



To: All Members and Officers of the  
Prosperous Staffordshire Select Committee.

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**My Ref:**

**Your Ref:**

**Date:**

Dear Sir/Madam,

**Prosperous Staffordshire Select Committee - Wednesday, 12th February, 2014**

I have recently forwarded to you a copy of the agenda for the next meeting of the Prosperous Staffordshire Select Committee.

I am now able to enclose, for consideration at next Wednesday, 12th February, 2014 meeting of the Prosperous Staffordshire Select Committee, the following reports that were unavailable when the agenda was printed.

4. **Infrastructure+ (Pages 1 - 218)**

Report of the Cabinet Member, Economy and Infrastructure

John Tradewell  
Director of Law and Governance

Enc



<i>Local Members Interest</i>
NA

## **Prosperous Staffordshire Select Committee – 12 February 2014**

### **Infrastructure+**

#### **Recommendation**

That the Select Committee consider the report on the Infrastructure+ proposals along with the attached final business case and make any comments and recommendations to Cabinet.

#### **What is the Select Committee being asked to do and why?**

At the Prosperity, Skills and Education Select Committee meeting held on 19 December 2013, it was agreed that the proposals for Infrastructure+ would be presented to the Committee for consideration prior to any contract award decision by Cabinet.

On the 19<sup>th</sup> February cabinet will consider the following recommendations

1. That the County Council enters into a strategic partnership with Amey for the delivery of the County Council's outcomes in relation to infrastructure assets.
2. That the County Council enters into a contract with Amey for the specific elements of service delivery and to establish governance and administration of the partnership.
3. That the Deputy Chief Executive and Director for Place, in consultation with the Cabinet Member for Economy and Infrastructure, be authorised to agree the final details of the scope of services and contract conditions.

The report below sets out a summary of the project, the process undertaken and the proposals and its benefits. A full business case supporting the recommendations is appended to the report.

#### **Report of the Director for Place and Deputy Chief Executive**

##### **1. What is this item all about?**

- 1.1. We are nearing the conclusion of a procurement process to select a partner to deliver services in relation to physical infrastructure.
- 1.2. The approach has been different from traditional construction and maintenance contracts in that the specification has been based around the

achievement of outcomes rather than traditional input/output type specifications.

- 1.3. In order to achieve an outcome based approach a competitive dialogue process has been undertaken and a preferred bidder selected through that process.
- 1.4. This is aligned to the council's approach of looking for new and innovative ways of delivering results in tougher economic times. The process has been challenging for the authority and the bidders as it has been a fresh approach that has challenged the County Council to produce outcome based specifications and for bidders to present solutions that reflect their capabilities but in ways which maximise the outcomes the County Council is seeking.
- 1.5. It is also a different approach in that we are seeking an arrangement that allows growth outside of just the County Council's work area. Acknowledging that there are other clients with a significant role in infrastructure construction and maintenance and benefits can be gained across the public sector and with private sectors clients all to the benefit of economic growth in Staffordshire.

## **2. Why change?**

- 2.1. The current contract for highway maintenance functions comes to an end in April 2014. This contract needs to be replaced or alternative methods put in place.
- 2.2. We can take the opportunity to engage with a partner around delivery of outcomes for the condition and use of the infrastructure for which we are responsible, rather than more traditional input/output type arrangements.
- 2.3. Traditionally infrastructure maintenance works have been delivered across different service areas by different delivery mechanisms. However, this presents a potential opportunity to maximise the benefits from a unified approach to their delivery.

## **3. Why not do this ourselves or replace existing arrangements as is?**

- 3.1. Currently around 80% of the total County Council's spend on infrastructure is with private sector organisations mainly through the existing highway maintenance contract and the Midlands Highway Alliance framework contract.
- 3.2. The advantages from private sector involvement in infrastructure works include economies of scale and lead to cost reductions in HR, Health & Safety, finance and material purchasing. Also developments in IT solutions will allow improved and more effective communications with residents, businesses and Members, these are particularly attractive but expensive for the County Council to implement in isolation.

3.3. Soft market testing work and the procurement process undertaken have demonstrated additional benefits in a different approach by widening the scope of the work from just highway maintenance and including additional clients to be able to access the contract.

#### **4. What outcomes are we seeking?**

4.1. We will create a strategic partnership between the County Council and Amey. This will allow a focus on outcomes to be delivered over the life of the partnership. It will provide the ability for the local authority to be flexible around what it wants to achieve and the financial resources to be employed. It will be governed by agreed outcome measures that can be set in line with financial allocations. It will support the three County Council priority outcomes:

- Be able to access more good jobs and feel the benefits of economic growth
- Be healthier and more independent
- Feel safer, happier and more supported in and by their community

4.2. The specific deliverables of the project are:

- To maintain and improve the condition and usability of our physical assets;
- To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership;
- To involve communities in decisions and delivery of infrastructure;
- To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.

#### **5. What services are in scope?**

5.1. The services within scope of this project are

- Highways maintenance
- Highway improvements and development
- Professional services
- Country parks and rights of way
- Shugborough grounds maintenance

5.2. The associated annual revenue budget is approximately £36m and the annual capital budget is between £42m and £27m over the next five years.

5.3. County Fleet services are significantly involved in the current delivery of these services and impacts and options around these will be further explored and considered during contract mobilisation.

#### **6. What Strategic Options were considered?**

6.1. A number of strategic options for the delivery of infrastructure outcomes were considered by informal cabinet in March 2013. These were

- Status quo: Re-procure a highways term maintenance contract and in house services continue to be delivered in house,
- Integrated delivery of services in scope within “The City Deal” delivery mechanism,
- Physical infrastructure partnership: a strategic partnership based on a contract,
- District-based delivery of services in scope,
- Delivery of services via contracts with multiple providers.

6.2. The infrastructure partnership was selected by informal cabinet but with the option to vary the scope of the services delivered based around ongoing value assessments. An example of this being grass cutting which is currently largely delivered by districts and boroughs in urban areas and many parishes. We would retain the flexibility to extend this into street scene type services if this presented best value.

## **7. What procurement process did we follow?**

7.1. A competitive dialogue process was chosen as we sought a fundamental change to the way we will specify and manage the contract.

7.2. This consisted of a prequalification stage to select five companies to take part in phase one of dialogue and then submit outline solutions. From this, three were selected to develop final solutions. The final solutions were submitted in December 2013 and evaluated by a core evaluation team in December 2013 and early January 2014.

7.3. Amey was selected as the preferred bidder by delegated decision of Mark Winnington on 21 January 2014.

## **8. Who were the bidders?**

8.1. The bidders entering the first dialogue phase were

- AMEY LG Ltd
- Balfour Beatty Living Places Ltd
- Enterprise Mouchel (EM) Ltd
- Kier May Gurney/WSP: MGWSP (unincorporated Joint Venture)
- Skanska Construction UK LTD

8.2. All of these companies are established highway maintenance and consultancy companies with varying degrees of capability in relation to construction and wider professional services.

- 8.3. The prequalification stage assessed their capabilities in terms of technical ability, financial standing, experience of similar work areas and approaches to employee relations and equality and diversity.
- 8.4. The three final bidders were
- AMEY LG Ltd
  - Balfour Beatty Living Places Ltd
  - Kier May Gurney/WSP: MGWSP (unincorporated Joint Venture)

## **9. How were the bids evaluated?**

- 9.1. A core evaluation team was established consisting of the Deputy Chief Executive and Director for Place, Commissioner for Highways and the Built County, Commissioner for Rural County and Head of Place Delivery.
- 9.2. The core team were assisted by specialists from legal, HR and finance and around 40 members of staff from operational teams who worked over the Christmas period to provide valuable insights to the solutions put forward.
- 9.3. Bids were evaluated as follows on both Price/Affordability (Commercial), and Quality (Technical) criteria to identify the proposal most economically advantageous to the County Council.
- Commercial = 40% of overall marks available
  - Technical = 60% of overall marks available
- 9.4. The Project Board agreed the evaluation criteria and shaped its structure to ensure that considerable weighting was given to the Bidder's response regarding how they propose to work with us to achieve outcomes as well as ensuring the demonstration of technical competence.
- 9.5. The scored outcome of the evaluation is shown in figure 9 of the final business case.
- 9.6. All three stages of the procurement and evaluations were audited and all received substantial assurance assessments.

## **10. What are the advantages of the preferred bid?**

- 10.1. The commercial response from Amey was consistently stronger across all elements of the commercial model, with the lowest prices. Their commercial approach ensures that the County Council will achieve best value in maintenance and project delivery, project management costs and continuous improvement plans.
- 10.2. Amey has committed to a reduction in routine maintenance costs of 25% in the first year of the contract. This equates to an ongoing benefit of

£1.87million which, in the first year is offset by mobilisation costs of £0.67million. There are further efficiencies in subsequent years. This will result in direct reduced direct costs to the County Council.

- 10.3. In addition the costing exercise as part of the commercial submission indicates cost reduction of 10% in capital scheme works. This will present non-cashable savings that will allow more work to be undertaken for the capital grants available.
- 10.4. The calculated cost reductions for the first five years of the contract are £21.5m as shown in the table below. These are based on the same level of output being achieved and delivered through efficiency gains.

Continuous Improvement Plan - Cumulative Savings Against Baseline Costs							
Work Area	Baseline 2013-14 £m	Provisional Budget 2014-15 £m	Year 1 2014-15 £m	Year 2 2015-16 £m	Year 3 2016-17 £m	Year 4 2017-18 £m	Year 5 2018-19 £m
Routine Maintenance Crews	6.716	6.716	1.679	1.780	1.880	1.981	2.082
Gully Emptying	0.748	0.748	0.187	0.198	0.209	0.221	0.232
WM - Gritting & Salting	0.877	0.877		0.013	0.026	0.039	0.053
			<b>1.866</b>	<b>1.991</b>	<b>2.116</b>	<b>2.241</b>	<b>2.366</b>
There are additional costs to be met from these savings:							
		Year 1 Mobilisations costs	<b>0.670</b>				
		Cashable Savings	<b>1.196</b>	<b>1.991</b>	<b>2.116</b>	<b>2.241</b>	<b>2.366</b>
Operational Delivery - surface dressing	7.860	4.860	0.486	0.559	0.632	0.705	0.778
Capital Projects	18.025	13.025	1.303	1.498	1.693	1.889	2.084
		<b>Non-cashable Savings</b>	<b>1.789</b>	<b>2.057</b>	<b>2.325</b>	<b>2.593</b>	<b>2.862</b>

- 10.5. It is not possible to give an overall cost of works as this is not definable in advance and is subject to revenue budget allocation and capital grant allocation. The services are based around maximum achievement for budget available rather than cost of a defined service.
- 10.6. The solution includes the introduction of an operating model for reactive maintenance that will reduce repair times and include integration with the County Council's customer relationship management system allowing direct status updates to customers.
- 10.7. This means that people reporting problems will be able to easily see what is happening with the issues they have reported. They will have information in relation to proposed future works. Also they will have more information about how and why work is or isn't undertaken. It is intended that the basis of spending decisions is transparent to communities so they can understand and influence them.
- 10.8. There will be reduced repair times as organisation of the work will be improved through new technology.
- 10.9. The proposal introduces the concept of an Ecosystem model which is intended to reduce the input of the County Council and Amey over the life of the partnership and increase the involvement of business, the community and



the third sector. It recognises the current value of volunteers and seeks to support and help grow the offer to volunteers.

- 10.10. Amey has proposed to generate annual guaranteed maximum payments to provide budget certainty.
- 10.11. Amey has committed to a breakeven position on Shugborough grounds maintenance costs by year three.
- 10.12. The solution will include the establishment of a design hub in Staffordshire, increasing external work in the Highways Laboratory and construction works. By Year five this is predicted to bring additional economic benefit to Staffordshire of approximately £2.75million per annum. This represents 300% growth to the baseline figures.
- 10.13. They have committed to the introduction of new technology, systems and expertise that will improve asset management planning and reduce asset ownership costs.

## **11. How will the existing services be transitioned and the new arrangements mobilised?**

- 11.1. This new arrangement represents a significant change in the way services are delivered in relation to infrastructure in Staffordshire. It will require significant changes to organisational arrangements.
- 11.2. We are working largely with an existing workforce coming from the current contract and existing County Council employees to fulfil all the roles in the partnership. We therefore need to jointly establish a structure that operates to fulfil the commissioning activities of the County Council whilst allowing the commitments of the bid to be delivered.
- 11.3. We have established those minimum functions that the County Council must ensure it can provide in the next section. This will be translated into job roles as part of the mobilisation process. However we will look to the whole of the County Council to see how these can be fulfilled rather than taking a service specific view.
- 11.4. An initial mobilisation plan and transition phase has been established. This will be in incremental plan focusing on bringing in benefits as soon as possible. It is anticipated that the initial transition and mobilisation will be complete by late summer.
- 11.5. There will be a cost to this mobilisation which is estimated to be £0.67m. This is required for introduction of new IT systems and for systems and process redesign which are fundamental to introducing the new ways of working required for the partnership to deliver it's objectives of service improvement and cost reduction.

## **12. How will the partnership be governed?**

- 12.1. The governance approach has been grouped into five accountable levels:
  - Political commissioning,
  - Strategic commissioning,
  - Operational commissioning,
  - Delivery, and
  - Monitoring.
- 12.2. In addition to the County Council's decision making arrangements there will be three specific governance groups covering strategic, operational and delivery issues.
- 12.3. The County Council will have majority voting rights on the groups.
- 12.4. Monitoring will be undertaken by specific outcome groups which will include key stakeholders such as LEPs, parishes, districts, general public and special interest groups as appropriate.
- 12.5. As this partnership presents a significant change to existing operational arrangements it was necessary to consider the functions, skills and abilities to remain within the County Council establishment.
- 12.6. This goes beyond basic contract management to include the following key requirements
  - Representing the needs and aspirations of Staffordshire,
  - Ensuring the delivery of the level of quality and customer satisfaction required,
  - Influencing the future direction at a local, regional and national level,
  - Setting the strategy to meet the outcomes,
  - Managing our relationship with our partner,
  - Making sure the right things are happening and
  - Ensuring value for money
- 12.7. The exact organisational structure to fulfil this will be established during the mobilisation phase.

## **13. What is the effect on staff and pensions?**

- 13.1. There will be transfer of staff to Amey as part of the partnership. This has been a consideration as part of the procurement process and we have established that existing terms and conditions of employment will be maintained.
- 13.2. Amey has demonstrated significant experience in dealing with staff transfers and have included details of proposed processes for any TUPE transfers.

- 13.3. Staff have been consulted on and involved in the project throughout the procurement phase. Three significant all staff briefings have taken place from project inception to the most recent coinciding with the publication of this report.
- 13.4. Staff have been involved in the establishment of the specifications and also in the evaluation of the final bids.
- 13.5. In line with other recent projects transferring staff will continue with the LGPS. All existing County Council staff not currently members of LGPS will still be entitled to join. It will be closed to new employees of Amey.
- 13.6. The County Council's actuary has produced an assessment of the employer contribution rate required for future service. This differs from that which would be paid if staff had remained employed by the County Council because the County Council as a scheme employer pays a stabilised employer contribution rate modelled by the actuary, which is only available to those employers who in the main have tax raising powers or a strong covenant.
- 13.7. A figure of 24.3% was given to bidders for pricing purposes.
- 13.8. This produces an increase in pensions costs for transferring staff of approximately 4% in the first year. This does not present an actual cost increase over the life of the contract as if this results in an over payment to the fund it would benefit the County Council's position in the fund overall.
- 13.9. Staffordshire County Council is still liable for the deficit repair in respect of these employees which was provisionally identified as being £0.6m per year for all staff involved in the service areas in scope.
- 13.10. The County Council will take the pension risk for both the past and future deficits except in circumstances where the actuary identifies pay increases above their actuarial assumptions.
- 13.11. There are existing employees of Amey on LGPS. This will continue but with a new admission agreement.

#### **14. Consultation**

- 14.1. Consultation has taken place with trade unions as part of the fortnightly consultative forums. They were invited to and took part in the staff briefings and also there was a trade union specific session as part of the stakeholder week in the second phase of dialogue.
- 14.2. A Community Impact Assessment has been produced and a précis is appended to this report. The majority of community impact issues are related to the work undertaken in providing and maintain infrastructure and these are generally controlled by design and operational standards.

