

Highways Maintenance Ad-Hoc Scrutiny Committee

24 October 2007

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

Background

1. In coming to a decision to review Part B of this topic, the Scrutiny Management Team recognised certain key objectives and the following remit was agreed:

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.

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
2. At a meeting on 28 August 2007 the Assistant Director of City Development and Transport updated Members that the Council's Expression of Interest (EOI) and the Private Financial Initiative (PFI) contract were both on hold and that it was unlikely that there would be any news on the EOI before December 2007.

Consultation

3. Also at the meeting in August 2007, a table was provided detailing the timeline of events since the Best Value Review, which highlighted Members main concern about the length of time taken to realise the savings identified by the review.

4. The Assistant Director of City Development and Transport responded to questions raised and as a result Members recognised that in order to prevent similar problems and delays with any future projects there were a number of steps that could be taken:
 - Resourcing of major projects be prioritised across the Authority within all relevant departments i.e. Legal, Resources and Property Services.
 - A steering group be formed, made up of Members and key Officers from relevant departments.
 - Finance be made available to appoint a Project Manager.

Information Gathered

5. A report on the Local Highway Efficiency Toolkit, and information on the Benchmarking of Highways Maintenance Services, has been circulated in advance of this meeting so that Members could familiarise themselves with the content - see Annexes A & B.
6. The Head of Highway Infrastructure has also provided an update outlining the outcomes for each of the improvements actions in the original Highway Maintenance BVR see Annex C.
7. Finally, at the request of Members, the Director City Strategy will be in attendance at this meeting to respond to a number of additional questions raised in relation to the perceived delays. These have been circulated to the Director in advance of this meeting and a list of these is shown at Annex D.

Options

8. Having regard to the remit for Part B of this review and in order to conclude it within the agreed timeframe, Members may decide that:
 - i) further information is required or;
 - ii) all the information has now been made available from which to form and agree some recommendations

Implications

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

Corporate Priorities

10. 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

11. In compliance with the Councils 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

12. Having considered the information provided by officers at the meeting and within the report and annexes, 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** 12 October 2007

Wards Affected:

All

For further information please contact the author of the report

Background Papers

Scoping Report of 20 June 2007
Interim Report of 28 August 2007

Annexes:

Annex A - Information on the Local Highway Efficiency Toolkit,
Annex B - Information on the Benchmarking of Highways Maintenance Services
Annex C - Outcomes of Best Value Improvement Objectives and Actions
Annex D - List of Additional Questions