
MEETING	HIGHWAYS PFI AD HOC SCRUTINY COMMITTEE
DATE	3 JANUARY 2007
PRESENT	COUNCILLORS D'AGORNE, HALL, LIVESLEY, MERRETT, MOORE (CHAIR) AND VASSIE
APOLOGIES	COUNCILLORS SIMPSON-LAING

1. DECLARATIONS OF INTEREST

Members were invited to declare any personal or prejudicial interests which they might have in any of the business on the agenda. No interests were declared.

2. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

3. SCOPING REPORT: HIGHWAYS PRIVATE FINANCE INITIATIVE (PFI)

Members received a report which provided them with the opportunity to discuss and review the remit for the Highways Private Finance Initiative (PFI) scrutiny review. It was noted that the topic originally registered by Cllr Simpson-Laing had subsequently been amended and the remit split into two parts:

- A. To address the urgency of the PFI issue
- B. To ensure thorough investigation of the bidding process

The discussion centred around the objectives of Part A of the review as agreed by SMC at a meeting on 20 November 2006. Members recognised that the timescale for completing Part A was very tight and therefore they agreed to meet informally on 17th and 22nd of January to consider the first three objectives as follows:

- i. To examine the potential efficiencies from a PFI arrangement
- ii. To make recommendations with regard to available alternative options in the event that a PFI outcome was unsuccessful
- iii. To look at the cost effectiveness of those options, including improved ways of working

It was agreed that an interim report detailing findings on the first three objectives and requesting further time for the review, could be presented to SMC on 29 January 2007. Further informal meetings would then need to be arranged for February to consider the remaining two objectives:

- iv. To profile expenditure over the lifespan of the PFI and any associated secondary costs

- v. To understand the cost implications associated with the PFI and its outcome, if successful

Copies of the confidential PFI Expression of Interest submitted by the Council in September 2006 were circulated to Members only at the meeting. It was recognised that it could potentially provide information in regard to the first objective so Members agreed to study the document prior to the meeting on 17th January.

It was recognised that one of the key issues for the Council was how the PFI would be financed. In regard to the final two objectives listed above, some Members expressed concern that about the fullness of financial information made available to Members at the time of agreeing the decision to proceed with the PFI. To help assess that information and consider whether had been properly considered, Members requested that copies of the following papers be made available for the meeting on 17th January:

- Summary of the Best Value Review from June 2001
- Report on 'Highway Services – PFI Option' presented to Urgency Committee on 5 September 2006

Members were informed that other strategies were in place for procuring services upto 2010 after which the PFI would come into play should the bid be successful. The outcome from the submission of the council's Expression of Interest was expected by the end of January 2007 and at that stage the Council would need to decide if the wished to go ahead with submitting an Outcome Business Case (OBC). It was noted that no further costs would be incurred by the Council until work commenced on the OBC.

Members also requested that a expert witness be called upon to give an unbiased view on the PFI process and the Council's decision to proceed. It was agreed they should attend the meeting on 17 January 2007 if possible.

- RESOLVED:
- (i) That informal meetings be held on 17th and 22nd January to progress the review
 - (ii) An expert witness attend the meeting on 17th January, if available
 - (iii) An interim report on the progress with the first three objectives be presented to SMC on 29th January together with a request for more time to consider the remaining objectives
 - (iv) That a final draft report on Part A of the review be presented to SMC on 26th February.

Cllr RICHARD MOORE (Chair)
Meeting started at 4:30pm and finished at 6:10pm