- 14.3. A consultation process took place with the critical stakeholders. This was also made public. Principle stakeholders were City, District and Borough Councils, volunteers currently engaged in activities relevant to the scope, National Trust, English Nature, ANOB and the Parish Councils Association.
- 14.4. A copy of the consultation report is appended.

## **15. Risk**

- 15.1. A detailed analysis of the risks has been developed and monitored throughout the project by the Project Board. For each of the identified risks, mitigation is in place. The principle risks are
- 15.2. Do nothing. This is not an option as a replacement delivery mechanism is required for the highways maintenance contract. Also efficiencies are required to reduce costs without reducing service levels.
- 15.3. Reputation. The services included in scope are some of the most widely visible of the County Council. There are opportunities to improve customer services with investment in technology that would be expensive for the authority to do independently.
- 15.4. Achievement of outcomes. The services involved are critical to supporting the County Council's outcomes especially in terms of economic growth.
- 15.5. Pension deficit and future contributions. As with all pension funds there is a deficit situation and there has to be a view taken on contributions to meet future liabilities. Consistently all bidders in the process have stated that they don't believe that they can offer us value in determining the pension contributions. Risks around future performance of pensions funds which they have no control of would be passed back to the County Council in terms of increased prices. The current proposals place risk where it can be managed.
- 15.6. Skills required to achieve the correct outcomes for Staffordshire. Working in partnership with the private sector needs to be carefully balanced. There are a great many benefits in terms of efficiency and best practice that can be bought to the County Council but it must retain the correct skills in house to ensure that the partnership is delivering the right services at the right price.

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## **16. List of Background Documents published with this report:**

- Infrastructure+ Final Business Case
  - Appendix A: Outcomes Chain

- Appendix B: Services in Scope
- Appendix C: Strategic Options Appraisal
- Appendix D: Outline Business Case
- Appendix E: Customer Insight Report
- Appendix F: Stakeholder Register
- Appendix G: Community Impact Assessment (CIA)
- Appendix H: Consultation Report
- Appendix I: PQQ Procurement Report
- Appendix J: Outline Solution Evaluation Procurement
- Appendix K: Final Bid Evaluation Procurement Report

**17. List of additional Background Documents exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)**

- Appendix: L: Summary of the Key Commercial Features of the Preferred Bidder's Submission





**Infrastructure+**

 **Staffordshire  
County Council**

**Infrastructure+**  
**Final Business Case**  
**February 2014**

<b>Review Distribution List</b>	
Helen Riley	Executive Sponsor, Deputy Chief Executive and Director for Place
Ian Turner	Project Sponsor, Head of Place Delivery Ventures
Ian Wykes	Commissioner for the Rural County
James Bailey	Commissioner for Highways and the Built County
Clive Thomson	Commissioner for Transport and the Connected County
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Paul Timmins, Matt Sutton, Ian Goodwin	Procurement
Lisa Bridger	Human Resources
Debbie Harris	Internal Audit
Catriona Hudson	Organisational Development
Dave Hole, Robert Flinter, Ashley Cooper	Transformation Support Unit

<b>Version History</b>		
<b>Version Number</b>	<b>Date Released</b>	<b>Change / Reason for Change / Comments</b>
V0.1	15 <sup>th</sup> Jan 14	First draft
V0.2	15 <sup>th</sup> Jan 14	Draft incorporating contribution from Ian Goodwin
V0.3	17 <sup>th</sup> Jan 14	Draft incorporating contribution from Sarah Dean, Matthew LeDoux-Deakin and Dzenana Hurem and



		updates by Jenny Pierpoint
V0.4	17 <sup>th</sup> Jan 14	Updated by Jenny Pierpoint and including drafting notes and questions
V0.5	20 <sup>th</sup> Jan 14	Updated by Jenny Pierpoint and incorporating comments from Phil Keeling, Lisa Bridger, Ashley Cooper, Dave Hole, Robert Flinter, Catriona Hudson and James Bailey
V0.6	20 <sup>th</sup> Jan 14	Updated following page turn review by Commissioners, Ian Goodwin and further contributions from Ashley Cooper, Ian Wykes and Lisa Bridger
V0.7	21 <sup>st</sup> Jan 14	Draft incorporating contributions from Matthew LeDoux-Deakin and Ian Goodwin.
V0.8	22 <sup>nd</sup> Jan 14	Draft incorporating contributions from Matthew LeDoux-Deakin, Jenny Pierpoint, Chris Gill and Ian Goodwin.
V0.9	23 <sup>rd</sup> Jan 14	Incorporating changes from Jenny Pierpoint, Ashley Cooper, Matthew LeDoux-Deakin, Debbie Harris, Ian Turner and Chris Gill
V0.10	24 <sup>th</sup> Jan 14	Updated following page turn review with Helen Riley, Place Commissioners, Phil Keeling and Ian Goodwin
V1.0	24 <sup>th</sup> Jan 14	Submitted to SLT
V1.1	31 <sup>st</sup> January	Submitted to Pre-Cabinet
V1.2	4 <sup>th</sup> February	Amended following changes suggested by SLT on 3 <sup>rd</sup> February. Submitted to Pre-Cabinet.

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- Appendix D: Outline Business Case
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- Appendix F: Stakeholder Register
- Appendix G: Community Impact Assessment (CIA)
- Appendix H: Consultation Report
- Appendix I: PQQ Procurement Report
- Appendix J: Outline Solution Evaluation Procurement Report
- Appendix K: Final Bid Evaluation Procurement Report

# INFRASTRUCTURE+

## EXECUTIVE SUMMARY

### PURPOSE OF THIS DOCUMENT

- 1.1. This document forms the final business case for the Infrastructure+ project and will support Cabinet in its decision as to whether to award the Infrastructure+ contract to Amey.
- 1.2. In June 2013 Cabinet approved the strategic decision to proceed with the procurement of a private sector partner with which to establish a strategic partnership for the delivery of a number of infrastructure-related requirements.
- 1.3. The procurement process started on 8 July 2013 with the publication of the contract notice and the Pre-Qualification Questionnaire in the Official Journal of the European Union (OJEU). Three final bids were received on 13 December. Evaluation of these bids and the identification of a Preferred Bidder was completed on 21 January 2014.
- 1.4. Amey LG Ltd (Amey) has been identified as our Preferred Bidder.

### THE INFRASTRUCTURE+ VISION

- 1.5. With the current Highways Term Maintenance contract coming to an end and a strong desire across the County Council to change the way we provide services to the people of Staffordshire, the Infrastructure+ project has sought to put in place a solution that not only mitigates risk but also represents an ambitious step change in the delivery of infrastructure across the county.
- 1.6. Outcome-led and bringing together services that have traditionally been provided via very different delivery models, Infrastructure+ is attempting to harness the synergies within the scope of the project, whilst also maximising the value to be had through a different type of contract arrangement with a partner that understands our vision.
- 1.7. Based on a strong understanding of the market capabilities and appetite reached during a competitive procurement process, we have been able to develop an innovative solution that moves away from a traditional contract based on the specification of inputs and outputs and towards a partnership that will jointly commit to achieve outcomes that will contribute to economic growth and prosperity, deliver savings for the County Council, improve the quality of services delivered and place the needs of businesses, residents and partners at its heart.

## PROJECT SUMMARY

- 1.8. Work on the Infrastructure+ project started in May 2012 as part of the wider Place Delivery Models project. After a period of business analysis involving demand analysis and market intelligence and, following the publication of the Commissioning Framework further work to ensure the project was focussed on outcomes, the project submitted a Strategic Options Appraisal to Informal Cabinet in March 2013.
- 1.9. This argued the case for the County Council to establish a physical infrastructure partnership for the delivery of a range of Infrastructure+ outcomes. Informal Cabinet approved this strategic option and requested that the infrastructure elements of the Place Delivery Models project be separated to form the Infrastructure+ project.
- 1.10. The scope of the project involves services from Highways Maintenance, Highways Improvement & Development, Professional Services, Country Parks and Rights of Way Maintenance, and Grounds Maintenance at Shugborough. It involves approximately 240 County Council Full Time Equivalents (FTE's) and 188 FTE's employed by Enterprise, our current incumbent on the Highways Terms Maintenance contract joint venture.
- 1.11. The net revenue and capital budgets associated with the services in scope is c£66million, based on 2013/14 figures.
- 1.12. Approval of the strategic option in March 2013 enabled the development of an Outline Business Case, which presented the case for the procurement of a strategic partner, based on a contract, to work with the County Council on a long-term basis to deliver the Infrastructure+ outcomes.
- 1.13. With the Outline Business Case approved by Cabinet in June 2013 and the procurement preparation work having been undertaken in parallel, the procurement of the Infrastructure+ strategic partner commenced on July 8th 2013 with the publication of the OJEU Notice and the Pre-Qualification Questionnaire (PQQ).
- 1.14. Notably, this procurement was focussed on outcomes. Moving away from a prescriptive input/output type contract based on a schedule of rates payment mechanism (an arrangement that is contract management heavy and does not motivate the contractor to deliver innovation or savings), the procurement evaluation criteria, having been guided by Members, was centred around the ability of the Bidders to achieve the Infrastructure+ outcomes and sub-outcomes that had been identified and agreed.
- 1.15. A Competitive Dialogue Procurement Process was followed which involved a PQQ phase and two phases of dialogue. The number of Bidders was reduced during the

process at three de-selection points; the end of the PQQ phase, the end of the first phase of dialogue and the end of the second phase of dialogue.

- 1.16. Final Bids were submitted on 13th December and final bid presentations heard by Members and officers on 17th December. Following a rigorous period of evaluation the evaluation process was completed on 21st January 2014 with the announcement of Amey as our Preferred Bidder, a decision made by Member delegated authority.

## PROJECT STAKEHOLDERS

- 1.17. The Infrastructure+ project has dealt with a wide range of stakeholders both internal and external.
- 1.18. Project governance has had strong Member and Senior Leadership Team representation at Project Board level and has, at all stages in the project sought to keep political stakeholders fully informed.
- 1.19. Critical external partners, such as national organisations and neighbouring authorities were also involved in the dialogue process itself with the ability to discuss their ideas directly with the bidders.
- 1.20. At the heart of the project, and the greatest asset to the future partnership, are the staff affected by the scope of the project. The project has engaged with affected staff at all stages both to support them through the project and to involve them in the procurement process itself. The aim has been to be as open and transparent as possible. To this end staff have played an important role in developing specifications, participating in dialogue and providing subject matter expertise to the core evaluation team.

## OUR PREFERRED BIDDER

- 1.21. The proposed solution from Amey is for a 10 year contract, with provision to extend up to 20 years in total, subject to a regular partnership refresh process considering part performance and ongoing ability to meet Council outcomes.
- 1.22. The commercial response from Amey was consistently stronger across all elements of the commercial model, with the lowest prices. Their commercial approach ensures that the council will achieve best value in immediate maintenance and project delivery, project management costs and continuous improvement plans.
  - Amey have committed to a reduction in routine maintenance costs of 25% in the first year of the contract. This equates to an ongoing saving of £1.87million which, in the first year is offset by mobilisation costs of £0.67million.
  - Amey have proposed to generate annual guaranteed maximum payments to provide budget certainty.

- They have committed to a breakeven position on Shugborough grounds maintenance costs by year 3.
  - The solution will include the establishment of a design hub in Staffordshire, increasing external work in the Highways Laboratory and construction works. By Year 5 this is predicted to bring additional economic benefit to Staffordshire of approximately £2.75million per annum. This represents 300% growth to the baseline figures.
  - The proposal also includes ongoing reductions in the cost of services, as detailed at Figure 17.
- 1.23. Their approach to fee sensitivity also ensures that the council will fully understand the implications of budget change on the operator's fee, ensuring continuous best value.
- 1.24. A key strength of the Amey solution is the focus on engagement with local communities, businesses, small and medium enterprises (SME's) and stakeholders. Amey refer to this in their bid as an "Ecosystem". It will capture inputs and communication from all stakeholders, raise awareness of issues, increase public perception, raise customer satisfaction levels and enhance the reputation of the County Council and its partners.
- 1.25. Amey also demonstrated how improvements will be made through the implementation of their Standard Operating Model (SOM). In conjunction with their Operations Control Room (OCR), real time information will be captured and passed to customers and stakeholders, quickly and accurately responding to request, emergencies complaints or requests for service.
- 1.26. The asset management approach demonstrated by Amey was a clear differentiator between the three final submissions. By integrating four IT based systems, Amey will ensure we get maximum value for money and involve people in where and how we spend that money.
- 1.27. Through the course of the competitive dialogue process, a clear understanding developed between the County Council and Amey teams. The nature of the County Council's Commissioning Cycle and the outcomes approach represented a step change from traditional procurement routes. Amey demonstrated a clear understanding of this throughout dialogue process and in their final submission. In particular, their understanding and interpretation of outcomes and how they should be translated into flexible service levels was well articulated and relevant to the project.

## NEXT STEPS

- 1.28. This Final Business Case supports the Cabinet Report which seeks Cabinet approval for the award of the Infrastructure+ contract to Amey.

- 1.29. This Final Business Case has been considered by the Senior Leadership Team (27th January 2014) and has been presented to both the Prosperous Staffordshire Select Committee (12th January 2014).
- 1.30. Subject to Cabinet approval and the County Council's call-in period, the next step would be to start the formal contract award process with a view to completing the contract by the end of March 2014.
- 1.31. Following contract completion there would be a period of transition during which time the governance of the strategic partnership would be formalised, the current contractual arrangements de-mobilised and the new arrangements put in place. This work is anticipated to be completed by late summer 2014.



## WHAT IS THE QUESTION?

### PURPOSE OF THIS SECTION

- 2.1. This section sets out the strategic case for the creation of a strategic partnership with our Preferred Bidder: Amey.
- 2.2. It will outline the background to the project, the drivers for change, the scope of services included and the journey the project has been on to identify outcomes, options and the commissioning question. In so doing it will demonstrate the strategic fit of the project with the direction and priorities of the County Council.
- 2.3. The Commissioning questions that have been approved by the Project Board and Informal Cabinet are
  - How do we maintain and improve our infrastructure assets to support economic growth, connectivity and equality of access, whilst reducing the impact of the network on the environment?
  - How do we harness the potential of our cultural assets to maximise economic growth and inward investment, ensuring that our customers benefit from quality learning, recreational and cultural opportunities?

### BUSINESS DRIVERS

- 2.4. The Infrastructure+ project is driven by a number of business needs. Creating a strategic partnership with Amey will address these drivers and assist the County Council to manage the risks they present.
- 2.5. The Outline Business Case presented to Cabinet in June 2013 presented the business drivers, and these can be summarised as follows:
  - **Outcome-based Commissioning:** The introduction of the Commissioning Framework in early 2013 changed SCC's approach to the delivery of services. The Commissioning Framework seeks to deliver outcomes rather than services and seeks to do so through the most appropriate and value for money solution; whether that be in house delivery, partnership arrangements or via a private/third party provider.
  - **Financial Pressures:** Challenging and ongoing financial savings targets which can no longer be met through structural changes are driving the need to do something different in order to protect the future of some of the services in scope. As part of the MTFs process, the County Council has set a target of £12m in respect of procurement savings across all County Council activity.

Delivery of savings from the Infrastructure+ project is a key component in regard to the delivery of this challenging target.

- **Contract Expiry:** A critical business driver was the expiry of the Highways Term Maintenance Contract with Enterprise. With no option to extend this contract, a new contract has to be in place by the end of March 2014.
- **Market Change:** Changes in the market and new technological advances now mean that improvements to the services in scope are now easier or more cost effective to deliver. Private sector companies have increased in capability and due to mergers and acquisitions there are now a smaller number of larger providers with more technical capacity than historically available. These providers are increasingly in a position to accept longer term performance risk and hence prepared to be contracted to deliver to an outcome specification.
- **Localism and Partnership Working:** Customers now expect the best possible services for the money they spend. This has led to new focus with the County Council working ever more closely with other local authorities, public sector bodies and other partners. There is a long recognised appetite to work more closely with Staffordshire's District and Borough Councils to deliver the best possible local street scene environment. We also appreciate the need for strong and effective customer service and communications with all our customers and partners.

