

Agenda Item 39.

TITLE	Review of Delivery Options for the Highways and Transport Service
FOR CONSIDERATION BY	Overview and Scrutiny Management Committee on 2 November 2015
WARD	None specific
DIRECTOR	Heather Thwaites, Director of Environment

OUTCOME / BENEFITS TO THE COMMUNITY
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A high quality and cost effective highways and transport service
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RECOMMENDATION

Note the progress of the project.

SUMMARY OF REPORT

The review is continuing to make progress and will report back again in early 2016 to this committee.

Background

The Highways and Transport Service is delivered jointly through the Wokingham Highway Alliance. The Alliance is an informal partnership between WSP, Balfour Beatty Living Places (BBLP) and Wokingham Borough Council. Both WSP and BBLP deliver services through term contracts. Both contracts started in April 2008 and have terms of 10 years with up to a 5 year extension.

Review

A project group has been set-up to review the options for delivery of the service post April 2018. A report to this committee in March 2015 set out the objectives of the review and the primary options for delivery post 2015.

The review has looked at a number of options for how the service could be delivered and the procurement opportunities for these options. The following criteria were used to assess the suitability of options...

- Drives vfm (incl attractive to the market)
- Facilitates regeneration, economic growth; housing
- Supports the local economy / SMEs
- Generates Social Value / utilises Community Capital
- Provides opportunity for benchmarking / challenge
- Maintains / enhances support to Members
- Feasible, viable and sustainable
- Able to respond to fluctuations in budgets
- Flexible, resilient and capable of adapting to change
- Allows and encourages Agile Partnering
- Compatible with Commissioning Authority / outcome working
- Capable of forming the basis for Combined Authority / Joint Working
- Reputation
- Staff / TUPE
- Ease of Management
- Continuity

From an initial list of 6 options the group has now focused on three

- A. Re-let the existing Works Services (BBLP) and Professional Services (WSP) contracts. The new contracts would include more (higher value) capital works and a more outcome-focussed specification.
- B. Re-let the existing Works Services contract to include more (higher value) capital works and a more outcome-focussed specification (as in Option A) but let a multi-client Professional Services Framework with no more than three suppliers.

Options A and B risk an increase in cost as the market appears to be different to when these contracts were originally let. Option B would allow “mini tenders” for professional services work but there is a client cost in managing this.

- C. Extend one or more of the existing contracts on the condition that BBLP and / or WSP sign up to Agile Partnering throughout the extension (including revisiting the payment mechanism). The extent of change achievable under Agile Partnering

will, to an extent, be limited by the original OJEU Notice. Should only one contract be extended, then the other contract would be re-let as in Option A or B above.

Option C affords WBC time to develop further options that may involve other authorities.

Next Steps

The programme of review is expected to be largely complete by early 2016 with a view of reporting to executive before the end of this financial year. This allows us complete flexibility with regards to options for service delivery post 2018 as it would allow us the time to carry out any procurement if that is deemed necessary.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	0	0	
Next Financial Year (Year 2)	0	0	
Following Financial Year (Year 3)	0	0	

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

N/A

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Date 21 October 2015	Version No.

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