Oxfordshire CC Highways – Future Service Delivery Options

Outcomes and Next Steps

Future Highways Research Group

Decision Equipped.
proving

ADEPT
Association of Directors of Environment, Economy, Planning & Transport

Market Place Review - Overview

Full and Summary versions of the Market Place Review have been made available separately. The summary conclusions are:

- **The local authority highways sector is still an attractive market for the private sector, but:**
  - Specific providers may be seeking to divest their highways services business.
  - Providers will be increasingly selective as to which contracts they bid for.
- **Providers are seeking to work with authorities that are willing and able to build truly collaborative and strategic partnerships**
  - This was described as the 'golden thread' of success that runs through the process from early market engagement, through procurement and contracting, and on to delivery.
- **Relationships should be outcomes-based rather than transactional agreements, with a fair and proportionate allocation of risk and reward.**
  - This will help ensure the agility and commitment of all partners, such that the current and emerging sector challenges can be jointly and promptly addressed, and the opportunities presented by new technologies and innovation fully realised.
- **Providers preferences as to specific service delivery models largely reflected the model that each provider is structured to deliver.**
  - General consensus that an integrated or small number of single providers, working as a collaborative partnership, provides the best opportunity to realise efficiencies, exploit innovation and new technologies, and access specialist skills and additional capacity.

Oxfordshire Highways - Strategic Goals

Updated September 2020

- **Community engagement and empowerment enabling local decision making and influence on our programmes of work and local design.**
- **Strive to deliver Right First Time delivering best value and high quality (technical and perception) workmanship.**
- **Drive Innovation (methods, equipment and materials) to support efficiency, improved life, and carbon/climate agenda.**
- **Greater emphasis and consideration of walking, cycling and bus within everyday prioritisation / decision making to improve healthy living and sustainable travel.**
- **A safe, serviceable and sustainable network that is fit for purpose for all users under all conditions and supports the development of the local economy.**
- **Sustain a financially resilient service that delivers best value with the resources available.**
- **Develop and sustain collaborative partnerships that deliver the objectives of all partners.**
- **Attract, develop, empower and retain the best people capable of driving a dynamic and agile service.**

Following consideration of Oxfordshire Highways' current strategic objectives, future ambitions and the convergent objectives of the FHRG, the future strategic objectives above were established during Workshop One. These remain provisional, subject to consultation tested with other stakeholders.

Options Analysis Tool – Scores and Ranking

Future Highways Research Group

Strategic Performance

Option Family	#	Option Name	Community engagement and empowerment enabling local decision making and influence on our programmes of work and local design.	Strive to deliver Right First Time delivering best value and high quality (technical and perception) workmanship.	Drive Innovation (methods, equipment and materials) to support efficiency, improved life, and carbon/climate agenda.	Greater emphasis and consideration of walking, cycling and bus within everyday prioritisation / decision making to improve healthy living and sustainable travel.	A safe, serviceable and sustainable network that is fit for purpose for all users under all conditions and supports the development of the local economy.	Sustain a financially resilient service that delivers best value with the resources available.	Develop and sustain collaborative partnerships that deliver the objectives of all partners.	Attract, develop, empower and retain the best people capable of driving a dynamic and agile service.	Total	Weight-Adjusted Score
Do Nothing	1	Current Service Model	66	66	66	66	66	66	66	66	66	66
Single Provider	2	Contractor & Designer (Separate)	66	66	66	66	66	66	66	66	66	66
	3	Integrated (Contractor + Designer)	66	66	66	66	66	66	66	66	66	66
Multiple Providers	4	Multiple Providers Per Service Area	100	100	100	100	100	100	100	66	96	96
	5	Function-Orientated Service Providers	66	100	100	100	100	100	66	66	87	87
	6	Primary + Secondary (Risk Sharing)	0	0	0	0	0	0	0	0	0	0
Framework	7	Framework Agreement	100	100	66	100	100	100	100	66	92	92
	8	JV	66	66	66	66	66	100	66	66	70	70
	9	Pseudo JV (Partner + Profits Sharing)	0	0	0	0	0	0	0	0	0	0
Teckal	10	Arms-Length Company	100	100	66	100	100	66	100	100	92	92
Private Finance	11	PF2	0	0	0	0	0	0	0	0	0	0
Mixed Economy	12	Cyclical & Reactive In-House	100	100	33	100	66	33	100	100	79	79
	13	Best Option By Function / Service	66	100	100	100	100	100	66	100	92	92
	14	Highways Alliance	66	100	100	100	100	100	100	100	96	96
	15	All In-House	66	66	33	66	66	33	100	100	66	66
	16	Primary Design + Add On	100	66	33	66	100	66	100	66	75	75
Shared Services	17	Shared Service (Neighbouring Authority)	33	66	100	66	33	100	66	100	71	71
	18	Regional Combined Service	0	0	0	0	0	0	0	0	0	0
		Factor Importance	100	100	100	100	100	100	100	100		
		Average Factor Score	59	65	55	65	63	61	65	63		