2.6. In addition, recent work to develop the Council's future vision through the "Achieving Excellence" programme will see further focus given to translating our outcomes into sub-outcomes and enablers. Infrastructure+ will contribute towards this through the creation of a strategic partnership which will foster the flexibility to deliver savings in the future whilst maintaining a focus on outcomes.

## STRATEGIC OBJECTIVES AND CRITICAL SUCCESS FACTORS

2.7. Responding to these business drivers, the Infrastructure+ project set out to identify the most advantageous arrangement to deliver a range of infrastructure-related outcomes.

2.8. On inception the Infrastructure+ project sought to deliver against three of the nine strategic priorities published in spring 2011, as follows:

- Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it
- Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks
- Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities

whilst also contributing to the over-arching strategic outcome:

- Staffordshire’s people are involved in shaping the delivery of public services.
- 2.9. Following the work in late 2013 to refine these nine strategic priorities into three priority outcomes, the project can now be aligned to all three priority outcomes, which are:
- Be able to access more good jobs and feel the benefits of economic growth
  - Be healthier and more independent
  - Feel safer, happier and more supported in and by their community
- 2.10. In addition, the project has established a set of agreed core objectives, as follows:
- To maintain and improve the condition and usability of our physical assets;
  - To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership;
  - To involve communities in decisions and delivery of infrastructure;
  - To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.
- 2.11. To ensure that the project is focussed on achieving these outcomes and objectives, a set of Critical Success Factors which outline the key things the project must deliver, was developed with Place Commissioners and agreed by the Project Board, SLT and Cabinet.
- 2.12. The CSFs formed the basis for the evaluation of options in the Strategic Options Appraisal and were used throughout the procurement process as the basis for the evaluation criteria. They will also form the basis for articulating and quantifying the benefits associated with the project.
- 2.13. The project’s Critical Success Factors and their sub-factors are:

**Figure 1: Critical Success Factors**

Increased value and prosperity for Staffordshire through a positive impact on jobs and growth
<ul style="list-style-type: none"> <li>• Attract inward investment to Staffordshire</li> </ul>
<ul style="list-style-type: none"> <li>• Provide more and better jobs within Staffordshire</li> </ul>
<ul style="list-style-type: none"> <li>• Contribute towards an increase in Gross Value Add (GVA) across Staffordshire</li> </ul>
<ul style="list-style-type: none"> <li>• Actively encourage and support business growth</li> </ul>
A customer focussed service which enhances customer satisfaction and the reputation of the Council

<ul style="list-style-type: none"> <li>• Ensure an appropriate level of quality as defined by customers</li> </ul>
<ul style="list-style-type: none"> <li>• Improve customer satisfaction</li> </ul>
<ul style="list-style-type: none"> <li>• Improve and / or enhance customer access to services</li> </ul>
<ul style="list-style-type: none"> <li>• Improve the quality of communication and engagement with customers</li> </ul>
Financially sustainable and resilient services
<ul style="list-style-type: none"> <li>• Attract investment into services</li> </ul>
<ul style="list-style-type: none"> <li>• Improve efficiency and value for money</li> </ul>
<ul style="list-style-type: none"> <li>• Identify and develop potential commercial opportunities where appropriate</li> </ul>
The flexibility to meet changing future demands through innovation and development
<ul style="list-style-type: none"> <li>• Provide flexibility to meet changes in demand, environment or scope</li> </ul>
<ul style="list-style-type: none"> <li>• Maximise service user involvement in the delivery of services</li> </ul>
<ul style="list-style-type: none"> <li>• Promote Staffordshire’s reputation as a forward thinking and entrepreneurial county; locally, regionally and nationally</li> </ul>
<ul style="list-style-type: none"> <li>• Incentivise improved service levels and innovation, including new products/services, where appropriate</li> </ul>
<ul style="list-style-type: none"> <li>• Maintain and develop skills and expertise</li> </ul>

## THE COMMISSIONING QUESTION

- 2.14. In view of the business drivers and after identifying the project’s core objectives and Critical Success Factors, further work was undertaken to explore and agree the project outcomes, sub-outcomes and commissioning question.
- 2.15. This work considered the County Council’s strategic outcomes and looked at how the Infrastructure+ project should contribute to these outcomes. At all stages of this work, which involved the Director for Place, Place Commissioners and the Head of Place Delivery Ventures, efforts were made to avoid looking at outcomes through the lens of current services. Rather than assuming that “we do the right things already” the project sought to identify the best way to achieve the outcomes regardless of current arrangements. An outcomes chain (shown in Appendix A) was developed that linked the strategic outcomes with the activities and functions undertaken within the scope of Infrastructure+.
- 2.16. This work enabled the team to identify the Commissioning Question, which as part of the Strategic Options Appraisal, was presented to SLT and Informal Cabinet in March 2013. The following questions were agreed by Project Board, SLT and Cabinet as the Commissioning questions that the project is seeking to address:

How do we maintain and improve our infrastructure assets to support economic growth, connectivity and equality of access, whilst reducing the impact of the network on the environment?

How do we harness the potential of our cultural assets to maximise economic growth and inward investment, ensuring that our customers benefit from quality learning, recreational and cultural opportunities?

## SERVICES IN SCOPE OF INFRASTRUCTURE+

- 2.17. The services included in the scope of this business case have been summarised at a high level below. A full description of each of these services is included in Appendix B.
- Highways Maintenance,
  - Highways Improvement & Development,
  - Professional Services,
  - Country Parks and Rights of Way Maintenance, and
  - Grounds Maintenance at Shugborough.
- 2.18. Of these services, highways maintenance is currently delivered through the virtual joint venture with Enterprise.
- 2.19. The other services in scope are either provided directly by the County Council or commissioned by the County Council and provided by private sector contractors. Work associated with in the region of 80% of the total budget of the services in scope, is currently provided by private sector contractors.
- 2.20. The following table shows the budget associated with these services:

Figure 2: Revenue and Capital Budget

		<b>Net Budget 2013/14 £000's</b>
<b>Highways maintenance</b>	<b>Revenue</b>	16,794
	<b>Capital</b>	25,931
	<b>Sub-Total</b>	42,725
<b>Highways Improvement and Development</b>	<b>Revenue</b>	2,411
	<b>Capital</b>	11,483
	<b>Developer Contributions</b>	-9,223
	<b>Sub-Total</b>	4671
<b>Professional Services</b>	<b>Street Lighting PFI Scheme</b>	9,118
	<b>Other Professional Services</b>	7,594
	<b>Sub-Total</b>	16,712
<b>Country Parks and Rights of Way Maintenance</b>		1,725
<b>Grounds Maintenance at Shugborough</b>		337
<b>Total</b>		<b>66,170</b>

## DELIVERY OPTIONS

2.21. The strategic options explored for delivery of the services in scope were;

- Status quo: Re-procure a highways term maintenance contract and in house services continue to be delivered in house,
- Integrated delivery of services in scope within “The City Deal” delivery mechanism,
- Physical infrastructure partnership: a strategic partnership based on a contract,
- District-based delivery of services in scope,
- Delivery of services via contracts with multiple providers.

2.22. The Strategic Options Appraisal Stage of the project explored these options and compared them with the Critical Success Factors to determine the best fit strategic option for the achievement of the project objectives. A Strategic Options Appraisal (Appendix C) was considered by Informal Cabinet in March 2013 and approved the further exploration of the physical infrastructure partnership as a way forward and requested that an Outline Business Case be developed to look at the strategic, commercial and financial case for developing this option.

2.23. An Outline Business Case (Appendix D) was considered and approved by Cabinet in June 2013 and following this decision, the procurement for a strategic partner was launched in early July 2013.

## CONSTRAINTS AND DEPENDENCIES

2.24. The Infrastructure+ project is working within the following potential constraints and dependencies:

- **Enterprise Contract expiry:** The Highways Term Maintenance contract with Enterprise expires on 31st March 2014. As the contract has been extended to its maximum length, there is no option for further extension.
- **EU Procurement:** Contract value for Highways maintenance requires the County Council to follow an EU Procurement Process. To ensure that the procurement process was EU compliant the project team included colleagues from Staffordshire Procurement and Legal Services.
- **Priorities of key stakeholders and partners:** A summary of stakeholder responses to the public consultation is set out in paragraph 3.12. The project has implications for a wide range of stakeholders and, in many cases will be critical in its success to help the partnership achieve its outcomes. Accordingly their views and any constraints will be a key consideration in shaping how the partnership will work in the future.
- **Funding arrangements:** Initially the majority of the work undertaken through the partnership will be funded by County Council revenue and capital budgets for highway maintenance and improvements. Country Parks and Rights of Way work is funded partially by the County Council revenue but significantly by high level stewardship agreements with Natural England.
- The vision for the partnership is very much to allow the provider to expand its service offering to the benefit of all clients. The solution includes cost reductions to the council based on Amey's predictions of growth in service offerings. It is anticipated that this will include infrastructure works for district and borough councils and also work for private developers.
- Also there is significant scope for Amey to deliver the large scale improvement projects funded by specific capital grants, if it shows improved value for money over current delivery methods via the Midlands Highway Alliance.
- There is no specific guarantee of funding or volume of work. Amey must demonstrate best value over alternative methods to secure the work. For example the existing arrangements for local grass cutting will continue with parish and district councils.

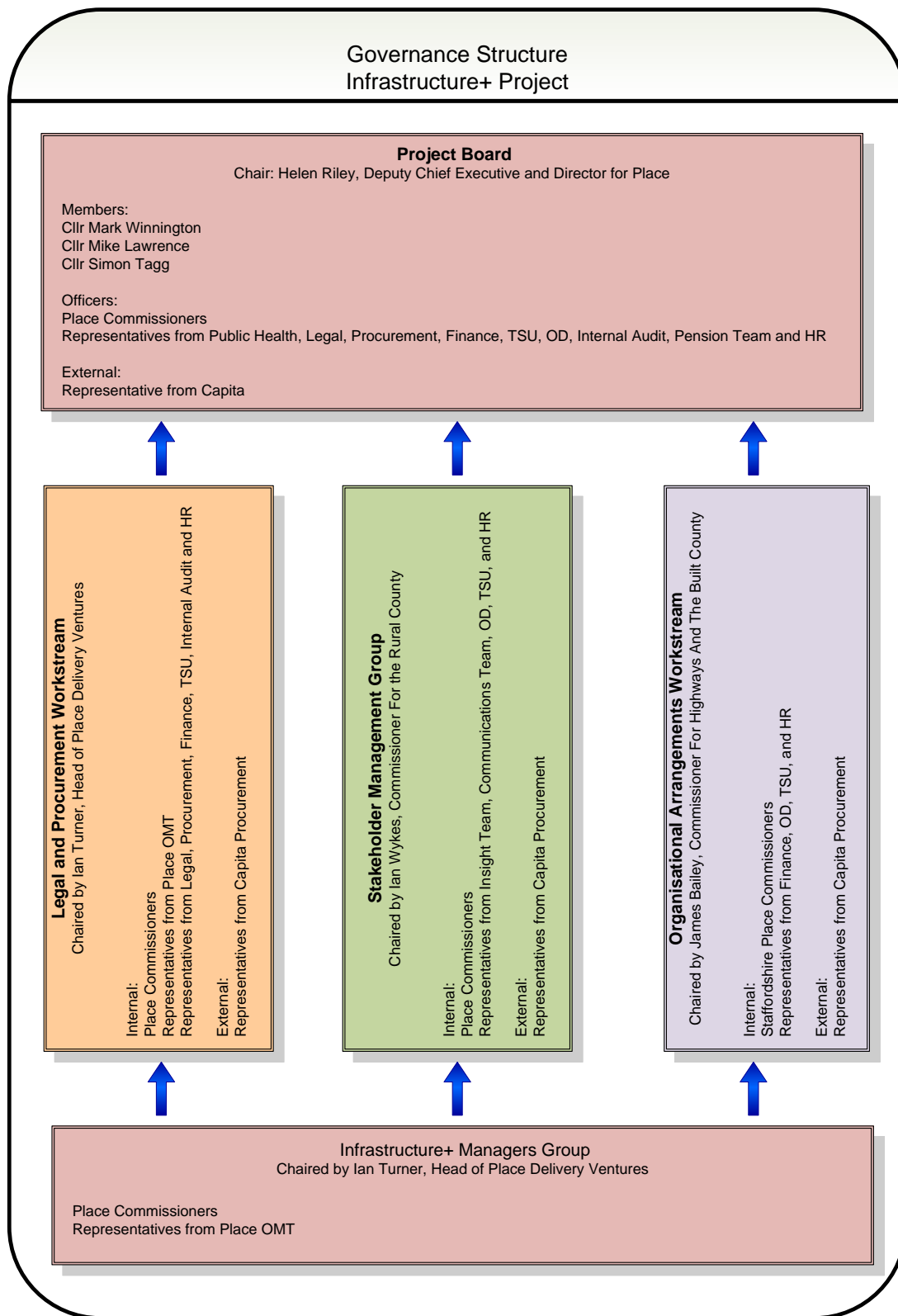
- **Other County Council projects:**
  - **Strategic Property Partner:** The County Council is currently procuring a strategic partner for its range of property assets, which includes land and depots. The Infrastructure+ strategic partnership will work with this partner to maximise benefits in this area.
  - **The City Deal - “Powerhouse Central”:** The County Council is engaged in a partnership with the Stoke-on-Trent and Staffordshire Local Enterprise Partnership and Stoke-on-Trent City Council in negotiating a deal to deliver Powerhouse Central, a Wave 2 City Deal with Government. The programme consists of a combination of projects, with a focus on energy. Infrastructure projects include the preparation of business cases for the development of several strategic employment sites in Stoke-on-Trent and Staffordshire. Implementation of these projects is dependent on securing funding through the Strategic Economic Plan. Although negotiations continue, a resolution is expected in spring 2014.
  - **A50 Growth Corridor:** The County Council is implementing a number of highways improvement projects to unlock economic and residential development along the A50 Trunk Road, principally in the Uttoxeter area. The projects are to be designed and delivered by the County Council on behalf of the Highways Agency. The procurement approach for a delivery (construction) partner has not yet been confirmed.

## PROJECT GOVERNANCE

- 2.25. To ensure that the project was delivered in line with corporate strategies and policies and met corporate outcomes and to enable positive challenge and decision making, a robust project governance framework was implemented. This governance included Cabinet Members and Cabinet Support Members, member of the Senior Leadership Team, Place Commissioners, Place Operational Managers and corporate support services.
- 2.26. The governance framework, shown below in Figure 1, is headed by the Place Delivery Models Project Board, chaired by Helen Riley, Deputy Chief Executive and with membership including Councillor Mark Winnington, Councillor Mike Lawrence and Councillor Simon Tagg.
- 2.27. Supporting the Project Board were a number of defined workstreams, chaired by a Place Commissioner and with membership from Place Commissioners, service areas specialists and corporate support services. These workstreams included Legal and Procurement, Stakeholder Management and Organisational Arrangements.
- 2.28. As the Council’s Strategic Procurement Partner, Capita were also involved in the project offering strategic procurement and commercial advice.



Figure 3: Project Governance



KEY RISKS

- 2.29. Risk is a natural feature of any project, particularly in a project of this size and complexity. Infrastructure+ took a pro-active approach to managing risk throughout the project through a robust risk governance framework, and operating a governance system and risk management approach that identified and assessed risks, planned and implemented mitigating actions to manage them and communicated this through the project governance structure.
- 2.30. Risks were identified through a number of vehicles, including project meetings, individual risk identification and collaboration sessions. Risks were then recorded within the project RAID (Risk, Assumption, Issues and Dependencies) Register which acts as a central repository for all risk detailing items such as risk description, probability, impact, mitigation and ownership. A RAG system was used (Red, Amber, and Green) to highlight the severity of the risk pre and post-mitigation. Risk reporting was a standard item in each Project Board status report.
- 2.31. The live RAID is available through the project management team.

