

MEETING OF HIGHWAYS AND COMMUNITY INFRASTRUCTURE POLICY AND SERVICE COMMITTEE: MINUTES

Date: Tuesday 1st September 2015

Time: 10:00am-12.15pm

Present: Councillors Ashwood, Butcher, Criswell, Frost (substituting for Cllr Connor), Gillick, Hickford (Chairman), Hunt, Moghadas, Palmer, Reeve (Vice-Chairman), Rouse (Items 128-135 only), Scutt and Taylor

In attendance: Councillor Tew

Apologies: Councillor Connor (Cllr Frost substituting)

128. DECLARATIONS OF INTEREST

There were no declarations of interest.

Councillor Hunt declared an interest as a Member of East Cambridgeshire District Council in relation to items 133 and 134.

129. MINUTES AND ACTION LOG

The minutes of the meetings held on 26th June and 7th July 2015 were confirmed as a correct record and signed by the Chairman.

The Action Log was noted.

130. PETITION

There were no petitions.

131. HIGHWAY SERVICES CONTRACT EXTENSION

The Committee considered a report on a proposal to extend the existing Highways Services Contract. The Contract had been awarded to Atkins in 2006 and later assigned by Atkins to Skanska in 2013. It covers the Council's routine and ongoing maintenance, together with capital maintenance and improvements, and provision of professional services, such as transport planning. The Contract was for a fixed period of ten years and due to expire on 3rd September 2016. However, in order to undertake a more comprehensive competitive dialogue process for the new strategic partner contract that will replace the current contract, officers were recommending that the current contract be extended for seven months, to enable them to find the

right partner, to meet the Council's intended outcomes and provide flexibility, especially with regard to ensuring continuity of the winter maintenance season.

Legal advice had been sought and Counsel had confirmed that extending the existing contract by up to 7 months was acceptable under the relevant legislation, the Public Contracts Regulations 2015. Both Atkins and Skanska had indicated that they were happy to extend the contract by seven months.

Individual Members raised the following points:

- given the length of the Contract, asked why had the Council not undertaken this work earlier? Officers advised that a commissioning cycle approach had been adopted, starting in October 2013. However since that time, the public sector environment and funding had changed considerably. A variety of options had been investigated, including a number of different partnering options. However, it had since transpired that some of these options were not legally feasible. As a result of the Options Analysis, the conclusion had been reached that a longer term partner was required, as previously approved by Committee, and, given the long term nature of the contract, it was important to get that right;
- asked why officers would work on something for six months only to find that it was not an option legally. Officers advised that this was new territory, and that these type of arrangements had not been tried before. Members were advised that this work had been undertaken with minimum external resource to keep costs within budget;
- Councillor Butcher commented that whilst he understood the rationale behind the extension, he was disappointed: he had been the Chairman of the Enterprise, Growth & Community Infrastructure Overview & Scrutiny Committee some years earlier, at a time with that Committee had reviewed the Highways Contract process in detail. Members of that Scrutiny Committee had been reassured that there was plenty of time to consider the retendering of the contract, and that Members would be kept involved in that process. Officers advised that although the political system had changed, the Highways Contract was a standing item on the Spokes agendas, and Spokes had been kept regularly updated on progress. In addition, as previously agreed by committee, the Committee or Vice-Chairman sits on the Project Board since April 2015;
- asked why the situation was “unprecedented” and what lessons had been learned. Officers explained that the main area that had been explored was whether an existing highways contract with another authority could be shared by another authority in a partnership arrangement. Members were reminded that they had previously agreed to take a more strategic approach to the Highways Contract, with the primary driver for that approach being savings – not just the cost of the Contract, but also the operation of the Contract. A judgement had to be made about getting the Contract absolutely right, versus meeting the existing timescales. Officers' recommendation was to extend the timescale, rather than putting pressure on the process and possibly having an unsatisfactory outcome;

- commented that better monitoring of the Contract needed to be done by Members, and greater Member involvement in the process was required more generally;
- suggested that the Council needed to get rid of massive contractors and multiple layers of sub-contracting, in favour of more control, and more direct communication. The Member also expressed concern for those people who actually do the work, and the potential for them to lose their jobs and livelihood. Officers commented that the intention of the contract extension was ultimately to benefit both the Council and communities;
- queried the risks to the authority of not extending the contract. Officers advised that whilst not essential, it was felt that the extension would have benefits for the Council and its communities. The greatest risk of not extending was that the Council could end up with the wrong partner as a result of not having sufficient time to evaluate different service providers, and identify different ways of delivering against the numerous challenges going forward. Whilst it was likely that less than seven months would be required, that period had been chosen so that there would not be a change in Contract in the difficult winter service period;
- stressed that it was important to keep Members involved in the process, and to provide Members with a firmer accountability on timescales. Officers indicated that they were happy to arrange Member briefings;
- observed that this issue had arisen ultimately because of Member involvement, noting that Spokes had regularly received reports and given officers a clear steer that they were looking for a more flexible arrangement with the Highways Contract, in addition to the opportunity for more savings and for breaks in contract, and to explore opportunities with other authorities. He felt it was testimony to officers' success that they had been able to negotiate an extension with current contractors.