Attractiveness Analysis (VfM)

#	Economy	Efficiency	Effectiveness	Stakeholder Value	Total	Weight-Adjusted Score
1	66	66	66	66	66	66
2	66	66	66	66	66	66
3	66	66	66	66	66	66
4	66	100	100	66	83	83
5	66	100	100	66	83	83
6	0	0	0	0	0	0
7	66	100	100	66	83	83
8	66	66	66	33	58	58
9	0	0	0	0	0	0
10	33	66	66	33	50	50
11	0	0	0	0	0	0
12	33	66	100	100	75	75
13	66	100	100	100	92	92
14	100	66	100	66	83	83
15	0	33	33	66	33	33
16	33	66	66	66	58	58
17	66	66	66	33	58	58
18	0	0	0	0	0	0
Factor Importance	100	100	100	100		
Average Factor Score	44	57	61	50	52	52

Achievability Analysis

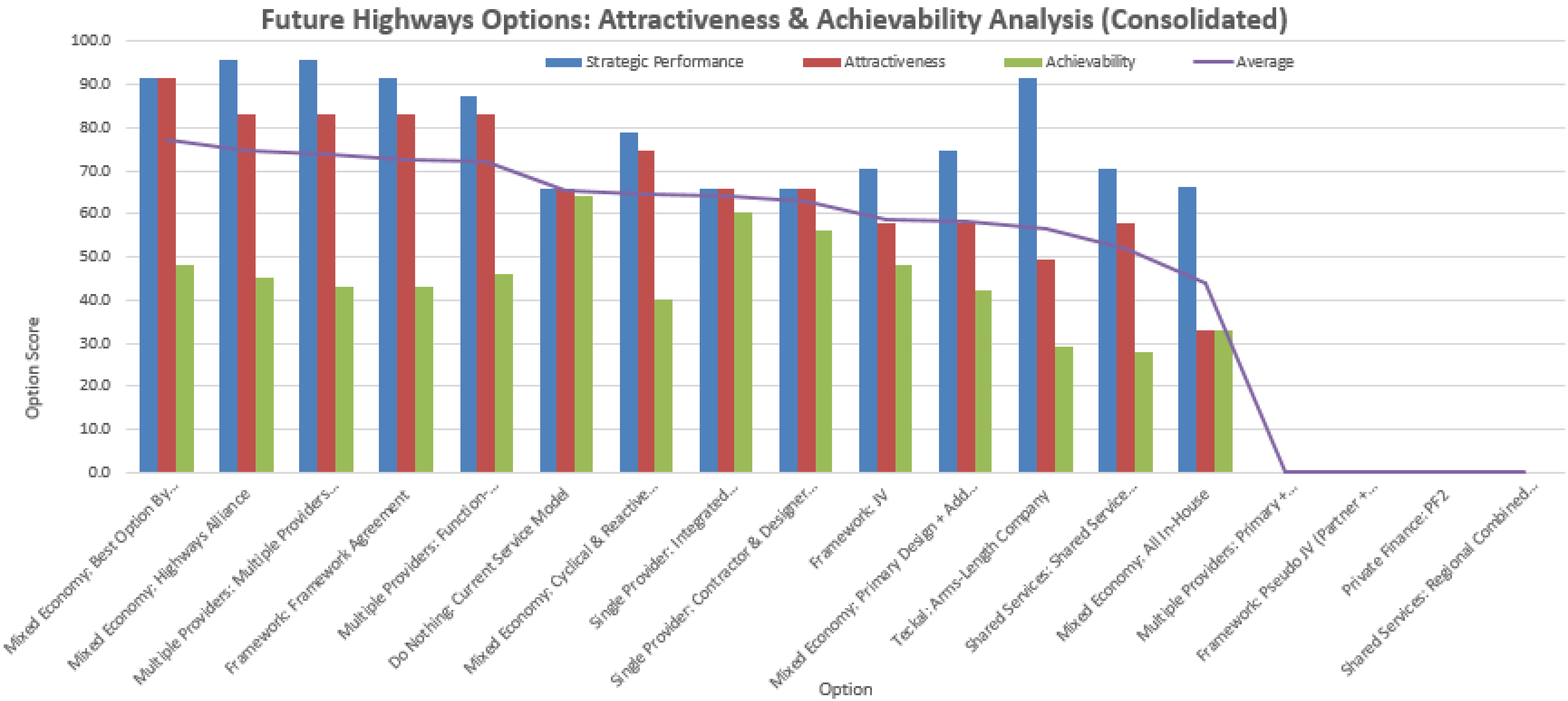
#	Complexity (Inherent Risk)	Capability & Capacity	Affordability	Authority Readiness	Provider Readiness	Sector Success Stories	Governance & Reporting	Partner Management	Cultural Alignment	Total	Weight-Adjusted Score
1	100	66	100	66	66	66	66	66	66	74	64
2	66	66	66	66	66	66	66	66	66	66	56
3	66	66	66	66	100	66	66	66	66	70	60
4	33	33	33	33	66	66	33	66	100	51	43
5	33	33	33	66	66	66	33	66	100	55	46
6	0	0	0	0	0	0	0	0	0	0	0
7	33	33	33	33	66	66	33	66	100	51	43
8	33	33	66	66	100	33	66	100	33	59	48
9	0	0	0	0	0	0	0	0	0	0	0
10	33	33	0	33	33	33	66	100	33	40	29
11	0	0	0	0	0	0	0	0	0	0	0
12	33	0	0	100	33	66	66	100	100	55	40
13	33	33	33	66	66	66	33	100	100	59	48
14	33	33	33	66	66	66	33	100	66	55	45
15	33	0	0	66	0	66	66	100	100	48	33
16	33	33	33	66	33	66	66	100	66	55	42
17	33	33	33	33	33	33	33	33	33	33	28
18	0	0	0	0	0	0	0	0	0	0	0
Factor Importance	100	100	100	75	100	75	25	50	75		
Average Factor Score	33	28	29	46	44	46	40	63	57	32	26