## KNOW YOUR CUSTOMERS

### PURPOSE OF THIS SECTION

- 3.1. This section focusses on our approach towards engaging with those people or organisations that might be affected by the Infrastructure+ project. It looks at
- how we tested our approach through Insight,
  - how we tested the market by exploring different delivery models with existing suppliers,
  - how we engaged with the staff groups affected by the project, and
  - how we started and maintained an ongoing conversation with our partner organisations.

### STAKEHOLDER MANAGEMENT

- 3.2. Stakeholder management has been a critical aspect of the project from its inception. Its importance, both in terms of project success and the Commissioning Framework, cannot be understated. A stakeholder can be defined as “anybody who can affect or is affected by an organisation, strategy or project”<sup>1</sup>. Given that definition the amount of Stakeholders involved is significant.
- 3.3. The Infrastructure+ project adopted a structured approach to stakeholder management through the Stakeholder Management Group, which met regularly to plan and deliver stakeholder activities such as customer insight, internal and external communications, organisational development and change management.

### CUSTOMER INSIGHT

- 3.4. The County Council works to fully understand the needs and priorities of its customers on an ongoing basis. Through service area contact with customers, Customer Insight activities such as bespoke surveys and trackers and using information from the Contact Centre regarding customer complaints and compliments the service areas gain knowledge about their customers.
- 3.5. In addition to researching the market from a delivery partner perspective, the project team carried out some research to fully understand the views and perceptions of customers using many of the services in scope. This work, which took place before procurement started, drew on a number of existing sources of information, including

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<sup>1</sup> <http://www.stakeholdermap.com/stakeholder-definition.html>

national and local surveys. The full report is included at Appendix E and a summary of the findings is presented below:

- 3.6. For highways maintenance, condition and safety, in general the levels of satisfaction exceed the national average. It also shows that satisfaction with specific highways schemes between January 2011 and February 2012 ranged from 67% to 95%.
- 3.7. In terms of country parks, customer satisfaction surveys across the parks over many years have shown that they are highly valued, with satisfaction levels being rated as excellent or very good. The findings of the recent research are less about satisfaction with the country parks and more about how the facilities and infrastructure can be improved to meet customers' needs and enhance their visit, such as replacing stiles with gates (in particular for those less agile) and improved track surfaces, signposting and way marking. Improvements such as those suggested arise and will continue to do so as leisure needs and demands change. For example, more elderly and retired people now visit the country parks because they have more leisure time on their hands. Also, the facilities and services at country parks have been improved over the years to make them more socially inclusive to encourage greater use by people with physical and mental impairments.
- 3.8. Customer surveys for Shugborough again show good levels of satisfaction. Face to face visitor surveys undertaken during summer of 2012 show that satisfaction levels were at 95%. In addition, many of the attractions at Shugborough, such as the Servant's Quarters, Museum Galleries and Gardens were rated excellent or good.

## STAKEHOLDERS

- 3.9. An exercise was undertaken early in the project to identify stakeholders and categorise them according to their level of influence and interest in the project. This involved Commissioners and service area leads and resulted in a stakeholder register that acted as the basis for the Stakeholder master plan, which in turn was used to plan stakeholder activities throughout the project.
- 3.10. The Stakeholder Register was refreshed at key points in the project and the Stakeholder master plan was kept up to date to ensure that engagement activities were relevant and timely.
- 3.11. The Stakeholder Register is included as Appendix F. For ease, the project's stakeholders can broadly be categorised into the following key groups;
  - Staff groups affected by the changes;
  - Members;
  - Trade Unions;
  - External partners such as the National Trust and district councils and
  - Service users affected by the changes to the services in scope.

3.12. Detailed in the table below is a summary of how we have engaged and involved each of the key stakeholder groups throughout this project:

**Figure 4: Stakeholder Engagement**

	<b>Pre-Procurement (to July 2013)</b>	<b>Procurement Phase (July 2013 – January 2014)</b>	<b>Preferred Bidder (from January 2014)</b>
<b>Affected staff groups</b>	<ul style="list-style-type: none"> <li>- Service leads incorporated into project governance (Project Team meetings)</li> <li>- As-is mapping work involved service leads and managers</li> <li>- Staff Briefings (December 2012)</li> <li>- Engagement with Place Staff through the Place Delivery Model Staff Forum (this subsequently became the Place Staff Forum and its scope widened to all Place activities)</li> </ul>	<ul style="list-style-type: none"> <li>- Service leads incorporated into project governance (Project Team meetings and legal and Procurement Workstream)</li> <li>- Ongoing engagement through Infrastructure+ Manager Group and Staff Forum</li> <li>- Regular Commissioner and line manager staff updates</li> <li>- Regular items in Place Update</li> <li>- Project Intranet including FAQ's launched in August 2013</li> <li>- Staff Briefings (June, October and November 2013)</li> <li>- Project Specific newsletter published monthly from October 2013</li> <li>- Engagement with service leads to develop memorandum of information, data room and service specifications (May – August 2013)</li> <li>- Managers and staff</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing engagement through I+ Manager Group, Staff Forum, Commissioner and line manager updates, Place Updates and I+ Newsletter</li> <li>- Staff briefings for all affected staff (February 2014)</li> <li>- SMG to continue to meet during Preferred Bidder stage</li> <li>- Engagement with service leads to contribute to the development of organisational arrangements</li> </ul>

		<p>invited to Bidders Day (July 2013)</p> <ul style="list-style-type: none"> <li>- Manager and staff involvement in the procurement clarifications process (July – November 2013)</li> <li>- Stakeholder Event – managers and staff invited to attend presentations by each final bidder and given opportunity to ask final bidders questions about their solution (November 2013)</li> <li>- Manager and staff involvement in site visits (December 2013)</li> <li>- Manager and staff involvement in provision specialist advice to the evaluation team (December 2013 – January 2014)</li> <li>- Managers and staff invited to final bid presentations (December 2013)</li> </ul>	
<b>Members</b>	<ul style="list-style-type: none"> <li>- Report to Cabinet November 2012</li> <li>- Strategic Options Appraisal presented to Informal Cabinet (March 2013)</li> <li>- Outline Business Case presented to Cabinet (July 2013)</li> <li>- Member involvement in Project Board</li> <li>- Assets and Budgets Select Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing representation of Cllr Mark Winnington, Cllr Mike Lawrence and Cllr Simon Tagg at Project Board meetings</li> <li>- Prosperous Staffordshire Select Committee (October and December 2013)</li> <li>- Assets and Budgets Select Committee</li> <li>- Stakeholder Event – Members invited to</li> </ul>	<ul style="list-style-type: none"> <li>- Continued involvement of members in Project Board (which will develop into the Strategic Partnership Board)</li> <li>- Members Bulletin</li> <li>- Prosperous Staffordshire Select Committee (February 2014)</li> <li>- Assets and Budgets Select Committee</li> </ul>

		<p>attend presentations by each final bidder and given opportunity to ask final bidders questions about their solution (November 2013)</p> <ul style="list-style-type: none"> <li>- Audit Committee (December 2013)</li> <li>- Member Bulletins</li> <li>- I+ Newsletter circulated to Members</li> </ul>	
<b>Trade Unions</b>	<ul style="list-style-type: none"> <li>- Discussed as part of fortnightly Consultative Forum</li> </ul>	<ul style="list-style-type: none"> <li>- Discussed as part of fortnightly Consultative Forum</li> <li>- Trade Unions invited to attend staff briefings (June, October, November 2013)</li> <li>- Stakeholder Event – Trade Unions invited to attend presentations by each final bidder and given opportunity to ask final bidders questions about their solution (November 2013)</li> <li>- Trade Unions invited to attend Stakeholder Event for staff (November 2013)</li> </ul>	<ul style="list-style-type: none"> <li>- Continued discussion as part of Consultative Forum</li> <li>- Engagement between PB, SCC and TU's through Preferred Bidder stage</li> <li>- Consultation under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) via the Consultative Forum through mobilisation and transition as required.</li> </ul>
<b>External Partners</b>	<ul style="list-style-type: none"> <li>- Market Information Day (November 2012)</li> <li>- Market Intelligence Meetings (April – May 2013)</li> <li>- Letters sent to critical external stakeholders with invitation to attend a meeting if required (May 2013)</li> </ul>	<ul style="list-style-type: none"> <li>- Letters sent to critical external stakeholders ( July 2013)</li> <li>- Letters sent to critical external stakeholders inviting them to participate in consultation (October 2013)</li> <li>- Stakeholder Event –</li> </ul>	<ul style="list-style-type: none"> <li>- A Stakeholder Relations Plan will be developed during mobilisation</li> </ul>

	- Meeting with National Trust (May 2013)	critical external stakeholders invited to attend presentations by each final bidder and given opportunity to ask final bidders questions about their solution (November 2013)	
<b>Service Users</b>	<ul style="list-style-type: none"> <li>- NHT Satisfaction surveys</li> <li>- Reputation Tracker</li> <li>- Local Member intelligence</li> <li>- Customer liaison</li> <li>- Customer services information, such as service statistics, complaints and compliments</li> <li>- Visitor surveys</li> <li>- Scheme Surveys</li> </ul>	<ul style="list-style-type: none"> <li>- Local Member intelligence</li> <li>- Customer liaison</li> <li>- Customer services information, such as service statistics, complaints and compliments</li> <li>- Visitor survey</li> <li>- Scheme Surveys</li> </ul>	- Consultation regarding proposed changes (October – December 2013)

3.13. A Community Impact Assessment (CIA) has been produced by the project team with the support of the Equalities Team. This contains further detail regarding the project approach to stakeholders. The CIA is appended in full to this business case (please see Appendix G).

## SOFT MARKET TESTING

3.14. The Local Government Association Peer Review, which took place in the County Council in September 2013, amongst other things looked at our approach to strategic commissioning, partnership working and engaging with communities. Opportunities for development, included in the final report, referred to the need for further market development; to better understand markets and potential markets, to make sure that building effective relationships with the market is an on-going process to best deliver innovation and to manage the market better.

3.15. The Infrastructure+ project has taken a proactive approach with regard to engaging with the market. To test the market around the commercial viability of the County Council's requirements and approach, a range of soft market testing took place at critical points in the project.



- 3.16. Market Information Day: Held in November 2012 this tested the market appetite for the range of services included in the original project scope. This confirmed there was market interest in the highways opportunity, potential economies of scale to be gained through including other services in the procurement and a desire to be rewarded on contribution to outcomes as well as service delivery-specific measures.
- 3.17. National Case Studies: To explore the current arrangements in other local authorities and to determine whether some contractual arrangements are more appropriate or attractive to the market than others. This work substantially informed our decisions with regard to scope, delivery vehicle and the type of procurement process used.
- 3.18. Market analysis: Held in April and May 2013, this focussed on a number of key questions that the project team had identified as critical to the project. Meetings were held with a number of major providers in the sector, along with the Highways Term Maintenance Association. Findings are summarised below:
- If the contract is large enough there is an appetite amongst partners to accept risk transfer.
  - Competitive Dialogue process is the preferred procurement route for most providers.
  - The dialogue process needs to be focussed on agreeing outcomes and measures, rather than on discussing inputs or processes in great detail.
  - Price sustainability needs to be considered as part of the procurement - meaning a realistic view should be taken with respect to unduly low bids at tender stage.
  - Previous procurements have been complicated by TUPE and pension-related issues; pension caps and TUPE information needs to be written into the contract.
  - Sustainability and affordability were key concerns for a number of suppliers - often the ambitions of authorities are not matched by the funding to achieve such ambitions.
  - Suppliers advised against making contracts too bespoke, as this had cost implications which would be passed on to the client. A focus on activity and service delivery often made contracts more and more bespoke to each client, whereas a focus on outcomes enabled the provider to change and adapt over the term to continue to meet the clients' needs, whilst evolving its own operating model to remain competitive.
  - Suppliers were generally averse to having 'an industry' of KPIs and SLAs, preferring to rely on simple and streamlined regimes which drove behaviour to deliver.
  - Suppliers all commented that the contract would need to be of a sufficient length to provide them with time to recoup any investment made, and ensure that the

market can deliver the outcomes required by Staffordshire. A 10 year contract was considered right.

- Suppliers also suggested that incentives are good mechanism by which to minimise costs. This focused on the granting of extensions to contracts in order to drive cost reductions (through decreased risk profile to the suppliers).
- Providers noted that a suitably strong retained client function would be required to guide the forward plan of work. Without this function, the suppliers all remarked that lack of clear guidance and leadership would lead to cost increases due to the high likelihood of planning gaps.

3.19. Overall the range of soft market testing undertaken confirmed the commercial viability of:

- The market appetite for the range of services included in this procurement,
- The market appetite for a strategic partnership governance arrangement,
- A competitive dialogue process being used to procure the contract, and
- The outcomes approach that we have taken throughout this project.

## PUBLIC CONSULTATION

3.20. Between 11th October and 2nd December 2013, the County Council undertook a period of public consultation in relation to the Infrastructure+ project. This continued the conversations that the project had been having with its stakeholders for some time, but in a more formal and structured way. This consultation was not focused on the delivery model proposed for Infrastructure+, instead it focussed on:

- Communicating what is proposed,
- Explaining which services are in scope and what they deliver,
- Communicating the benefits/outcomes of the project, and
- Identifying the potential impact on individuals and organisations of a change of supplier.

3.21. The consultation took the form of an online questionnaire via the County Council's Consultation Portal. In addition, letters were sent by the Project Team regarding the Public Consultation and Stakeholder Events to a number of key Stakeholders. Letters were received from four of these partner organisations and this feedback was also taken into consideration by the Customer Insight Team when analysing the consultation responses. In total 32 responses were received; the four letters referred to above and 28 responses to the online questionnaire. The full Consultation Report is included as Appendix H but in summary the findings were:

- 64% were "fairly supportive" or "very supportive" of the outcomes that Infrastructure+ is seeking to achieve.

- “Quality of services provided” and “Joined up working across the services” were most important to the individuals or organisations that responded with 75% of respondents prioritising quality of service and 54% prioritising further joined up working. In addition, nearly a third (32%) prioritised Value for Money.
- While 42% of respondents were not sure whether their working/voluntary relationship with the service in scope would change with the new arrangements, 35% were concerned that things would get worse.
- Half of the respondents currently volunteer for the County Council in one or more of the service areas in scope of the project. 44% of this group said that that they would no longer volunteer if that service was transferred to a private sector company.

3.22. Concerns were also raised that the project was simply seeking to outsource services. It was felt by some that private companies are too concerned with profit and would not be as dedicated as the County Council. Equally, concerns were voiced about staff, in terms of potential redundancies and organisations and residents losing well-established links with staff who had reams of knowledge and expertise in specific areas.

3.23. A key theme which ran throughout the responses was about ensuring continuity and maintaining the quality of services and the knowledge and expertise of staff. Where other partners have a stake in the services in scope, we will need to have an ongoing process of dialogue to determine how the changes might impact on them.

3.24. Consultation was timed so that the findings could be shared with the final bidders for them to consider during the development of their Final Bid. The second phase of the procurement process involved bidders meeting with stakeholders and the consultation report was shared with the final three bidders at this stage.

## OUTCOMES AND PRIORITIES

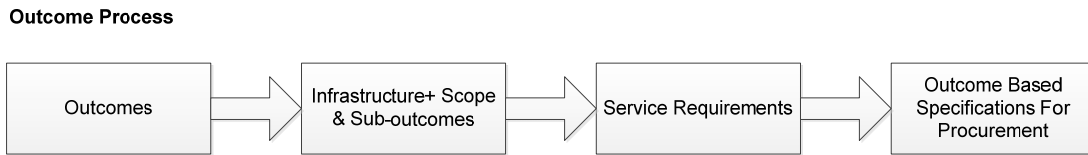
### PURPOSE OF THIS SECTION

- 4.1. Careful consideration was given to the approach to secure the strategic partnership required in order to achieve the project's strategic outcomes and Critical Success Factors.
- 4.2. While high level outcomes and Critical Success Factors were sufficient at the Strategic Options Appraisal stage of the project, prior to the launch of any procurement exercise significant work had to be done to translate these into something more meaningful and tangible. There were a number of aspects to this process of procurement preparation:
  - The development of detailed outcomes,
  - The selection of a procurement route,
  - The development of evaluation criteria, and
  - The procurement process itself.
- 4.3. This section will describe the approach the project took to translate high level objectives into specific requirements that the County Council could procure.

