone within a specified time period because of incorrect earlier work, the company is required to do it at its own expense!)

Privatisation and the Public Good

Competition has its costs. Privatising the utilities but not applying similar commercial disciplines to their road use is the direct cause of the traffic congestion being experienced in both the USA and in London. Management of the road asset can no longer be a matter for the government road departments only.

Application in Australia, NZ and other places?

At the moment the costs of traffic disruption are real but they are not felt by those who cause the disruption. In the spirit of user pays, the application of lane rentals could increase the efficiency of road use and by reducing the time taken to access buried utilities could even reduce costs for the utility companies themselves.

The Royal Automobile Association has calculated that congestion is costing the London economy 3 billion to 5 billion dollars annually. Not all of this is due to roadworks. However some is.

Congestion Pricing

Some cities are considering charging road users to use the city streets as a way of encouraging the use of public transport and reducing congestion. If car users pay, why should not the utility companies?

UK - *Public assistance for private housing Maintenance and repairs?*

Home owners will be offered cheap loans for repairs on their properties under new proposals in the UK. The measures are to appear in a Housing Green Paper, designed to cut a multi-million pound backlog of repairs that has built up in the private sector and to protect one of the nation's most valuable assets, its housing stock.

According to the Government's latest English Housing Condition Survey, at least 80% of private homes need repairs. The estimated cost of all urgent repairs in England is £3,500 per home, while 1.5 million dwellings, or 7.5% of the housing stock, are officially classified as unfit.

Under proposals being considered by the Government, local authorities would be able to offer subsidised commercial loans to low-income home owners to help them to carry out repairs. Councils will also offer loans and grants to help to make the nation's oldest houses more energy efficient.

Mandatory "Log Books" on Property State of Repair proposed for Sellers of Private Property.

The paper will introduce seller's packs which will oblige vendors to produce a 'log book' on the state of repair of their property. The paper will also contain measures to provide interest-free loans to "key" workers such as nurses, teachers and police who have been excluded from the housing market by high prices.

Singapore

is also proposing to spend public money upgrading private housing estates but the plan is facing some opposition from those who feel the money would be better spent elsewhere.

UK - Public Housing Shake-up

Also in the new green paper on housing is an indication that council houses could be consigned to history within ten years under plans to oversee the mass sale of local authority housing to the private sector.

Houses are to be sold to 'not-for-profit' groups who will be able to borrow against assets, unlike local authorities, which it is hoped will provide a much needed injection of cash into some of the most neglected housing stock. The Government has decided on such a radical approach largely because councils cannot afford repair and refurbishment bills, which are more than 20 billion pounds annually.

Some councils have already started to transfer homes to housing associations. The Green paper aims to accelerate the process and expand the type of body able to gain registration as a social landlord.

There are currently more than 3 million council properties, about half the 6.5 million that existed before Margaret Thatcher's right-to-buy program. The Government will try to transfer about 300,000 properties a year but is determined not to see the developed of another monopoly landlord in the place of the council monopoly.

Local authorities will retain responsibility for those in need.

**Quality and choice:
A decent home for all
The Housing green paper**
Downloadable from

<http://www.housing.detr.gov.uk/information/consult/homes/index.htm>

Corporate wide AMPs now required from Councils

While in London I had the pleasure of meeting with Lucien d'Sa, the General Manager of SouthBank Systems. We presented the **SBS-Confirm Excellence Award** in the International Asset Management Competitions to the **Department of Environment, Transport and the Regions** (DETR) for their study into the management of property assets by local councils (*see Issue 23, pp180-183 and Issue 28, p.13*)

Following this study the DETR are moving to develop better property practices by councils. From 2001, authorities must submit asset management plans (AMPs) to the DETR. These should form part of their corporate planning framework and include incentives for property occupiers to rationalise assets and reduce running costs. To support this process, both members and senior officers would benefit from training to raise awareness of the role, cost and potential of property. Central government departments need to ensure that demands on local authorities regarding AMPs are 'joined up' (ie integrated) and the DETR is to set national performance measures.

If you want to know more the full report, **Hot Property: Getting the Best from Local Authority Assets** is available from the UK Audit Commission and is also available on their website: www.audit-commission.gov.uk

Best Value - What is it?

