

Highways Asset Management Integrated Service (HAMIS)

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Background

- In 2001 BWDBC entered into a strategic partnership with Capita Symonds covering 'white collar' highway maintenance functions
- The blue collar workforce as the Council Direct Labour Organisation (DLO) acting as the contractor.
- Technical engineering client team under a different management structure, located in a separate building



Review of this traditional setup

- There was an embedded 'traditional' culture within the highways team, which went against the progressive leadership of the Council.
- A Highways review group was formed of senior Directors to explore and understand how does the DSO operates now and what can be improved. The group will consider:
 - What is happening now ? (baseline the existing service provisions)
 - What needs fixing ? (identify the good and bad practice)
 - Identify the blockages –(constraints to improving the service)
 - How can we fix them? –(provide options for service improvement)

Problems identified

- Lack of communication processes between the two teams was breeding inefficiency in programming and an inability to manage the budgets effectively.
- The two teams were based in separate locations and on two different data management systems, making the flow of information increasingly difficult.
- Budget management and ownership of problems had become blurred after a series of changes in management and financial structures.



Problems identified

- Changes in pay following a Job Evaluation, including the loss of the bonus scheme, had a negative impact on morale and a drop in productivity.
- Low job satisfaction was further amplified due to reduced highways budgets and the reactive nature of the work to deal with third party claims.
- There were Serious Health and safety concerns, requiring systems development and implementation and comprehensive training for operatives.
- Aging workforce in need of training and development
- No focus on life cycle asset management
- Lack of programming and no completion target dates

These resulted in 'poor Quality Work' with 'Low Productivity Levels' operating with an unacceptably 'High Risk tolerance'

Options considered

1. No change
2. Outsource DSO
3. Outsource Client function and DSO to a private sector partner
4. Integrate the Client function and DSO into a single Department

In considering the options the council set the following objectives for the scheme:

- Job security
- Service improvement
- Efficiency savings
- Risk Management

Agreed Solution

- Option 4 was chosen by BWDBC Highways review group
- This option integrated the Client/consultancy function and DSO into a single department
- Appoint a 'Head of Service' to drive cultural change delivering improvement and efficiencies, as the industry expert to deliver private sector outcomes.
- The team re-branded as HAMIS (Highways Asset Management Integrated Service)
- This team will be co-located and based at the depot.

HAMIS objectives

Risk : Address the current Health and safety concerns

Quality : Improve specifications and up Skilling of workforce

Efficiency: Improve operational outputs and utilisation of all available resources.

Growth: Deliver a broader scope of works currently outsourced due to lack of capacity.

HAMIS Efficiency Savings

The HAMIS initiative will deliver **£2.9M** in efficiency savings over a 6 year period, averaging 20% of the, with improved performance and productivity.

This efficiencies savings are generated by:

- Plant – rationalisation of the fleet
- Materials – More effective procurement
- Sub contractors – rationalisation of suppliers
- Staff – increasing productivity to generate capacity
- Growth – Delivering work previously contracted out from additional capacity

Increasing Productivity

Operatives and productivity improved through

- Effective programming to reduce staff 'down time'.
- Enhanced job scheduling to ensure plant utilisation is optimised.
- Up Skilling of staff to increase capacity.
- Integrated management of resource.
- Shared data platform.



Challenges

- Cultural barriers addressed through co-location and team development
- Varying employment terms managed through strong leadership
- Regular engagement with all team members operatives and staff
- Regular programming and progress reviews
- Strong leadership support through governance arrangements

HAMIS Benefits

- No TUPE.
- Job security.
- Efficiency savings, allowing for reinvestment.
- HAMP focus – more planned, less reactive highway maintenance.
- Risk Management approach – reducing residual risk to the Council.
- Embedding private sector skills.



HAMIS Two years on!

- HAMIS was mobilised on 4th January 2011
- The two existing teams reorganised, integrated and co-located in one open plan office.
- A new structure developed with staff placed in posts where they could best demonstrate their strengths.
- Clear job roles, responsibilities and objectives established.
- H&S and Quality systems established with training plans for all staff and operatives.
- Monthly News Bulletins were issued to update the HAMIS team and the Council of progress.
- Savings have exceeded the original targets and have delivered almost a £1M in savings to date.

HAMIS two year on!

- Processes were re-engineered from inception to completion, identifying and eliminating duplication, delays and inconsistencies.
- The existing knowledge and experience from the contracting team in developing work programmes and implementing new initiatives fully utilised.
- Where inconsistency and gaps in knowledge were identified an exchange programme was arranged with Salford City Council.



HAMIS one year on!

- A single joint programme of works was developed and maintained to best utilise all available resources.
- A series of programme and management meetings were created to ensure clear communications.
- One shared data platform established for live and accurate information.
- Additional work delivered by the HAMIS team by creating additional capacity include the highways works at Darwen Academy, Haslingden road highways improvements and Cardwell place

Audit and Assurance

- In March 2010, A&A were requested to conduct a review of the way that Highways Maintenance expenditure was managed, with particular emphasis on the budget monitoring and financial management controls. The final report gave **LIMITED** assurance and made 14 recommendations improvement.
- In September 2011, a follow up was conducted by A&A. Based on the results of the work carried out as part of this review, A&A gave **MODERATE ASSURANCE** on the system now in place to control and monitor Highways Maintenance costs.

HAMIS year 1 results

Areas	Actual 09/10	Target 10/11	Actual 10/11	Comments
Savings in highways budget		£119K	£330K	Overall year one Efficiency
Percentage of reactive to planned maintenance	73%	63.8%	42.9%	More Planned, less reactive maintenance
Increased income on 09/10		30%	41%	
Increase in operatives productivity		15%	26%	Programme and performance management
Reduction in fleet costs		22%	25%	

HAMIS Benefits

- A bold in sourcing model utilising available expertise
- Savings on procurement costs
- No redundancies or TUPE
- Clear accountability in roles for members
- Created capacity for growth
- Variety of work boosting moral of workforce and management
- Secured additional funding
- Members satisfaction increased by 30%
- 20% cashable savings achieved
- A safer environment to work

HAMIS

Q & A

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