### OUTCOMES

- 4.4. To develop detailed sub-outcomes and requirements, a series of workshops were held between March and May 2013, which further developed the outcome chain. Workshops were specifically focused on functions that should happen in order to meet the outcomes, rather than on how current functions and activities contribute to the outcomes. This way of thinking encouraged a focus on outcomes, as opposed to assuming we already do all the right things.
- 4.5. The Operational Management Team for the in-scope services were involved in further work to identify the 10 Infrastructure+ outcomes which were then used consistently across the specification documentation. This group were also involved in the development of outcome-based specifications for procurement.
- 4.6. The diagram below represents the outcomes process adopted:

**Figure 5: Outcome Process**



4.7. This outcome approach, including the outcome chain and specifications, was discussed with and approved by the Project Board, membership of which includes Cabinet and support Members.

4.8. As a result of this work the final Infrastructure + specific outcomes are as follows:

- People are able to access a network that is safe and well maintained
- Staffordshire is well connected with equality of access for all
- The impact of transport on the environment and communities is minimised
- The public realm is improved and enhanced
- There are high levels of satisfaction with infrastructure services
- An environment that promotes pride and ownership amongst communities
- A highways infrastructure that is efficient, accessible, positive, long-lasting and supports economic growth
- Staffordshire’s environment is maintained and enhanced and promoted for the benefits of visitors, residents and future generations

## PROCUREMENT ROUTE

4.9. The procurement of this contract does not follow the traditional approach taken by local authorities for this range of services. In adopting the County Council’s Commissioning Framework, the project has focussed on outcomes rather than outputs. This requires a fundamental change in the way we specify and manage the requirements of the contract. The procurement process has enabled discussions with bidders to get a greater understanding of the outcomes we require and the priorities of service users in Staffordshire. This has been widely acknowledged as an innovative approach throughout the procurement process, which has the potential to be market leading in the industry.

4.10. **Selection of procurement route:** A Competitive Dialogue procurement process was selected based on the findings of the market testing activities, the need to retain flexibility throughout, the need to undertake detailed conversations with bidders and the need to comply with EU regulations. A decision was made to run a two stage dialogue process. The process was designed to be thorough but rapid, enabling the County Council to identify a Preferred Bidder within 7 months of the publication of the OJEU and PQQ documentation. The table below shows the high level milestones associated with the procurement plan.

**Figure 6 : Procurement Plan - High Level Milestones**

<b>Event</b>	<b>Indicative Dates / Period</b>
Publication of OJEU notice and PQQ	8 <sup>th</sup> July 2013
Phase 1 Dialogue	2 <sup>nd</sup> September - 4 <sup>th</sup> October 2013
Phase 2 Dialogue	4 <sup>th</sup> November to 6 <sup>th</sup> December 2013
Notification of Preferred Bidder	21 <sup>st</sup> January 2014
Contract Award	March 2014
Contract Mobilisation	April 2014 onwards

## EVALUATION CRITERIA

### Development of the Evaluation Approach

4.11. Following Project Board approval, Infrastructure+ Bids were evaluated as follows on both Price/Affordability (Commercial), and Quality (Technical) criteria to identify the proposal most economically advantageous to the Council.

- Commercial = 40% of overall marks available
- Technical = 60% of overall marks available

4.12. Further guidance from the Project Board shaped the structure of the evaluation criteria to ensure that considerable weighting was given to the Bidder's response regarding how they propose to work with us to achieve outcomes. The structure of the evaluation criteria is discussed in more detail below.

### Commercial Criteria

4.13. Commercial criteria accounted for 40% of the total available score, and were broken down into the following subsections:

- A net price submission to the Council for key service areas including major items of routine maintenance and capital works, plus further areas of core services. The submissions included indicative quantities and service levels for the first year of service, as well as 6 sample capital works projects that required pricing using Bidders' own baseline data with the lowest price scoring maximum points,
- A breakdown of fee structure, including partnership management costs, overheads, fees and profit over a five year period,
- A revenue and savings proposal based on the costed items developed for year one through to year five, incorporating innovation developments and gainshare

re-imburement and a proposal for guaranteed income from revenue generating areas,

- A sensitivity analysis to assess the impact on Partnership Management costs, overheads and fee and associated costs to reflect the impact of budget and scope changes, and
- An assessment of the risk, integrity and validity of the assumptions and derogations from the County Council standard contract terms made by the bidders in compiling their commercial submission.

### **Technical Criteria**

4.14. Technical criteria accounted for 60% of the total available score. In developing their bids from IPD1 Outline Solutions, Bidders were required to develop working proposals and to contain the following responses as part of their Invitation to Submit Final Bids:

- A demonstration of how outcomes will be achieved, critical success factors met and integration of Key Performance Indicators and
- Operating Plans to cover the scope of services offered.

### **Outcomes**

4.15. The ability of the Bidders to meet outcomes is at the heart of the technical submission. In order to demonstrate a measureable link between the outcomes and the actual activities carried out, the outcomes were grouped as shown in the table below, aligned to the Core Objectives of the Infrastructure+ project. Bidders were required to demonstrate performance management tools that could then measure impact against the outcomes.

4.16. The table below is an extract from the Technical Evaluation document and describes the categories of outcomes and their relative weighting for evaluation purposes. The relative weightings applied to the grouping reflect the specific priorities of the project outcomes and is not a reflection of perceived importance.

**Figure 7: Outcome Categories and Weightings**

Technical and Quality Evaluation Criteria		
Outcomes and Key Performance Indicators		
<i>Responses demonstrating how outcomes will be achieved, critical success factors met and description of relevant Key Performance Indicators are grouped into the four following categories:</i>		Weighting
<b>Area 1</b>	People are able to access a network that is safe and well maintained	7%
<b>Area 2</b>	The public realm is improved and enhanced A highways infrastructure that is efficient, accessible, positive, long-lasting and supports economic growth	7%
<b>Area 3</b>	Staffordshire is well connected with equality of access for all An infrastructure that supports and promotes sustainable travel	7%
<b>Area 4</b>	The impact of transport on the environment and communities is minimised There are high levels of satisfaction with infrastructure services An environment that promotes pride and ownership amongst communities Staffordshire's environment is maintained and enhanced and promoted for the benefits of visitors, residents and future generations Staffordshire's communities and visitors can access, enjoy and benefit from a range of learning, recreational and cultural activities	7%

### Operating Plans

4.17. Operating Plans were required as part of the Technical Submission, and were required to contain the following information:

- Proposed vision and strategy for the specific service / activity area,
- Comprehensive breakdown of resources allocated to those activities,
- Activity plans for service projecting to year three of service, including mobilisation,
- Performance Management approach proposed to ensure service levels met,
- Defined service levels for all areas of service,
- Service Area Risk Analysis, detailing known and anticipated risks with associated mitigation strategies,
- Proposals for dealing with flexibility in service scope, and
- Detailed summary of key assumptions made, risks and key derogations from SCC standard contract terms, and how they may directly impact on commercial evaluation.

4.18. The Operating Plans will become a formalised contract document, and are therefore robust, workable, developable by constituents of the Strategic Partnership and flexible to recognize the changing needs of the Partnership over the duration of the project. The table below is an extract from the Technical Evaluation document and describes the elements of the Operating Plans and their relative weighting for evaluation purposes.



**Figure 8: Operating Plans and Relative Weightings**

<b>Operating Plans</b>	
<i>Technical / Qualitative terms will be evaluated using the Award Criteria against the Bidders proposed Operating Plans</i>	<b>Weighting</b>
Proposed vision and strategy for the specific service / activity area	<b>1%</b>
Comprehensive breakdown of resources allocated to those activities	<b>3%</b>
Activity plans for service projecting to year three of service, including mobilisation	<b>5%</b>
Performance Management approach proposed to ensure service levels met	<b>5%</b>
Defined service levels for all areas of service	<b>5%</b>
Service Area Risk Analysis, detailing known and anticipated risks with associated mitigation strategies	<b>5%</b>
Proposals for dealing with flexibility in service scope	<b>4%</b>
Detailed summary of key assumptions made, and how they may directly impact on commercial evaluation	<b>4%</b>

## PROCUREMENT PROCESS

- 4.19. There were three stages of evaluation and de-selection throughout the procurement process; end of PQQ, end of Phase 1 of Dialogue (selection of final bidders) and end of Phase 2 of Dialogue (selection of Preferred Bidder).
- 4.20. Throughout the procurement process a consistent approach was taken to the evaluation of bids. A Core Evaluation Panel made up of critical members of the project team, was involved in evaluation at all stages and took advice from service area and support service subject matter experts. In addition, a moderation panel which brought together some members of the Core Evaluation Team along with some senior County Council officers independent of the project, convened as and when required. Details of the composition of the evaluation panels at each stage in the process are contained in the Procurement Reports which are contained in Appendices I, J and K.
- 4.21. Six companies submitted a Pre-Qualification Questionnaire on 8th August 2013. At the end of the PQQ evaluation the five highest scoring bidders were invited to participate in Phase 1 of Dialogue (please see Appendix I: PQQ Procurement Report). These bidders were:
- Amey LG Ltd
  - Balfour Beatty Living Places Ltd
  - Enterprise Mouchel (EM) Ltd
  - Kier May Gurney/WSP: MGWSP (unincorporated Joint Venture)
  - Skanska Construction UK LTD
- 4.22. Phase 1 of Dialogue involved meetings with each company over a four week period. At the end of this phase the three highest scoring bidders were selected to progress to Phase 2 of Dialogue (please see Appendix J: Outline Solution Evaluation Procurement Report). These bidders were:

- Amey LG Ltd
- Balfour Beatty Living Places Ltd
- Kier May Gurney/WSP: MGWSP (unincorporated Joint Venture)

4.23. Phase 2 of Dialogue involved meetings with each company over a five week period and included site visits and stakeholder events. Following the submission of Final Bids on 13th December and the subsequent period of evaluation, Amey was identified as the preferred delivery partner. This was approved by Project Board on 15th January 2014 (please see Appendix K: Final Bid Evaluation Procurement Report). With the authority to appoint a preferred delivery partner by delegated decision having previously been approved by Cabinet in June 2013, the delegated decision was made on 21st January 2014 by Cllr Mark Winnington.

## SUMMARY OF EVALUATION OUTCOME

4.24. The table below summarises outcome of the Infrastructure+ Final Bid Evaluation process and shows the commercial, technical and overall scores with the associated position for each bidder.

**Figure 9: High Level Outcome of Evaluation**

<b>Evaluation Summary</b>				
<b>Bidder</b>	<b>Commercial</b>	<b>Technical</b>	<b>Total</b>	<b>Position</b>
<b>Amey LG</b>	39.00%	40.80%	79.80%	1
<b>Balfour Beatty Living Places Ltd</b>	34.44%	41.20%	75.64%	2
<b>Kier May Gurney / WSP</b>	35.07%	36.80%	71.87%	3

4.25. All three technical submissions received accurately reflected the dialogue sessions held and consequently demonstrated a consistent standard across the final submissions. However the Preferred Bidder demonstrated a clear understanding of the Council's outcomes approach to the Infrastructure+ project, in particular demonstrating how the linkage between activities and outcomes can be achieved, performance managed and improved.

- 4.26. A key strength of the Amey bid was the focus on engagement with local communities, businesses, SME's and stakeholders. Central to this is a proposal to develop an Ecosystem capturing inputs and communication from all stakeholders, raising awareness of issues, increasing public perception, raising customer satisfaction levels and enhancing the reputation of the Council and its partners. The Ecosystem supports the County Council's principles in relation to increasing and supporting community responsibility and volunteering.
- 4.27. Stakeholder Communication features heavily in the Amey bid. Throughout dialogue, Amey demonstrated a clear understanding of the value of powerful communication to the customer and stakeholder. A Stakeholder Relationship Plan has been proposed to develop detailed proposed communication strategies and how they will benefit the project outcomes.
- 4.28. Amey demonstrated how communications are significantly improved through the implementation of their Standard Operating Model. In conjunction with their Operations Control Room, real time information will be captured and passed to customers and stakeholders, quickly and accurately responding to request, emergencies complaints or requests for service. They proposed joining up the minor works management tool with the County Council's customer relationship management system.
- 4.29. The asset management approach demonstrated by Amey was a clear differentiator between the three final submissions. By integrating four IT based systems (Confirm, Real Time Asset Management, SOM, and Horizons) Amey demonstrated an ability to capture asset data and develop into community based Transport Asset Management Plans (TAMPs) by 2017, ensuring we get maximum value for money and involve people in where and how we spend that money.
- 4.30. The commercial response from Amey was consistently stronger across all elements of the commercial model. This commercial approach ensures that the council will achieve best value in immediate maintenance and project delivery, project management costs and continuous improvement plans. Their approach to fee sensitivity also ensures that the council will fully understand the implications of budget change on the operator's fee, ensuring continuous best value.
- 4.31. Through the course of the competitive dialogue process, a clear understanding developed between the SCC and Amey teams. The nature of the SCC Commissioning cycle and the outcomes approach represented a step change from traditional procurement route. Amey demonstrated a clear understanding of this throughout the dialogue process and in their final submission. In particular, their understanding and interpretation of outcomes and how they should be translated into flexible service levels was well articulated and relevant to the project.

## AUDITING ARRANGEMENTS

- 4.32. The Internal Audit team has actively worked with the project team to provide assurance at each stage of the procurement process prior to key decisions being made.
- 4.33. The overall objectives of the internal audit reviews were to evaluate the robustness of the approach undertaken by the County Council in conducting the PQQ, Outline and Final Bid Stages of the procurement process in relation to the acquisition of a strategic delivery partner for the Infrastructure+ services. In addition, the project governance arrangements were also evaluated. The detailed scope of Internal Audit's work focused on the following key areas:-
- A clear reporting structure was in place in relation to the acquisition of a strategic delivery partner for the Infrastructure+ services,
  - Procurement Regulations of the County Council and EU Directives were adhered to when conducting the procurement exercise,
  - The proposed evaluation criteria was adopted in full when each bidders submissions were evaluated,
  - A robust framework was used to calculate each bidder's submission, which was supported by an appropriate level of documentation, and
  - Appropriate arrangements were in place to quality assure each bidder's individual scores which were calculated using the approved evaluation methodology.
- 4.34. The assurance opinions given to the system and application of controls at each stage of the procurement process and the project governance arrangements are detailed below:-

**Figure 10: Internal Audit**

Date of Review	Audit Reviews	Assurance Opinion
September 2013	Pre- Qualification Questionnaire (PQQ) Stage – Infrastructure + (Stage 1)	Substantial Assurance
November 2013	Invitation to Participate in Dialogue (IPD) Stage Phase I - Infrastructure	Substantial Assurance

	+ (Stage 2)	
January 2014	Invitation to Submit Final Bids Stage – Infrastructure + (Stage 3)	Substantial Assurance

4.35. The outcome of the 2nd stage of the procurement process was reported to and considered by the Audit and Standards Committee on 9th December 2013. The final stage of the procurement process (3rd Stage) would also be considered at a future date by Members of the Audit and Standards Committee.

## WHAT WILL IT LOOK LIKE?

### PURPOSE OF THIS SECTION

- 5.1. The purpose of this section is to outline the how, what and when of the Infrastructure+ strategic partnership. It will describe the key benefits contained within the Preferred Bidder's final bid submission and look at how this will meet the project's critical success factors and objectives.
- 5.2. This description of this "end state" will also include a discussion of the proposed phasing of service transition. A feature of the Infrastructure+ project, and an area of innovation in this arrangement, will be the evolutionary approach taken towards the transition of services into the partnership. "Day 1" of the partnership will be the start of this journey; transition will take place gradually when it is right to do so.