For several years now UK councils have been preparing for “Best Value”. Some councils are known to have devoted more than a hundred staff to the preparations. So what is “Best Value”?

The Government has defined best value as a duty to deliver services to clear standards – covering both cost and quality – by the most economic, efficient and effective means available. This represents a challenging new performance framework for local authorities. Best value authorities will be required to

- Publish annual best value performance plans that report on past and current performance and identify forward plans, priorities and targets for improvement; and
- Review all of their functions over a five year cycle.

Best Value will require local authorities to ask themselves fundamental questions about the underlying objectives and priorities of their work and about their performance in relation to other organisations in the public, private and voluntary sectors. In addition, best value will require authorities to consult with local residents and the users of local services about their views and priorities.

The Best Value Performance Plans are to be audited by auditors appointed by the UK Audit Commission. The audit will have three components which together will be reflected in the formal audit report:

- **Compliance:** the audit will assess whether the BVPP complies with the requirements of the legislation and guidance;
- **Performance Information:** BVPPs must provide local people with a summary of how far authorities have been successful in meeting previous and current years’ performance standards and targets. BVPPs will also com-

pare the results of authorities’ performance with those of other organisations. Auditors will assess the systems that local authorities have put in place for preparing this information; and

- **Corporate review and management arrangements;** auditors will have an important role in assessing the overall procedures authorities are putting in place to bring about continuous improvement, and to implement the ‘4 Cs’ – challenge, compare, consult and compete.

The 4Cs require authorities to

- **Challenge** why and how a service is being provided
- Invite **comparison** with others’ performance (including organisations in the private and voluntary sectors) across a range of relevant indicators;
- **Consult** with local taxpayers, service users and the wider business community in the setting of new performance targets; and
- Embrace fair **competition** as a means of securing efficient and effective services

The audit of the BVPP can have a number of potential outcomes. The auditors can, where appropriate:

- Recommend amendments to the plan or the procedures to be followed.
- Make a recommendation to the Audit Commission for a best value inspection, or
- Make a recommendation to the Secretary

Examples from the Best Value Community statements by **Devon County Council** and **Birmingham City Council** can be seen on the next few pages

A world-class city for education, arts and entertainment



We are committed to improving education standards in the city. We want to improve their skills and education throughout their lives. We will develop the city's reputation as a world-class centre for arts and cultural activity.

Schools are an essential ingredient in creating opportunities for the future and, while Birmingham's have been improving, achievement across the city is still below the national average.

Over the next year, WE WILL:

- ✓ Aim to ensure no five, six, or seven-year-old is taught in a class of no more than 30 pupils.
- ✓ Focus on the core skills of reading and writing, with at least 80 per cent of 11-year olds reaching the national standard in English by 2002.
- ✓ Focus on the core skills of mathematics, with at least 75 per cent of 11-year olds reaching the national standard by 2002.
- ✓ Improve school attendance and by 2002 reduce by a third the number of pupils excluded from school.
- ✓ Develop information technology facilities in adult education centres to improve opportunities and aim to have 200 additional students in 2000/2001.
- ✓ Improve access to employment, training and education information.
- ✓ Deliver a bag of books to every one of 13,000 babies in Birmingham attending the 7-9 month hearing test at a health centre.

- Are these your priorities?
- What else needs improving?
- Turn to the last page to tell us what you think.....

Compare these excerpts from the Best Value Community Statement of the Birmingham City Council with the excerpt, over the page, from the Devon County Council.

Birmingham City Council's Best Value Summary for the Community

- Note the attempt to state goals in outcome terms and to quantify
- Birmingham has chosen 6 aims
- ✓ A world-class city for education, arts and entertainment
- ✓ A healthy, caring city for all
- ✓ A modern and successful city
- ✓ A safer, cleaner and greener city
- ✓ A council serving the people of Birmingham
- ✓ A modern council

I have shown the first and the last.



Your council must be in touch with local people and will build a partnership with local communities, businesses and other organisations.

The council, the health service, the police, business and voluntary organisations working together to make Birmingham better.

