
Executive

11 March 2008

Report of the Directors of City Strategy and Neighbourhood Services

City Walls: Maintenance and Restoration Partnership

Summary

1. This report seeks Executive approval for the establishment of a Partnering Agreement between City Strategy and Neighbourhood Services for the delivery of maintenance, restoration and major restoration schemes on the City Walls.
2. A Service Level Agreement will detail the framework and performance standards of the partnership ensuring that this approach will improve the quality, productivity and cost of the service to the Council.

Background

3. York's City Walls are among the longest and best-preserved walls in England. They are a scheduled ancient monument and a Grade One listed building. Visited by over one million people from all over the world every year they are an integral part of the City's image. Originally built as defences, the focus is now on conservation. They are owned by the Council, and their restoration and maintenance is overseen by City Strategy's Engineering Consultancy on behalf of the Assistant Director of Planning & Sustainable Development.
4. The Council carried out a major survey of the Walls and produced a report in 1991 providing the basis of the ongoing restoration programme. While this anticipated a 25 year programme of works, progress has been affected by reduced funding over the years and it is likely that the work identified in the report will take at least another 20 years to complete. Maintenance, due to the same funding problems, only concentrates on health and safety issues so that the Walls remain safely accessible.
5. All of this work is currently carried out by the Neighbourhood Services (NS, formerly Commercial Services Organisation (CSO)) ancient monuments team and comprises:
 - **Maintenance Works:** general repairs and maintenance, including cutting out joints, tamp, grout and point joints, lifting and relaying flags, copings and steps, removing graffiti, repairs and repainting of railings, gates and other ironwork, repairs to locks, weeding and removal of drug litter and emergency call out. The basic annual budget for this is £15.3k.

- **Restoration Works:** as for maintenance works, plus erection of working scaffold and temporary walkway, installation of tie bars, underpinning piers and buttresses, as required in the Council's long term restoration programme for the City Walls. The basic annual budget for this is £67k which includes design fees of 15%.
6. Due to their status, all work carried out on the Walls must comply with the requirements set out in Scheduled Monument Consents obtained from the Department of Culture Media and Sports (DCMS) through English Heritage (EH). This specifies rigorous standards for both design and implementation of works.
 7. Since the inception of Compulsory Competitive Tendering (CCT) in the early 1980s it has been difficult to find suitable tenderers which can provide the whole range of specialised skills that this service requires. With the expiry of the last contract with NS alternative methods of procurement have been discussed with the Corporate Procurement Team and they have advised that the best way to deliver this service is through a Partnering Agreement.

Procurement History

8. Due to the requirements of CCT, works on the City Walls have been tendered twice, most recently in July 2000 with a five year contract, on the basis of the "most economically advantageous tender" with quality being a major consideration. On both occasions, with little competition due to the limited number of suitable contractors, the CSO won the contract, the first being for maintenance only, and the second for maintenance and restoration. Due to staff shortages in Engineering Consultancy the work was not retendered in 2005 and a waiver was granted for a year. Continuing staff shortages delayed progress and it was agreed with the Corporate Procurement Team that a new arrangement should be in place by April 2008, with NS in the meantime continuing to carry out maintenance work.
9. Major restoration schemes with values beyond the scope of the term contracts have been competitively tendered on approximately 12 occasions since 1990. All but 3 contracts have been won by CSO and the last contract won by a private contractor was in 1998. The most recent contracts won by CSO/NS have been the Railway Arches phases 1 and 2, (combined works value approximately £360k) and the restoration of Robin Hood Tower (works value £190k).
10. The procurement of this service has been the subject of discussion in recent years between the Environment and Conservation, Engineering Consultancy, NS and the Corporate Procurement Teams, with the aim of providing the best quality and value solution for the Council.

Procurement Hierarchy

11. The procurement options for the City Walls Maintenance and Restoration schemes have been assessed against the Council's Service Procurement

Hierarchy, as set out in the Rollo Report 'A Strategy for Assessing Service Procurement Options', with a recommendation on placement of the service at Level Two – existing provider with Improvement Plan.

12. The strategy for assessing this procurement option not only reflects Best Value principles but also looks beyond individual reviews and services to consider an overall view in order to obtain the best possible result for the Council and its customers. Based upon this strategy compliance with the 'Rollo' Report was sought in its guiding principles of transparency, robustness, control and ownership, customer focus, flexibility, affordability, deliverability, and corporate issues.
13. These are addressed as follows:
 - **Transparency:** The issue of transparency is covered through the medium of this report.
 - **Robustness:** Similarly this report addresses the issue of robustness and demonstrates that the proposal provides a long term Best Value solution for the consistent high quality provision of this service to the Council.
 - **Control and Ownership:** The proposals allow the Council to retain sufficient and appropriate control and ownership. This is particularly important in managing a high profile asset such as the City Walls.
 - **Flexibility:** The proposals provide the Council with a flexible service enabling a response to emergency or changed circumstances.
 - **Affordability:** The service will be affordable as expenditure will be dictated by the annual budgetary provision.
 - **Deliverability:** Because the service is managed and delivered completely in house by staff with many years of experience its delivery will be reliable and capable of providing continuous improvement.
 - **Equality:** The Council is committed to providing opportunities for all in line with all relevant legislation without regard to ethnicity, race, gender, religion, sexual orientation, age or disability.
14. Additionally, in accordance with the Service Procurement Strategy, the following Key Service Criteria are required to be addressed:
 - **Lowest quartile price:** Quality is of greater significance than price in providing this particular service. There is difficulty in obtaining competitive pricing due to the specialist nature of the work, but CSO have won two term contracts and approximately nine specific contracts in competition.
 - **Highest quartile quality:** Quality is the overriding requirement in this service and will be achieved by the imposition of consistent standards and continuity of personnel. It is questionable whether highest quartile quality could be achieved with the lowest quartile price in providing this particular service. However best value for the Council will be achieved through a service level agreement and improvement plan,