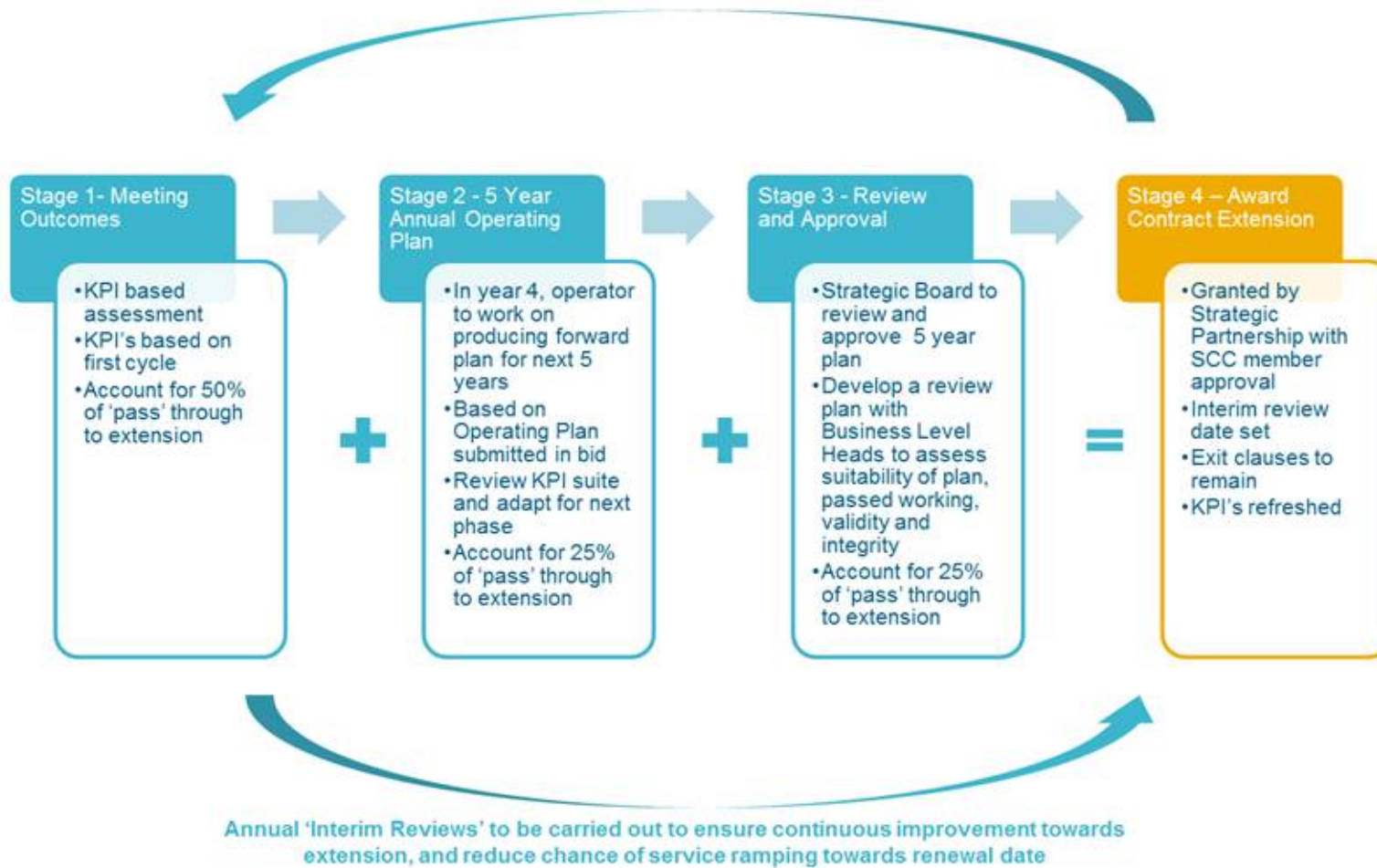
### SUMMARY OF THE PREFERRED BIDDER'S SOLUTION

#### **Summary of solution**

- 5.3. The proposed solution from Amey is for a 10 year contract, with provision to extend up to 20 years in total subject to meeting agreed performance criteria. As discussed during the Competitive Dialogue process, extension will be granted not only on meeting agreed performance targets, but also subject to Strategic Partnership Board agreement. We have also agreed to a contract review after Year 3 with a contract refresh after Year 7. This means that any contract extension will be based on both a review of previous performance and consideration of the roadmap for the remaining term of the contract.
- 5.4. The following diagram illustrates this process:

Figure 11: Contract Extension Mechanism

## Contract Extension Mechanism



- 5.5. A summary of agreed fees was provided as part of the commercial submission. The fee spread was based on a range of annualised budgets ranging from £30m p/a to >£100m p/a. The fee proposed for the mid-range (£50-60m) represents a 0.53% saving on the current fee level
- 5.6. The governance of the project will be carried out by a Strategic Partnership Board, overseeing the strategic and operational commissioning and delivery levels. SCC will maintain 60% voting rights on the Strategic Partnership Board.

### **Key features**

- 5.7. Development of the Amey Ecosystem is at the heart of the solution. A Staffordshire-wide proposal to link people and business to help meet the CSF's and outcomes for the project; the Ecosystem is a network of local business, community, authority and volunteer services that will provide a flexible base for developing supplier bases, income streams and resource bases. The aim is to network all stakeholders involved with the delivery of the strategic partnership outcomes. This aims to reduce the reliance of the County Council and Amey and increase the input of local businesses, the third sector and communities.
- 5.8. Central to the Amey Ecosystem is the implementation of their Standard Operating Model (SOM), committing to savings in routine maintenance of 25% in the first year of the contract, with further incremental savings through the first five years of the project.
- 5.9. Contract Operating Plans have been provided covering the following areas:
  - Highways Maintenance;
  - Highways Improvement and Development;
  - Highways Professional Services;
  - Country Parks Maintenance and Rights of Way Maintenance;
  - Grounds Maintenance of Shugborough.

### **Service Levels and KPI's**

- 5.10. An Operational Control Room (OCR) will be established to implement and develop the SOM across the project. Data captured through the OCR will be used to assist in the performance management of the contract, which is underpinned by comprehensive Service Level Agreements (SLA's) and Key Performance Indicators (KPI's). The flexible management of the SLA/KPI suite is integral to the meeting of outcomes and will be reviewed annually.
- 5.11. KPI's have been constructed to directly mirror Infrastructure+ outcomes, linking across all operational and management activities. KPI's will be regularly reviewed to



ensure they remain challenging and robust, and continue to meet outcomes. Lower level Operational Performance Indicators (OPI's) sit in each of the five work streams and are constructed around specific output targets. The table below illustrates Amey's approach to developing outcome linked KPI's and Operational indicators in the Highways Maintenance operating plan:

**Figure 12: Amey’s approach to developing outcome linked KPI’s and Operational indicators in the Highways Maintenance operating plan**

Outcome area	SCC Outcomes / Amey KPI's	High Level Success Measures	Operational Performance Indicators
1	People are able to access a network that is safe and well maintained	All condition surveys showing asset improvement (inc ROW) Maintenance move from reactive to planned	% of inspections completed on time and as programmed %of emergencies responded to within timescales % of defects completed on time
2	A highways infrastructure that is efficient, accessible, positive, long-lasting and supports economic growth	Customer satisfaction improves Network availability increases The net asset value increases year on year	%reduction in cost of reactive maintenance each year
4	The impact of transport on the environment and communities is minimised	Service waste reduced Recycling increased	% of defects completed right first time % waste to landfill % recycled materials used
	There are high levels of satisfaction with Infrastructure Services	Social value increasing	Number of enquiries and complaints regarding reactive works % increase in the number of community volunteers each year
	An environment that promotes pride and ownership amongst communities		
	Staffordshire’s environment is maintained and enhanced and promoted for the benefits of visitors, residents and future generations		% reduction in cost of reactive maintenance each year

5.12. The link between outcomes and operational indicators is constructed by identifying agreed High level Success Measures. Outcomes teams will identify and develop those high level success measures and work to translate them into relevant, measureable indicators that are able to demonstrate performance improvements against the outcomes.

## GOVERNANCE

### **Governance Structure**

5.13. The governance approach has been grouped into five accountable levels:

- Political commissioning,
- Strategic commissioning,
- Operational commissioning,
- Delivery, and
- Monitoring.

5.14. The following diagram shows the structure of the governance for the strategic partnership detailing the various boards involved, their responsibilities and membership:

Figure 13: Proposed Governance Structure

Governance Structure Aligned to Outcomes				
Commissioning Stage		Relevant Board	SCC Membership	Amey Membership
<b>Political</b>	What's the Question? Get to know and work with customers	<b>Cabinet / Select committee</b>	Leader, Deputy Leader, Cabinet Members, support Members	
<b>Strategic</b>	Get to know and work with customers  Define the Outcomes and Priorities	<b>Strategic Partnering Board</b>	Cabinet Members, Dep Chief Exec, Commissioners	MD Amey Government, Regional Business Director
<b>Operational</b>	What will it look like?  How will we get there?	<b>Project Board</b>	Head of Place Delivery, selected commissioning leads	Regional Business Director, Account Director, Business Improvement Director
<b>Delivery</b>	Delivery	<b>Project Team</b>	Commissioning Leads	Account Director, Service Team Leads
<b>Monitoring</b>	Measuring the Impact		<b>Outcome Groups</b>	



5.15. The key features to observe are:

- Political commissioning will remain the preserve of the County Council with Amey participation by invitation,
- Strategic commissioning will be managed by the Strategic Partnership Board (SPB), with 60/40 voting rights to the County Council,
- Operational commissioning will involve County Council Commissioners, the Head of Place Delivery and Regional Directors from Amey, who will meet monthly,
- Delivery will be undertaken by commissioning leads and account directors, working towards project and service plans, resource allocation and contract management,
- Monitoring will be undertaken by Outcome Groups, comprising County Council officers, Amey staff, suppliers and 3rd sector groups, focusing on contract outcomes and emerging priorities. The effectiveness of these groups will be monitored by the Strategic Partnership Board.

5.16. To ensure a focus on the achievement of outcomes and Critical Success Factors, the Outcome Groups will be empowered to cover issues including:

- Customer engagement,
- Social Value (including jobs and economic growth),
- Service development, and
- Innovation and continuous improvement.

## ORGANISATIONAL ARRANGEMENTS

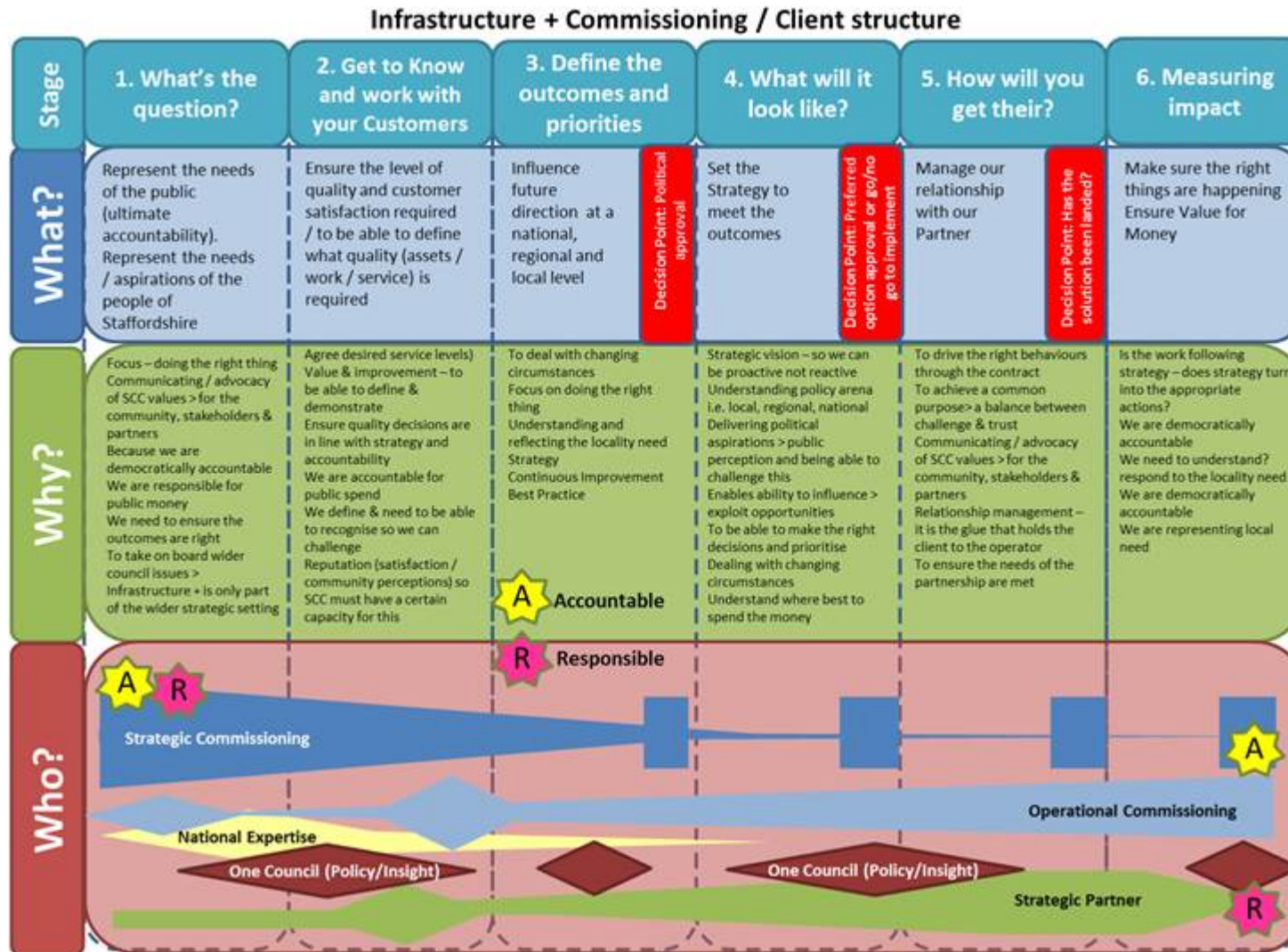
5.17. The remit of the organisational arrangements workstream is the 'design and implementation of organisational arrangements in line with the overall agreed Infrastructure+ solution design'. Initial efforts have concentrated on the development of a high level design describing the future form of the 'client side' function. The client side function is concerned with ensuring that there are robust and sustainable arrangements in place to enable a progressive partnership that can deliver against outcomes as well as driving and influencing the future ambitions of the partnership. The arrangements for client side will need to complement delivery arrangements and are critical to the ongoing success of the partnership through effectively contract managing actual delivery, but also in terms of maintaining a focus on what is important to the people of Staffordshire and commissioning the right responses through the partnership as appropriate.

5.18. In determining client side requirements, a lot of consideration has been given to lessons learnt from previous experience both within the services in scope, but also

from large scale procurement exercises of this nature undertaken by the County Council previously, such as the ESS (Entrust) project. There is a great deal of knowledge and experience within the services in scope currently around the requirements of contract management and commissioning as a large percentage of delivery is already commissioned and therefore it is important that through the work on developing client side arrangements that this skill and experience is not detrimentally affected and that we can fill any gaps there may be currently. This has been a key focus for the work done to date.

- 5.19. The Infrastructure+ project adopted a structured approach to the design of 'client side' capability through the Organisational Arrangements workstream. A series of workshops were convened with Commissioners and One Council project support officers to produce the high level design, with input from the Executive Sponsor and Project Board. A holistic approach was taken to the development of the design incorporating the components of people, process, systems and culture. To ensure organisational alignment specific attention was paid to the County Council's operating and organisational context in addition to the core objectives and critical success factors of Infrastructure+.
- 5.20. The outputs of the workshops identified the purpose of 'client side' and the capabilities required by the County Council to effectively commission Infrastructure+ outcomes and to manage the contract.
- 5.21. The model below reflects the output from a series of workshops with Commissioners, the Transformation Support Unit, Human Resources, Organisational Development, Legal and Finance colleagues aimed at developing the core minimum requirements for the client side based on the County Council's aim to be an excellent commissioning organisation. This model shows the stages of the Commissioning Cycle and details the functions the client side will need to deliver at each stage as well as a rationale behind why these functions are important. A version of the output from the initial workshops was also used in IPD2 dialogue and provided to bidders.