A Member proposed an amendment to recommendation (ii) so that it read “...*in consultation with the Chairman or Vice Chairman*”. Members voted unanimously in favour of this amendment.

It was resolved to:

- (i) approve the extension of the existing Highway Services Contract with Atkins/Skanska until 31st March 2017 and commence the new Highway Service on 1st April 2017;
- (ii) authorise the Head of Assets and Commissioning, in consultation with the Director of Law, Property and Governance, and the Chairman and Vice-Chairman, to prepare, agree and complete all necessary documentation to implement the decision.

132. CAMBRIDGESHIRE HIGHWAYS ANNUAL REPORT

The Committee received a copy of the Cambridgeshire Highways Annual report for 2014/2015. It was noted that nearly £2 million of efficiency savings had been realised in a variety of ways, including new methods and processes, bringing more activities in-house, making better use of plant and reusing materials. Highlights including the Council's involvement in the Tour de France were noted.

A number of Members expressed surprise at the high degree of customer satisfaction recorded (97%), commenting that they had many dissatisfied residents, and they gave examples of the concerns from their local areas. It was agreed that there would be a report to Spokes on the Customer Satisfaction Survey process.

ACTION: R Lumley.

Concern was also expressed regarding some sections of the Report, which Members felt were potentially misleading e.g. references to Ely Southern Bypass being "designed and delivered", when the reality was that the *design stage* of the project had been completed and delivered. Members asked officers to check the Report for any further such references. **ACTION: R Lumley.**

A Member expressed concerns on the delays to the Ely Southern Bypass project, which resulted from lack of progress on internal processes. He also challenged the lack of Member involvement and information provided to Members, both on this project and more generally.

A Member welcomed the new pothole patching vehicle which had been introduced, and asked for more information, commenting on the poor state of some pothole repairs she had witnessed. Officers advised that the pothole patching vehicle had been used in Sweden very successfully, and was being trialled across the county, with good feedback. The Member also asked for more information on highway fault reporting, as she had heard of problems with the existing system, although her own experience had been positive. Officers advised that a new system was being introduced, and an item would be presented to Spokes on 03/09/15. More broadly, since the start of April this year, the approach being taken is as per the County's new Asset Management Strategy and associated Highway Infrastructure and Asset Management Plan. This strategy seeks to implement a more comprehensive approach to improving road surfaces.

It was resolved to:

note the performance of the highways contract.

133. LIBRARY SERVICE TRANSFORMATION – INCOME GENERATION

The Committee considered a report on work undertaken to explore opportunities for income generation. There was a proposal to establish a Member Reference Group, to advise on income generation as part of the Library Service Transformation Programme.

Debating the proposed Terms of Reference, some Members commented that their understanding was that the Group would involve not only Members, but also service users (including Friends Groups from across the county) and staff. It was pointed out that the name of three community representatives had already been put forward at a recent Spokes' meeting. Other Members suggested that those individuals should be co-opted, and other individuals could be consulted as necessary, so that the Group was small and focused. Members debated the merits of these options at length. Individual Member also put forward the following points:

- commented that it was Local Members' role to gather the views of their local libraries and residents, Friends Groups, etc, and present these to the Reference Group;
- suggested that the Group could consider not just income generation but also cost savings, both in Cambridge Central Library and at libraries across the county;
- stressed that it was up to Members, not officers, to determine how the Reference Group was run;
- highlighted the urgency of this issue, and cautioned against having a large, unwieldy group, which could make meetings difficult to arrange and long, and stressed that the Group should have the capacity to co-opt and consult others as required;
- suggested that libraries should seek to diversify e.g. exhibit art works, possibly with the support of local businesses;
- noted that the Group did not have to reflect the Council's political proportionality.

Various nominations were put forward for membership. Officers agreed to check that Councillor Cearn was willing to sit on the Group. **ACTION: C May.**

It was resolved unanimously to:

1. agree the draft terms of reference, as amended;
2. nominate Councillors Ashwood, Cearn, Gillick, Harford, Moghadas, Reeve, Rouse, Scutt and Taylor to the Member Reference Group;
3. agree to be kept updated on this issue through a standing item at every Highways & Community Infrastructure Spokes meetings.

