

**Report to:** Place Scrutiny Committee

**Date of meeting:** 18 March 2020

**By:** Director of Communities, Economy & Transport

**Title:** Highway Services Re-procurement Project (HSRP)

**Purpose:** To advise the Place Scrutiny Committee of the approach being taken in preparation for the re-procurement of the highways and infrastructure services contract; proposed governance arrangements; and Member engagement throughout the project

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**RECOMMENDATIONS:** The Place Scrutiny Committee is recommended to:

1. note the approach for the re-procurement of the HSRP as outlined in this report; and
  2. form a Scrutiny Reference Group to allow for effective Member engagement throughout the project as outlined in this report.
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## **1.0 Background**

1.1 In December 2015 Cabinet awarded a third-generation outsourced contract for delivery of highway maintenance to Costain Ltd. Costain Ltd formed an unincorporated joint venture with Jacobs (formerly CH2M) to deliver highway services. The contract for Highways and Infrastructure Services (HIS) commenced on the 1 May 2016 and ends on 30 April 2023. The contract is for a fixed seven-year term, and by design no extension mechanism was included in the contract.

1.2 Although there are more than three years of the current contract remaining, the time is approaching to start to consider the arrangements for future highways service when the current contract finishes. The main purpose of this report and the project it kicks off, is to ensure new service arrangements are designed, approved and delivered ready to guarantee business continuity of highways maintenance from 1 May 2023 onwards.

1.3 Any future contractual arrangement will need to consider the medium-term financial outlook and how this can be factored into a contractual arrangement to allow the County Council sufficient flexibility, in the event that further savings are needed in the future and the uncertainties associated with budgets in general. This is an opportunity to build on the 2016 transformation, to further develop and implement a Highways Maintenance Service that reflects the future needs of the County Council and draws from industry best practice.

## **2. Project Governance**

2.1 A Project Initiation Document (PID) has been drafted, defining the project, and establishing how the project will be managed and sets clear objectives and tangible deliverables.

2.2 The PID sets out the governance of the project. The project will be managed in accordance with established project management techniques and in the format of the HM Treasury Five Case Model for writing business cases. The project will be managed by a Project Manager who is responsible for the day to day management and overall delivery of the project.

2.3 An Officer Project Board will be formed and will be accountable for the successful outcome of the project (i.e. securing the next highways contract model). They will support and assist the Project Sponsor, who is the Assistant Director Operations, to collectively monitor and control the project's overall progress and act to escalate or resolve any risks or issues which arise in the course of the project. The Project Board will meet as required to review progress and consider issues raised by the Project Manager or Project Sponsor.

### **3 Key Milestones**

3.1 A preliminary project programme has been drafted indicating the following key activities:

- Establishment of Scrutiny Review Board: March 2020
- Develop Business Case & Procurement Strategy: Spring 2020 – Summer 2021
- Issue Tender Document: Summer 2021
- Award of Highways Contract: Autumn 2022
- Mobilisation: Winter 2022/23
- Start of new Highways Service: 1 May 2023

### **4. Member Engagement**

4.1 Member engagement was a key factor in the commissioning of the current highways contract and similarly will be crucial to the success of this project. Members of the Place Scrutiny Committee in conjunction with the Lead Member for Transport and Environment will inform the selection of the most appropriate service delivery model, and regular briefings over the next three years will enable the Place Scrutiny Committee to make informed recommendations to Cabinet.

### **5. Conclusion**

5.1 Work on the project has just commenced, with specific activities required from March 2020. The Place Scrutiny Committee is therefore asked to note the re-procurement of the future highway maintenance arrangements as outlined in this report and to consider the establishment of a Scrutiny Committee working group to help inform the project and take part in some of the key activities.

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#### LOCAL MEMBERS

ALL

#### BACKGROUND DOCUMENTS

None