Figure 14: High Level Staffordshire County Council Organisational Arrangements Model



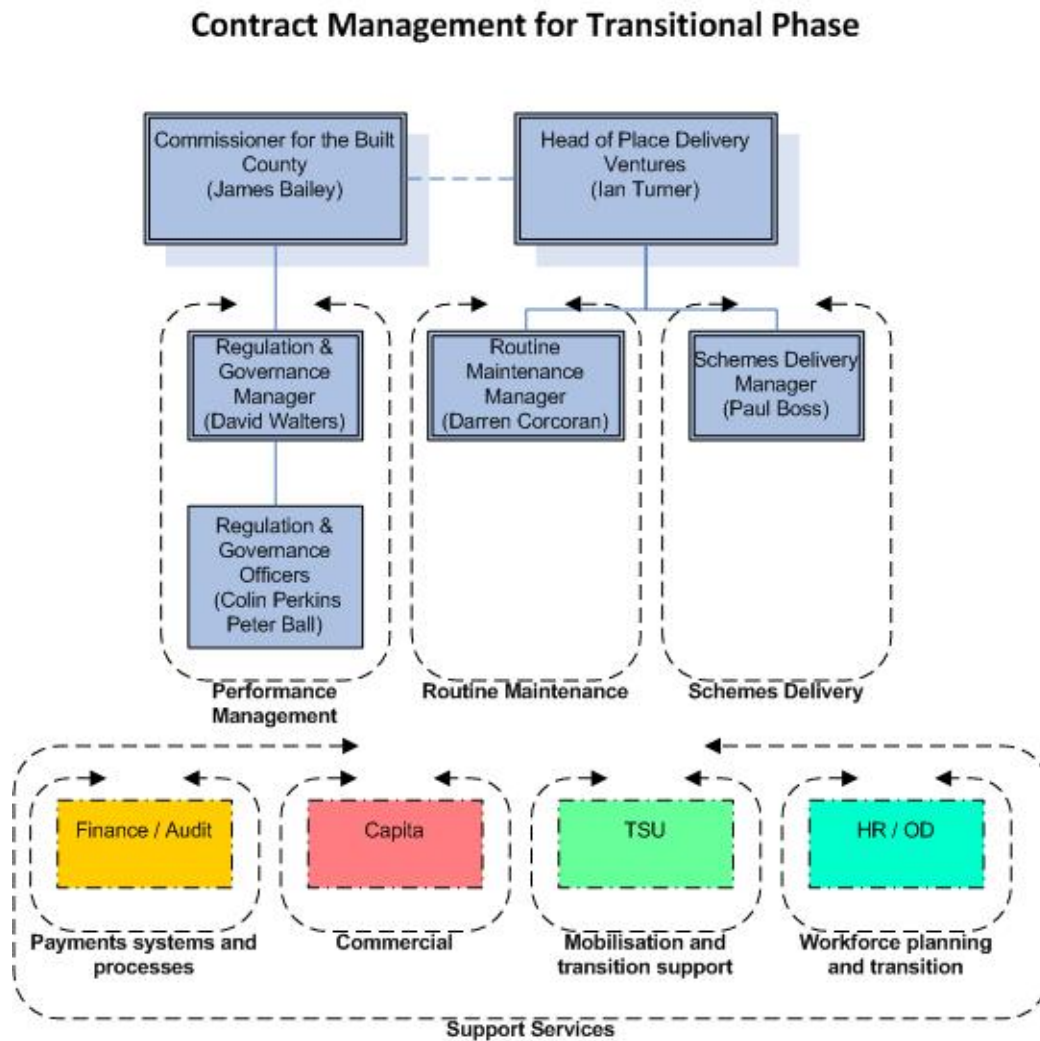
- 5.22. The process has then considered the capabilities required in the client arrangement in order to fulfil these functions. These capabilities are based around the following 7 areas, reflective of the governance structure:
- Representing the needs and aspirations of Staffordshire,
  - Ensuring the delivery of the level of quality and customer satisfaction required,
  - Influencing the future direction at a local, regional and national level,
  - Setting the strategy to meet the outcomes,
  - Managing our relationship with our partner,
  - Making sure the right things are happening and
  - Ensuring value for money
- 5.23. The County Council is clear in its need to ensure that, as a minimum, capabilities in the above areas are either retained in the County Council or created within the client arrangements of the strategic partnership.
- 5.24. In support of the evolutionary approach proposed for the transition of services into the strategic partnership, the capabilities defined have been used to support dialogue with bidders and will inform discussions with Amey through the Preferred Bidder, mobilisation and transition stages, to reach agreement on the organisational arrangements of the partnership.

#### **Day 1**

- 5.25. As referred to in paragraph 5.18 above, a considerable proportion of the services included within the scope of Infrastructure+ are currently carried out through contractual arrangements, either through the highways term maintenance contract with Enterprise, other large contracts such as the Midlands Highways Alliance and the 25 year street lighting PFI with E.ON Energy or smaller contracts with local providers
- 5.26. It is important that we build on the existing knowledge and experience within the services in scope around the requirements of contract management and commissioning and specific teams within the services in scope that currently undertake commissioning and contract management roles.
- 5.27. Owing to the phased transition of services and the transition period required to demobilise the existing and mobilise the new contract, not all services in scope will transfer to Amey on Day 1.
- 5.28. It is anticipated that on Day 1 of the contract the existing contract management arrangements will continue as they currently are.
- 5.29. Contract management arrangements for the transition period are illustrated in the diagram below:



Figure 15: Contract Management for Transitional Phase



## WORKFORCE AND TUPE

- 5.30. Bidders were required to consider workforce and staffing issues within their technical submission, demonstrating their approach to people management practices, employee relations, resourcing and reward. During evaluation bidders approaches to these matters were taken into account both generically, from a best practice perspective, and in the context of the County Council’s outcomes and the core objectives and Critical Success Factors of the project.
- 5.31. Amey submitted detailed information in relation to their people management practices demonstrating a line of sight between these practices and the delivery of their proposals. Amey’s proposed resourcing strategy and approaches to learning and development particularly aligned to the achievement of outcomes and wider social value.

- 5.32. There will be transfer of staff to Amey as part of the partnership. This has been a consideration as part of the procurement process and we have established that existing terms and conditions of employment will be maintained.
- 5.33. The creation of the strategic partnership will see the transfer of functional activity currently delivered by Staffordshire County Council to the partner organisation. Where this occurs it is proposed staff employed to deliver this activity will also transfer to the partner organisation and their employer will change.
- 5.34. Additionally, it is proposed that some organisational changes may need to be introduced to deliver the range of strategic outcomes, core objectives and Critical Success Factors associated with the services in scope. As a consequence staff may experience changes to job roles and structures as the way in which work is organised changes. The new collaborative working arrangements may also introduce new ways of working for staff employed in services in scope.

## KEY LEGAL FEATURES

- 5.35. Infrastructure+ will be contractually governed at three levels: -

**Figure16: Legal Contract Governance**

Strategic Partnership	<ul style="list-style-type: none"> <li>• Overarching Contract (“OC”);</li> </ul>
Service Delivery	<ul style="list-style-type: none"> <li>• Industry Standard NEC Term Service Contract 2005 Edition incorporating HMEP amendments and SCC amendments of NEC ‘Z’ Clauses, Addendum re: compensation events and defects, Addendum ZZ and Parent Company Guarantee (“NEC TS”)</li> <li>• Industry Standard NEC Engineering and Construction Contract 2013 Edition incorporating, as applicable, Parent company guarantee, Performance bond, Main contractor’s collateral warranty deed and Consultants collateral warranty deed (“NEC ECC”)</li> <li>• Short Form Service Contract / Industry Standard Short Form NEC Term Service</li> </ul>
Transfer	<ul style="list-style-type: none"> <li>• Novations/Assignments</li> <li>• Option Agreement</li> <li>• Leases</li> </ul>

## **The Overarching Contract**

- 5.36. The Overarching Contract will last for an initial term of ten (10) years, with provision to extend up to a further ten (10) years. The maximum contract term is twenty (20) years, subject to the County Council continuing to consider it the right way to deliver outcomes and the provider meeting agreed performance criteria.
- 5.37. It contains key general provisions governing:
- **Governance** - The OC creates the Strategic Partnership and will set out the governance arrangements detailing the usual mechanics for governance including by way of examples meetings, reporting, contract change procedures, dispute resolution and exit strategy. Further details of the proposed governance structure have been discussed above.
  - **The Contracts (Rights of Third Parties) Act 1999** - The OC provides third party beneficiary rights to those identified in the OJEU Notice. The simple effect of this is that those identified will be able to utilise the contract terms. The consequence of this application for the County Council will be additional management of the OJEU value (to ensure it is not exceeded) and management of the relationship between the County Council and any third party to govern use of the contract will be required.
  - **TUPE/Pension** - The OC documents the terms under which existing staff will transfer to the Preferred Bidder
  - **ICT Requirements** - The OC identifies and governs applicable ICT procedures including provision for acceptance testing, security and software licence terms.
- 5.38. The OC also contains “boilerplate” provisions that are common clauses for a contract of this nature.

## **NEC Term Service Contract (NEC TS)**

- 5.39. The NEC TS is appropriate for an ongoing arrangement such as for the highways maintenance provision and contains appropriate detail.

## **NEC Engineering and Construction Contract (NEC ECC)**

- 5.40. The NEC ECC comes in a number of versions and would be used for capital projects. Those versions are in the main either for fixed price contract or a target cost agreement, in the latter case with the provider sharing savings with the County Council. Further there is also the NEC professional services contract by which one would engage a consultant such as an architect or structural engineer.

## **Short Form Service Contract (SF)**

- 5.41. The Short Form of the NEC TS may be appropriate for services whereby the NEC TS is considered too exhaustive in nature.

## **Transfer**

- 5.42. Due diligence has highlighted contracts which will need to be either retained by the Council or novated or assigned to the Preferred Bidder. Work will be undertaken to identify which contracts will be retained, assigned or novated and this will result in formal novation or assignment agreements to be in place between the Council, the Preferred Bidder and any applicable third party.
- 5.43. The Option Agreement may be required should the County Council require a future interest in any new depot development by the Preferred Bidder.
- 5.44. Leases will be put into place for those depots to be utilised by the Preferred Bidder during the course of providing the services.

## **Liability**

- 5.45. The Preferred Bidder proposes to limit its liability in respect of all losses in the aggregate under the relevant service area, as follows:
- a limit of 100% of the annual fee for the service elements ,which are anticipated to be approximately £50million; and
  - in respect of the remainder of the service elements which are the construction of major capital projects a limit of 75% of the contract price for each project.
- 5.46. The limit of liability for the Preferred Bidder in respect of the Overarching Contract as drafted is unlimited.

## **Parent Company Guarantee**

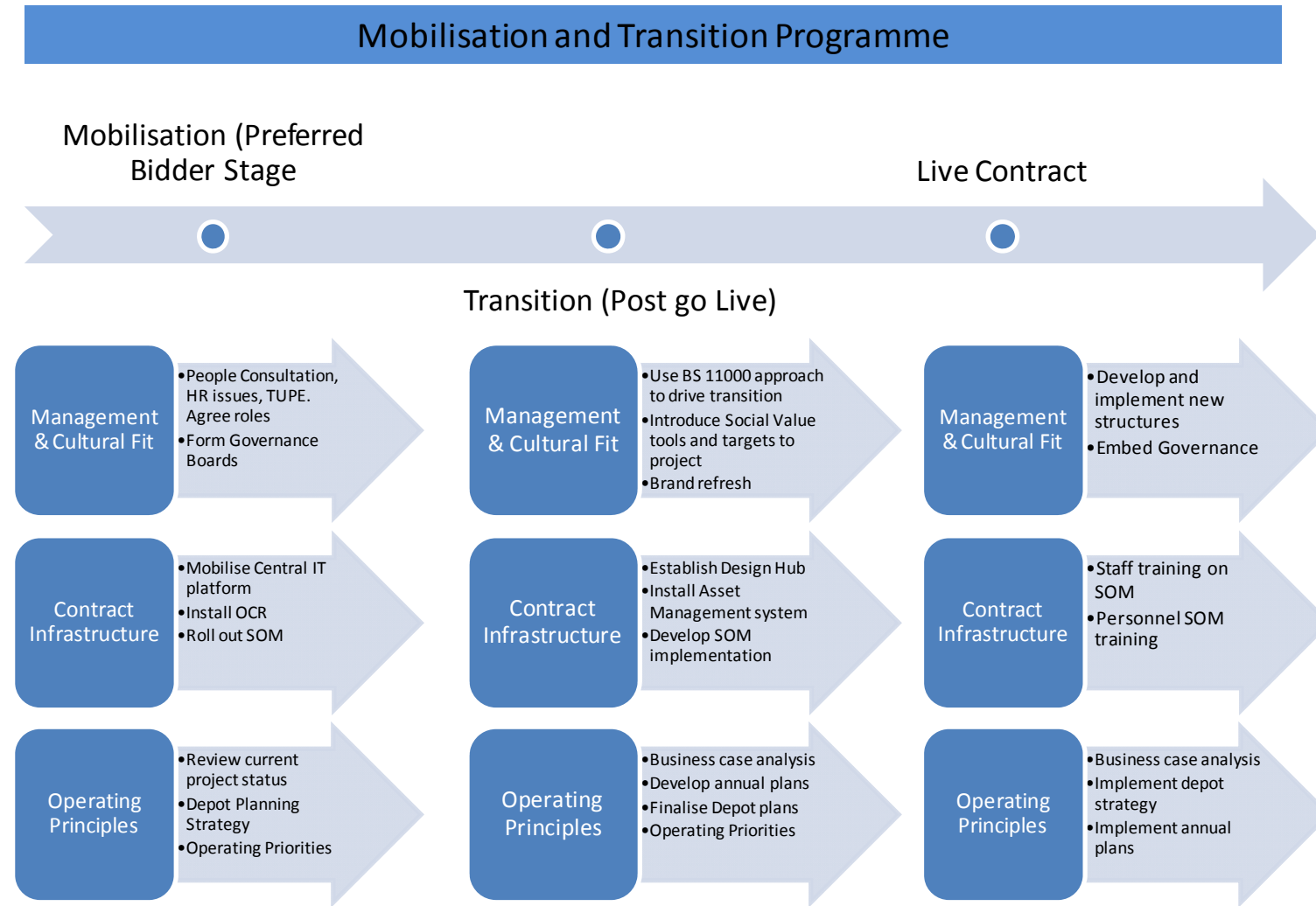
- 5.47. There is provision for service specific parent company guarantees to be made available to the County Council. It is customary and advisable to secure a parent company guarantee to cover the potential event of the provider becoming insolvent since some subsidiaries might not otherwise be supported by their group and in any event most group structures involve assets being transferred up to the ultimate parent, leaving the operating subsidiaries as not necessarily much more than a shell company.

## **PHASING OF SERVICE TRANSITION**

- 5.48. A fundamental principle of the Infrastructure+ project has been to select a strategic partner with whom the County Council could work to identify appropriate services within the overall scope, whereby enhanced value could be achieved under the management of the strategic partner. Through business case analysis, the value drivers for these services will be identified and only then will service transition commence.

- 5.49. Amey consistently demonstrated a clear understanding of the need to demonstrate value generation prior to transition, and their bid contains a detailed 'roadmap' identifying the stages from Preferred Bidder through to year 5, outlining the stages, activities and potential service transitions.
- 5.50. As part of the phased transfer of services and the need for business case approval, the focus of the transition phase is on establishing the contract infrastructure, the cultural 'fit' between the partnership and setting out the technical framework of the project. The key activities of the mobilisation – go live programme are shown below:

Figure 17: Mobilisation and Transition Programme



- 5.51. Amey have set out a detailed proposal towards stakeholder engagement. This will be based around the "Ecosystem" approach, described elsewhere, and will be guided by the development of a Stakeholder Relations Plan. This will ensure that there is ongoing dialogue with critical partners such as Stoke-on-Trent City Council, district and borough councils, statutory agencies, third sector and other organisations. In many cases existing mechanisms such as the Community Infrastructure Liaison teams will be retained and enhanced. The governance structure will be supported by a range of Outcome Groups. The precise makeup and remit of the Outcome Groups will be approved by the Strategic Partnership Board. Outcome Groups but will be formed as necessary, in some cases being task and finish groups.
- 5.52. They will be empowered to cover such issues as:
- Customer Engagement,
  - Social Value (including jobs and growth),
  - Service development, and
  - Innovation and continuous improvement.
- 5.53. The key principle is that the membership of Outcome Groups would be made up form a broad range of stakeholders with business and community groups becoming increasingly involved with a commensurate decreasing involvement of county council and Amey staff.