Over the next year, WE WILL:

- ✓ Listen to your views on issues by implementing the recommendations of the Democracy Commission on how the city should be run.
- ✓ More than double the number of our buildings in which all public areas are accessible to disabled people.
- ✓ Pay our bill more quickly. We aim to increase by 10 per cent to 85 per cent the number of undisputed bills we pay within 30 days.
- ✓ Be more efficient at collecting council tax, increasing the proportion from 94 per cent to 94.25 per cent during the year.
- ✓ Reply to your letter within a maximum of 14 days of receipt.
- ✓ Improve the profile and career development of women, disabled people and people from minority ethnic communities.

- Are these your priorities?
- What else needs improving?
- Turn to the last page to tell us what you think.....

WORKING FOR A BETTER DEVON - OUR PRIMARY GOALS

- 1** To ensure our policies and actions meet the present needs of people in Devon without compromising the ability of future generations to meet their needs

At the heart of our vision for Devon is a commitment to help local people have a good quality of life and a pledge to sustainable development. This means making sure that what we do today does not damage the quality of life for future generations.

Our services to you include:

- Developing a network of organisations involved in environmental work in the country to help our local Agenda 21 action plan.
- Introducing 50 new and improved bus routes in rural communities, leading to an extra 442,000 passengers in 1999.

2

Develop and educate people, value their diversity and provide lifelong learning opportunities.

Our vision for Devon is of inclusive and fair fulfilment and prosperity is helped by the opportunity to learn throughout life.

Our services to you include;

- Promoting high educational standards and providing support through a range of specialist services to over 370 schools with almost 95,000 students.
- Maintaining 56 libraries in towns in Devon and 11 mobile libraries to reach more rural areas.



- Developing an effective transport policy . Our first Travel and Transport Plan, "Devon on the Move", followed wide consultation.
- Helping more than 1,500 households and 12 schools reduce their impact on the environment and save money through the Global Action Plan initiative.

Our future targets include:

- To finalise our local Agenda 21 strategy by December 2000
- To use government funding to add new or improved bus routes for rural areas during the coming year
- Within the next two years, to set up transport partnerships across Devon to work with local people to find out their travel needs and try to meet them

Our future targets include:

- Raising the level of achievement at age 11 so that 76% of pupils achieve National Curriculum Level 4 in mathematics and 82% of English by 2002/3
- Raising GCSE standards so that by 2002/3 at least 52% of students gain 5 A+ - C Grades
- Increasing the range and quality of early learning opportunities so that more 3-4 year olds have access to a nursery or pre-school place by 2002/3
- Reducing the number of permanent and temporary exclusions in primary and secondary schools and increasing overall attendance levels



Reading recovery teachers work in more than 50 Devon schools teaching the lowest achieving six-year-olds on an intensive literacy programme. Research shows that our teachers are successful in returning four out of five pupils to their classes with the ability to read and write at average levels. Evidence from elsewhere in Britain suggests these children will need no further special education needs support and will continue to achieve well throughout schooling.

Community Consultation

Community consultation is a key part of the new “Best Value” Approach

The UK Audit Commission provides the following guide.

Community consultation is not easy

- Authorities need to get a cross section of people involved, not just narrow, self-selecting groups
- Consultees often disagree, so interpreting the results can be tricky
- What consultees say must be balanced with other factors that affect decisions, such as resources and statutory requirements
- Direct community consultation must be squared with members’ decision-making role

Overcoming Barriers to Effective Consultation

- Some authorities worry that consultation will raise public expectations to levels that cannot possibly be met, but if it is properly designed and organised, this should not happen. Authorities need to make it clear what is on offer, and what people can influence by responding. If there are constraints on what can be done,

it is important to say so at the start and explain why this is so.

- Getting people to participate in consultation can be difficult, especially where there is no history of public involvement. To encourage participation, authorities may initially need to provide incentives. Incentives that have been tried and have worked are:
 - ‘taking the consultation to the people’, talking to people at venues that they already frequent;
 - offering modest prizes or gifts for participants;
 - providing refreshments and child-care facilities, which can also help to create more of a ‘community event’ atmosphere; and
 - making the event more entertaining, by using participative consultation methods, rather than just having speakers ‘talk at’ an audience

Audit Commission
www.audit-commission.gov.uk

All of the websites referenced in this issue of the newsletter, *and more*, can be accessed directly from

www.amqi.com

Your gateway to asset management resources on the web
Use it regularly