Position Analysis

#	Attractiveness, Achievability & Strategic Performance	Rank
1	65.4	6
2	62.7	9
3	64.0	8
4	73.9	3
5	72.1	5
6	0.0	15
7	72.5	4
8	58.7	10
9	0.0	15
10	56.7	12
11	0.0	15
12	64.7	7
13	77.1	1
14	74.6	2
15	44.1	14
16	58.1	11
17	52.1	13
18	0.0	15

Key: Anticipated Performance	
	Not Applicable (In This Context)
0	Critical Issue / Barrier to Implementation
33	Poorer Than Current Performance
66	Unknown or Parity (At Best) Performance
100	Parity Or Better Than Current Performance

Ranking Service Delivery Options



Future Service Delivery – Top 6 Options

Option	Rank	Summary Observations
Best Option by Function/Service	**1**	Specialist providers would give us a greater focus on quality and innovation and enhance resilience. We could also exercise greater control than under the managing agent model. The complexity and cost of transition could be significant.
Highways Alliance	**2**	Similar advantages and challenges as the top ranked option. Cultural alignment may be a little more challenging under this option but partner management and scalability would be optimised.
Multiple Providers	**3**	More challenging to manage but would enable a greater local focus and engagement with SMEs. Competition should drive more innovation, efficiency and outcomes. Politicians may not favour this option and the cost of transition could be significant.
Function Orientated Service Providers	**4**	Very similar profile to the top ranking option with the latter being perhaps a little more favoured by stakeholders due to the in-house element.
Frameworks	**5**	Similar profile to Multiple Providers but the latter promotes more ownership across providers and therefore perhaps more drive to innovate.
Current Service Delivery Model	**6**	This option scored very similar to the Integrated Model. There would need to be a considerable investment to roll over the current arrangement match fit for the future, but this investment would still be less than to transition to any other model.

Future Service Delivery – Lower ranked Options

Option	Rank	Summary Observations
Cyclical & Reactive In-house	**7**	Good fit against strategic objectives, but may reduce agility and innovation. The critical barrier however would be the cost and complexity of transition.
Contractor + Designer (Integrated) **Contractor + Designer (Separate)**	**8** **9**	Similar profile to current operating model. A less good fit with strategic objectives than multiple or functional provider models but less costly and complex transition.
Joint Venture	**10**	Reasonable fit with strategic objectives but costly and complex transition with poor cultural fit. No notable success stories elsewhere in the sector.
Primary Design + Add on	**11**	Good fit against strategic objectives, but may reduce agility and innovation. The critical barrier however would be the cost and complexity of transition.
ALMO	**12**	Very good fit with strategic objectives but costly and complex transition with poor cultural fit. No notable success stories elsewhere in the sector.
Shared Service	**13**	Complex and costly transition with little appetite across local authorities or providers. No notable success stories elsewhere in the sector.
All In-house	**14**	Good fit against strategic objectives, but may reduce productivity and innovation. The critical barrier however would be the cost and complexity of transition.