134. SERVICE COMMITTEE REVIEW OF THE DRAFT 2016-17 CAPITAL PROGRAMME

The Committee received a report on the draft Business Plan Capital Programme for Economy, Transport and Environment for 2016/17. It was noted that the capital and revenue elements would ultimately be presented as part of the Business Plan to full Council, which would be submitted for consideration early in 2016. It was stressed that the capital schemes presented were proposals.

Members noted with considerable concern the increase in the estimated costs of the Archives/Ely Hub project, from £4M to over £6M. They asked if this was because the original estimate was incorrect, or if it reflected the costs of additional services now being included in the Ely Hub. Officers advised that the reasons for the changes were not clearcut e.g. the proportions which related to additional costs from

Noble House staff transferring in, whether any savings would be realised from vacating Noble House, and what proportion reflected a change in estimated costs.

Individual Members made the following points:

- expressed strong concern that this significant increase had almost been hidden in a routine report, and had not been shared with Spokes or at least the Committee Chairman prior to the report being published. It appeared to have been presented as a fait accompli, not a proposal. The Committee would need to see much more detail before it could endorse the Ely Hub proposal with such an increase in costs;
- pointed out that Members had supported the proposal for Archives to move to the Ely site, and not for a 'Ely Hub' to include other services. It was vital that the detail and a proper business case was presented so that Members have all the information available to make a decision on this proposal;
- commented that this was symptomatic of a culture where information was not being shared with Members, as had been the case with the Cambridge Library Enterprise Centre. The Member suggested that officers must have been aware at some point before the report was published that the original estimates were incorrect, but this had not been shared with the Committee or Spokes. It was unrealistic and unacceptable to expect Members to agree to a 50% increase in budget without further information or explanation;
- whilst sharing the strong concerns of other Members on the lateness of this information, and the lack of justification or clarity regarding the changes, observed that the project was still considerably cheaper than the original proposal for a new build Archives facility;
- commented that it was regrettable that there was apparent friction between Members and officers, but ultimately Members made the decisions, and they should have the full and clear information on which to make those decisions. Lessons should be learned from this breakdown in the process.

The Chairman instructed officers to draft a report addressing the Committee's concerns, specifically on the costings and justification for increase, and the related issues on timescales and planning. It was agreed that an additional Highways & Community Infrastructure Committee meeting would take place at 10am on Tuesday 6th October, to consider this report, with a view to making a recommendation to the General Purposes Committee on 20th October. It was confirmed that the planning application would not be going to the County Council's September Planning Committee. In relation to the view of the National Archives, it was noted that the original deadline had expired in December 2014, but that TNA were content whilst the Ely project remained on the table as a proposed solution.

On a separate issue, Members noted that it would be necessary to re-tender the self service system in libraries that would no longer be supported by 2018. Members

noted that there had been reductions in library staff previously on the basis of this self service system. A retender for a new system across the county would need to take place.

It was resolved to:

1. Note the overview and context provided for the 2016-17 Capital Programme for Economy, Transport and Environment;
2. Endorse the development of the draft proposals for Economy, Transport and Environment's 2016-17 Capital Programme, with the exception of the Archives/Ely Hub item;
3. Receive a report on the Archives/Ely Hub item at an additional meeting of the Highways & Community Infrastructure Committee to be held on 6th October.

135. FINANCE AND PERFORMANCE REPORT – JULY 2015

The Committee received a report setting out financial and performance information for Economy, Transport and Environment as at the end of July 2015. Members noted that the areas under the stewardship of the Highways & Community Infrastructure Committee were showing a forecast revenue overspend of £220,000. The main overspends were in relation to streetlighting (delay in dimming), libraries (deferral of the Enterprise Centre reducing projected income) and an increase in waste being landfilled.

A review of the more flexible budgets would be taking place, to consider delaying expenditure in certain cases to ensure that the Service is able to break even by year-end.

Five performance indicators were currently 'red', but it was anticipated that none of those would still be red by year end. The reasons for the variances in "Current Budget for 2015-16" were explained. Members reiterated their concerns in relation to the Archives Centre/Ely Hub item under the Capital Expenditure and Funding section of the report.

It was resolved to review and note the report.

136. COMMITTEE TRAINING PLAN

Members noted the Committee Training Plan.

137. AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES

Members noted the Agenda Plan with the following changes:

- Annual Parking Review to go to December Committee meeting;
- Reserve date of 22nd September cancelled and additional date of 6th October agreed, for Ely Hub – capital costs item, and any other items that could be brought forward from the November agenda;

Members agreed the schedule of appointments to outside bodies, as per the report, with the following change: Councillor Topping to replace Councillor Peter Brown on the County Advisory Group on Archives and Local Studies.