
| | |
|---------|--|
| MEETING | HIGHWAYS MAINTENANCE SCRUTINY COMMITTEE |
| DATE | 7 NOVEMBER 2007 |
| PRESENT | COUNCILLORS MOORE (CHAIR), SIMPSON- LAING (VICE-CHAIR), CREGAN, HEALEY, HOGG, R WATSON AND BLANCHARD |

9. DECLARATIONS OF INTEREST

Members were invited to declare, at this point in the meeting, any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

10. MINUTES

RESOLVED: That the minutes of last meeting held on 28th August 2007 be approved and signed as a correct record with the following amendment to Minute 8 (amendment shown in italics):

- Having no *permanent* Section Head in Highway Infrastructure had resulted in there being limited progress made between February 2002 and June 2003.

11. PUBLIC PARTICIPATION

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

12. INTERIM REPORT FOR HIGHWAYS MAINTENANCE PROCUREMENT & PFI REVIEW (PART B)

Members considered the Interim Report for Highways Maintenance Procurement and PFI Review.

The Director of City Strategy answered questions from Members as set out in Annex D of the report; he gave the following responses to the questions tabled by Councillor Merrett:

Question 1 In terms of the internal management of the Highways Maintenance Procurement Process the designated lead Officer was the head of Highways and Street Operations. The progress of the implementation programme was monitored by Chief Officers.

Question 2 There had always been a Head of Highways infrastructure, but at the time in question he had been seconded into

another post. The post was temporarily covered by Ray Chaplain. The Directorate was undergoing a major restructure at the time and in April 2006 Paul Thackray was appointed to the post on a temporary basis and in June 2006 was appointed on a permanent basis.

Question 3 At the time it was thought that a 1½ year timescale was a reasonable timeframe for this process. There were certain complexities being experienced at York regarding the way the contract would be apportioned and this led to the process being delayed for over a year. It was now known that it was advisable to define the scope of the process much earlier and not mix internal and external tenders. The decision on whether to retain in-house services as opposed to external services was a decision that should have been made at an earlier stage in the process.
The Best Value Review findings had not been specific enough and did not indicate the way forward thus leaving much room for debate.

The Director of City Strategy responded to Councillor Healey's questions as follows:

Question 1 When the funding of the dedicated Project Manager was declined in 2002/03 the Officers continued with the Best Value Review work. The lack of a Project Manager did not have a significant effect on paying back the Venture Fund but was significant in relation to other issues.

Question 2 The total amount borrowed was £433k and this was provided over 2 years:

- £162k in 2003/04
- £271k in 2004/05

Repayments were originally scheduled over 2 years:

- £250k in 2005/06
- £183k in 2006/07

To date the payments made are:

- £80k in 2005/06 (from directorate underspends)
- £225k in 2006/07 (£100k from the budget and £125k from capital underspend)

Proposals to finish repayments are:

- £50k in 2007/08
- £50k in 2008/09
- £28k in 2009/10 (but we will try to clear the debt in 2008/09)

The expectation is that we will therefore finish repaying the loan 2 years later than originally planned.

Question 3 It has been a long established principal of City of York Council that any savings made go back to a central pot and everybody can apply for some of that money. The monies used to set up the Street Environment Service were monies that could be realised from savings over time. The Directorates were very different at the time that the Street Environment Service was set up and since then there had been enormous changes including a very large departmental re-organisation. The 2003 elections had led to a change in direction for the City of York Council and the ultimate creation of the Neighbourhood Services Directorate.

The Assistant Director of City Strategy updated Members in relation to the Council's Expression of Interest (EOI) and the Private Financial Initiative (PFI). He reported that credits had been allocated to Birmingham City Council but believed that more credits would be made available in the future. The Department for Transport (DfT) had appointed a new local liaison Officer and there had been frequent meetings with them about some of the issues that the Council faced. It was reported that if City of York Council were successful and decided they wanted to continue there would be a significant risk attached to the procurement process.

RESOLVED: Having considered the information provided by Officers at the meeting and within the report and annexes Members concluded that:

1. There were delays in implementing the actions agreed as part of the Best Value Review, but these were not considered unnecessary.
2. This had an impact on the Venture Fund and payments had to be restructured.

REASON: To clarify if there has been any financial loss to the Council caused by delays in the procurement process since 2003.

Councillor R Moore, Chair
[The meeting started at 6.05 pm and finished at 7.05 pm].