- **High customer satisfaction:** The City Walls are one of the most visited attractions in York and are also used by many residents on a daily basis. They are highly valued for this reason and the source of very few complaints.
 - **Excellent Health and Safety:** Maintenance of the Walls is vital both for safety and aesthetic reasons and the Council's record in this respect is excellent.
 - **High percentage on time:** Work to the Walls is carried out on both a reactive and planned basis. Work is invariably carried out on time.
 - **Capacity for continuous improvement:** While the maintenance of the City Walls has always been carried out to a very high standard it is acknowledged that there is always room for improvement and this will be addressed in an agreed SLA and improvement plan with the service provider.
15. A report published in 2005 by the National Heritage Training Group, backed by EH and Construction Skills, identified an acute shortage of suitably qualified craftsmen in the construction industry. NS commitment to training and their ongoing maintenance of the walls enables them to provide a properly qualified workforce for this work. Additionally, because the ancient monuments team is part of the larger civil engineering team, they can provide a flexible and responsive service.
 16. The skills available to the Council through their ancient monuments team are irreplaceable and probably unique among Local Authorities. NS actively works with York College to provide suitable training and apprentice positions with a view to continue employing skilled masons. Although they undertake work other than on the walls, they are available to provide this prestige service to a consistent standard. In view of the well documented skills shortage, a long term view of the maintenance and restoration of the City Walls aligned with the remaining restoration programme should be taken to enable this team to remain extant.
 17. It has always been difficult to find suitably qualified contractors for this service. A particular difficulty is finding contractors with the necessary trained workforce and flexibility to provide a reactive specialised response which is often required at short notice to maintain the walls in a safe condition. NS has shown itself to be competitive in both maintenance and restoration work and is able to produce work of a consistently high standard as demanded by the client and EH.
 18. The ancient monuments team are also able to provide specialist skills to NS which enhance and broaden the service that this Directorate is able to provide to its various Council and external clients. In addition to work on the walls they also carry out bridge maintenance and other structural repairs. If the service was transferred to an external provider loss of some staff under TUPE would be likely. This would have the effect of losing the expertise of trained masons in whom the Council has invested, and ultimately the likely loss of the ancient monuments team, to the detriment of service to other clients.

19. For the above reasons, together with the relatively low annual value of the works (£147.3k in 2008/09) and the requirement for a reactive locally based service, the Corporate Procurement Team have advised that the recommended way to provide this service, taking a long term view is through a partnering arrangement between CS and NS. Competitive tendering was the other option considered but this was discarded due to the difficulty in finding suitably qualified contractors.

Corporate Priorities

20. The proposals relate to the following Council corporate priorities:
 - Improve the actual & perceived condition and appearance of city's streets, housing estates & publicly accessible spaces
 - Increase people's skills and knowledge to improve future employment prospects

Implications

21. **Financial:** This service is very small in financial terms compared to the major services referred to in the "Rollo" strategy. The basic annual budgets for the City Walls have remained unchanged and unadjusted for inflation for more than twelve years at £15.3 revenue and £67k capital, the latter including design and supervision fees at approximately 15%. The maintenance and restoration budgets for 2008/09 have been increased to £20.3k and £127k respectively as a result of growth and CRAM bids for Health and Safety works but both additional sums are only available for one year. Previous successful CRAM bids have enabled the restoration of the Railway Arches and Robin Hood Tower and the provision of railings on some lengths. Annual CRAM and growth bids will continue to be made to augment the reducing funding. Grant aid from EH has not been given for some years and is unlikely to become available again. The Partnering Agreement will ensure that the basic funding plus any additional funding that becomes available will be used to provide the Council with a consistent quality of work on the Walls in accordance with the stringent requirements of Scheduled Monument Consents.
22. There would be Human Resources implications if the service was transferred to an external provider with potential loss of staff under TUPE. The expertise of trained masons in whom the Council has invested would be lost, to the detriment of service to other clients e.g. bridge maintenance.
23. There are no Equalities, Legal, Crime and Disorder, Information Technology or Property implications.

Risk Management

24. In view of the low value of the agreement, and that work carried out is dictated by available funding, the risk to the Council is minimal.

Recommendations

25. It is recommended that the Executive approve:
- a) City Strategy and Neighbourhood Services deliver the maintenance and restoration of the City Walls through a partnering agreement .
 - b) That a Service Level Agreement be agreed which will detail the framework and performance standards of the partnership ensuring that this approach will improve the quality, productivity and cost of the service to the Council.
 - c) That this agreement commences on 1 April 2008, and will be reviewed and monitored as detailed in the Service Level Agreement.

Reason: To ensure that the City Walls are maintained to a consistently high standard.

Contact Details

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Report Approved



Date 19 February 2008

Specialist Implications Officer(s)

Financial Information agreed with Patrick Looker

Wards Affected: Guildhall and Micklegate

For further information please contact the author of the report

Background Papers:

None