

## Highways Maintenance Ad-Hoc Scrutiny Committee

28 August 2007

### Interim Report for Highways Maintenance Procurement & PFI Review (Part B)

#### Background

1. In coming to a decision to review this topic, the Scrutiny Management Team recognised certain key objectives and the following remit was agreed for Part B of this review:
2. Aim  
To examine how the Council can fund the PFI and gain an understanding of the alleged financial loss to the council caused by delays in the procurement process since 2003.
3. Objectives  
The above aim to be achieved through the following objectives:
  - To examine the financial information that was provided to Urgency Committee in September 2006 including the key financial risks highlighted within the report.
  - To investigate the figures included in the report which advised Members to go ahead with the PFI approach to Highways Maintenance Procurement.
  - To compare the actual cost to the Council since 2003 in respect of Highways procurement to the costs originally included in the Best Value Review of 2001 and examine the managerial processes put in place to implement the savings and agreed actions.

#### Consultation

4. On 20 June 2007 the Ad-hoc Scrutiny Committee considered a scoping report for part B of this review. The Assistant Director of City Development and Transport updated Members regarding the Expression of Interest (EOI) and provided additional information detailing the 11 improvement objectives set and the outcome of the Highway Maintenance Best Value Review. Members queried the timescales involved and in order to understand the delays in implementing the savings and actions agreed as a result of the Best Value Review, requested a timeline of dates of decisions made in relation to Highways PFI & Procurement.

## **Information Gathered**

5. The Head of Highways Infrastructure has provided a table detailing the timeline of events since the Best Value review with includes a note for each and the Executive reports and decisions made - see Annex A attached.
6. Work is also ongoing to provide Members with a report on the Local Highway Efficiency Toolkit and Benchmarking. This is scheduled for presentation at the next meeting of this Ad-hoc Scrutiny Committee on 24<sup>th</sup> October 2007 together with details of which of the objectives agreed as part of the Best Value Review have been fully implemented and reasons why others have not.

## **Options**

7. Having regard to the remit for Part B of this review, Members are asked to consider the information provided and agree what further information they need to be able to conclude this review within the agreed timeframe.

## **Implications**

8. There are no Financial, Human Resources, Equalities, Legal, Crime and Disorder, Information Technology or Property implications associated with this report.

## **Corporate Priorities**

9. It is recognised that this review could contribute to improving 'the actual and perceived condition and appearance of the city's streets and open spaces' by helping to improve the Council's procurement arrangements for highways maintenance. In rationalising our procurement arrangements, it could also help to improve our organisational effectiveness.

## **Risk Management**

10. In compliance with the Council's risk management strategy, there is a risk associated with not keeping to the agreed timetable as this would affect the focus of the review and the progress of the Scrutiny Workplan.

## **Recommendation**

11. Having considered the information provided within the report and by officers at the meeting, Members are asked to conclude:
  - whether or not there have been unnecessary delays in implementing the actions agreed as part of the Best Value Review
  - If there have been unnecessary delays, whether this has resulted in a loss of the savings identified in the review.

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

**Contact Details**

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**Interim Report Approved**

**Date** 16 August 2007

**Wards Affected:**

**All**

**For further information please contact the author of the report**

**Background Papers**

**Annexes: *Annex A* – Table of Events**