## COST/BENEFIT ANALYSIS

### Summary

- 5.54. Bidders were required to submit a Commercial Model demonstrating their proposal in four key areas, with the core evaluators then able to assess the assumptions made in its compilation. A summary of the commercial submission areas evaluated is shown in the table below, with the associated weighting
- 5.55. Amey submitted the lowest prices in sections 1, 2 and 4, placing them first in each category. In section 3 they demonstrated the strongest Continual Improvement Plan and 3rd Party income streams, again placing them first.
- 5.56. A full description of the content of the commercial submission is detailed in the Evaluation Criteria section of this report.

**Figure 18: Commercial Evaluation Criteria**

Commercial Evaluation Criteria	Weighting
1. Price - comparison of core service and capital works projects	20%
2. Comparison of Fee structure, overhead and partnership management costs over the first five years of the project	5%
3. A five year savings plan incorporating innovation and gainshare reimbursement	5%
4. Sensitivity Proposal to analyse the effect on OHP subject to changes in budget or scope	5%
5. Assessment of the integrity and validity of all assumptions made in the compilation of the commercial response	5%
<b>Total</b>	<b>40%</b>

5.57. A table of assumptions was supplied with the submission in response to item in the table above, and was reviewed by the core evaluators, with support from Finance and Capita. No issues that would adversely affect the submission were identified by the evaluators or the support panels and no adjustments were required to the submission

**Key Points**

5.58. Bidders submitted cost proposals for the following areas:

- Routine Maintenance,
- Capital Projects,
- Partnership Management costs, and
- Staffing Costs.

5.59. Included in the above were a number of indicative schemes and service proposals, the costings for which will become the baseline costs for benchmarking and future Target Costs. By securing these costs through a competitive tendering process, Infrastructure + has a value proven benchmark that can utilised for the duration of the project to continually demonstrate value for money.

5.60. Partnership Management costs were separately identified and costed to ensure both transparency in the operating overhead and to challenge bidders to demonstrate Lean Management principles, a critical facet of multi-year projects.

5.61. The Fee percentage is fixed at 7.95% up to an annual turnover of £60m, thereafter reducing to 7.45% (£60-70m), then 6.95% (>£70m) for the duration of the project. A full suite of Fees have been proposed to capture the full range of potential budget options

5.62. The solution will include the establishment of a design hub in Staffordshire, increasing external work in the Highways Laboratory and construction works. By Year 5 this is predicted to bring additional economic benefit to Staffordshire of



approximately £2.75million per annum. This represents 300% growth to the baseline figures.

- 5.63. Amey propose savings in routine maintenance of 25% in the first year of the contract, through efficiency savings generated by their Standard Operating Model (SOM). Initial estimates of the savings are circa £1.87m, offset by year 1 mobilisation costs of £0.67m. A Continuous Improvement Plan (CIP) was included in the commercial submission, and contractually commits to the cumulative savings targets shown in the table below. These are cashable savings against revenue will result in direct budget savings.
- 5.64. The percentage figures stated in the table below represent the cumulative savings for works carried out in the year stated against a comprehensive series of benchmarked operations priced as part of the commercial submission:

**Figure 19: Amey - Cumulative Savings Against Baseline Costs (%)**

<b>Continuous Improvement Plan - Cumulative Savings Against Baseline Costs</b>				
<b>Work Area</b>	<b>Year 2, 2015-16</b>	<b>Year 3, 2016-17</b>	<b>Year 4 2017-18</b>	<b>Year 5, 2018-19</b>
Routine Maintenance Crews	25.00%	26.50%	28.00%	29.50%
Gulley Emptying	25.00%	26.50%	28.00%	29.50%
WM - Gritting & Salting	1.50%	3.00%	4.50%	6.00%
Operational Delivery - surface dressing	1.00%	2.00%	3.00%	4.00%
Capital Projects	1.50%	3.00%	4.50%	6.00%
Employment and Staffing Costs (total)	2.50%	4.00%	5.50%	6.41%

- 5.65. In addition the costing exercise as part of the commercial submission indicates cost reduction of 10% in capital scheme works. This will present non-cashable savings which will allow more work to be undertaken for the capital grants available.
- 5.66. The table below shows the calculated savings. Cashable savings in the first table and non-cashable savings in the second:

**Figure 20: Amey - Cumulative Savings Against Baseline Costs (£'s)**

<b>Continuous Improvement Plan - Cumulative Savings Against Baseline Costs</b>							
<b>Work Area</b>	<b>Baseline 2013-14 £m</b>	<b>Provisional Budget 2014-15 £m</b>	<b>Year 1 2014-15 £m</b>	<b>Year 2 2015-16 £m</b>	<b>Year 3 2016-17 £m</b>	<b>Year 4 2017-18 £m</b>	<b>Year 5 2018-19 £m</b>
Routine Maintenance Crews	6.716	6.716	1.679	1.780	1.880	1.981	2.082
Gulley Emptying	0.748	0.748	0.187	0.198	0.209	0.221	0.232
WM - Gritting & Salting	0.877	0.877		0.013	0.026	0.039	0.053
			<b>1.866</b>	<b>1.991</b>	<b>2.116</b>	<b>2.241</b>	<b>2.366</b>
There are additional costs to be met from these savings:							
		Year 1 Mobilisations costs	<b>0.670</b>				
		<b>Cashable Savings</b>	<b>1.196</b>	<b>1.991</b>	<b>2.116</b>	<b>2.241</b>	<b>2.366</b>
Operational Delivery - surface dressing	7.860	4.860	0.486	0.559	0.632	0.705	0.778
Capital Projects	18.025	13.025	1.303	1.498	1.693	1.889	2.084
		<b>Non-cashable Savings</b>	<b>1.789</b>	<b>2.057</b>	<b>2.325</b>	<b>2.593</b>	<b>2.862</b>

### **Demonstrating Value for Money, open book accounting, benchmarking,**

- 5.67. The proposed method of reimbursement is a combination of Target Cost, Lump Sum and Cost Reimbursable models, all executed under NEC Forms of Contract. Annual work plans will be produced and agreed, forming the basis of activity schedules for development into Target Costs or Lump Sums. Winter maintenance will be carried out initially on a Cost Reimbursable basis.
- 5.68. Formation of the Operational Control Room will manage peaks and troughs in workflow, removing budget fluctuation risk from SCC.
- 5.69. Amey will generate a five year cost plan which can be converted into a 'Guaranteed Maximum Payment' to enable rigorous budget control. The Cost Plan will be linked to service streams and the MTFs to facilitate long term planning and investment decisions.
- 5.70. Amey will be operating a SAP accounting system and will also provide full open book access to contract accounting systems in order to provide complete transparency and efficient transfer of data. Data captured through SAP will be categorised through Amey's Works Breakdown Structure (WBS), providing accurate analysis and verification of costs at a detailed level on individual service elements. Costs can then be benchmarked across the wider Amey business at any time through open access accounting in SAP.

### **Added Value**

- 5.71. Amey will continue to deliver the Transport Asset Management Plan (TAMP) through to 2017, and will then develop a new TAMP utilising its Asset Management Model to fully realize potential savings at the earliest opportunity. Using its Confirm Asset Management System, Amey will produce Network Condition Index values to formulate a prioritised five year programme of works.

- 5.72. Amey propose that the Professional Services Team will form the basis of a Design Hub that will support the network of hubs that Amey has developed around the UK. Working from Staffordshire Place, the design hub will comprise staff engaged on Infrastructure + and other contracts, ensuring teams have maximum exposure to a range of scenarios.
- 5.73. The commercial submission demonstrates proposals to achieve growth through revenues over the first five years of the contract by actively partnering and working with other council departments, LEP's, partner organisations, developers and other businesses. The proposals demonstrate an understanding of the market and market drivers to promote growth, including;
- Emphasis on quality, cost, value and investment, with underlying reductions in public spending;
  - Focus on shared services and specialisation to maximize synergies and economies of scale and
  - Developing commitment towards community empowerment and the local economy.
- 5.74. Revenue forecasts have been demonstrated in the commercial submission across six business streams, including a five year plan to work with Shugborough to reduce maintenance costs, develop potential revenue streams, and incomes through professional services.

## **Social Value**

- 5.75. During the transition phase of the project, Amey will work with SCC to develop a Stakeholder Relationship Plan, covering all aspects of consultation, communication and engagement. The submission identifies key stakeholders, the interface with the Infrastructure + project and the possible engagement opportunities
- 5.76. Central to meeting the SCC vision for a 'connected Staffordshire where everyone has the opportunity to prosper, be healthy and happy' will be the Amey Ecosystem, engaging cross sector organisation, local businesses, SME's and volunteers to drive a co-ordinated approach to measuring impact across the county in terms of social value
- 5.77. Amey have identified a number of social value strategies to deliver non-financial returns on the project, including:
- Partnering with PM Training, Support Staffordshire and Vivo rewards to recruit volunteers for the 'Step Up' volunteering campaign,
  - Optimising use of the asset bases to maximise usage, including the use of the Gailey depot as a training centre for young people,

- Establishing a Green Hub in Shugborough as a centre of excellence in horticulture,
- Enrolling apprentices and graduates onto the Duke of Edinburgh Gold Programme to support the development of people, and
- Working with the Trade Unions to extend their community numeracy and literacy programme which has been successfully delivered in Birmingham.

5.78. The benefits borne out of the proposal will contribute significantly to achieving the outcomes and critical success factors of the project, particularly in those areas not directly focused upon by the highways elements of the project. Critical evaluation of the schemes will be carried out by the monitoring teams described elsewhere in this document to ensure that benefits are realised and that outcomes remain relevant and challenging.

## PENSIONS – SOLUTION AND COSTS ASSOCIATED

5.79. The Local Government Pension Scheme (LGPS) Regulations permit the Pension Fund to enter into a legal agreement with a private sector employer. This legal agreement is known as an admission agreement and ensures that the TUPE transferred employees have continued access to the LGPS. The parties to the admission agreement with the Staffordshire Pension Fund must put in place a bond or guarantor to guarantee the pension liabilities in the event that the service provider's business fails. The new provider must decide whether the admission agreement is open or closed to those new employees taken on after the commencement of the contract.

5.80. The new service provider can enter into a pension risk sharing agreement with the awarding authority which in this case is the County Council.

5.81. The pension risk share that has been agreed is as follows:

- A fixed employer's pension contribution rate of 22.9% of pensionable payroll for an agreement open to new employees and 24.3% if closed to new employees. This rate will need to be reviewed when the final list of staff being transferred is established and the County Council reserve the right to adjust this rate by plus or minus 2%,
- The fixed rate employer's contribution rate is assessed at each fund valuation (every three years) and any shortfall is made up by the awarding authority i.e. the County Council. The first valuation following the award of the contract will be 31st March 2016,
- The employer's fixed rate employer's pension contribution would be reviewed at any point in the contractual arrangement where a price review is undertaken by the parties,

- The County Council will take the pension risk for both the past and future deficits accept in circumstances where the actuary identifies pay increases above their actuarial assumptions,
- The County Council will act as guarantor to the pension fund,
- The new provider will take the risk for any employer related decisions which attract an extra pension cost, and
- The new provider is set up on a fully funded basis.

5.82. The County Council is still liable for the deficit repair in respect of these employees which was provisionally identified as being £0.6m per year for all staff involved in the service areas in scope.

5.83. Please note that the employer's contribution rate quoted above only relates to employees transferring from Staffordshire County Council LGPS.

## HOW WILL WE GET THERE?

### PURPOSE OF THIS SECTION

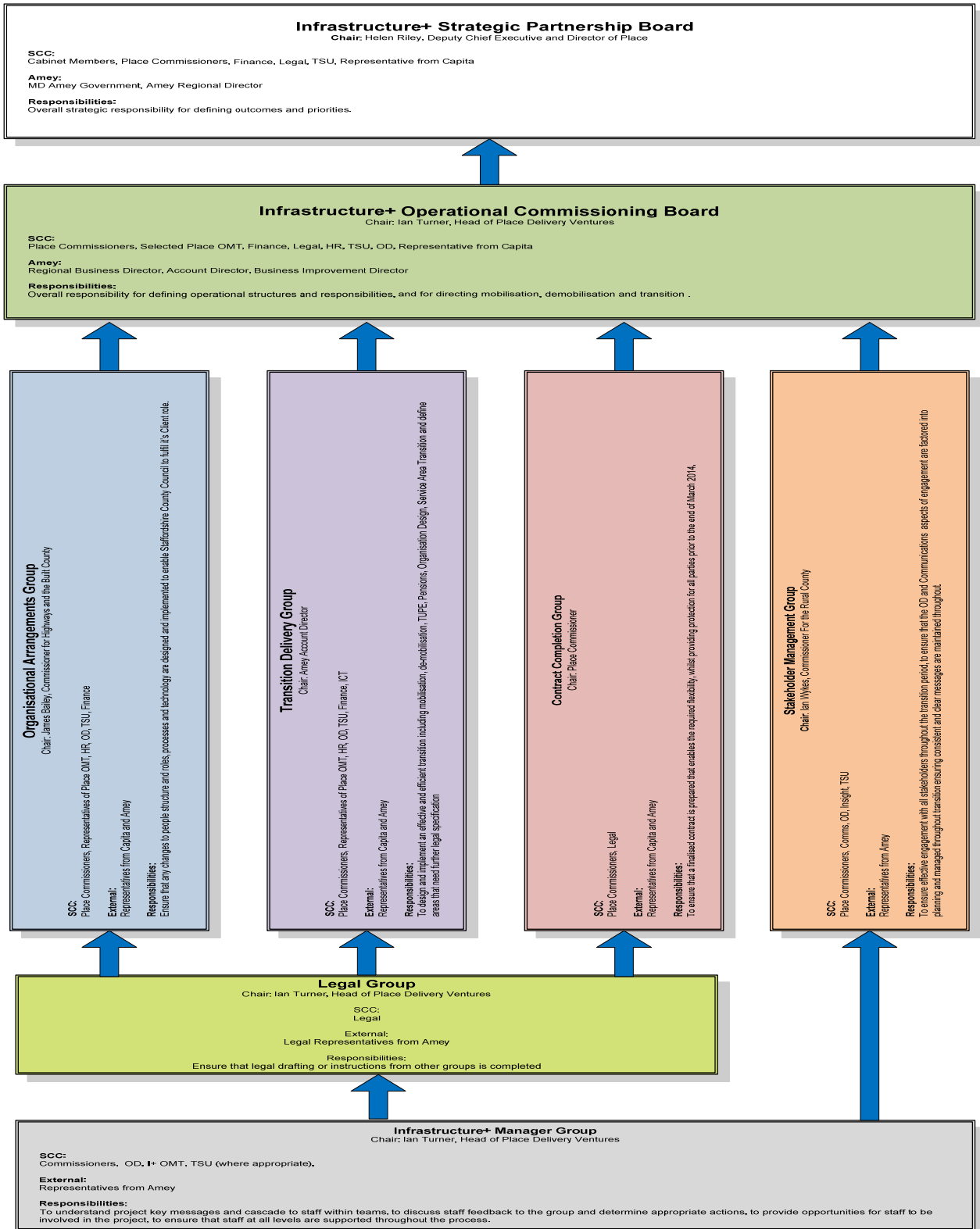
- 6.1. This section will describe the work to be done to achieve the end state described in the final bid submission, contract and KPI's.
- 6.2. While some of this work will be undertaken in the Preferred Bidder stage as we firm up KPI's and the contract itself, some of this work will be undertaken in the transition period as we mobilise the new strategic partnership.

### THE PLAN

- 6.3. The work required to establish the strategic partnership will take place in two main phases; Preferred Bidder and Transition.
- 6.4. **Preferred Bidder phase:** This will cover the period to contract award (end March 2014) and will involve further discussions with Amey to fine tune the detail of the contract and the programme of service transition. Areas for further discussion with Preferred Bidder.
- 6.5. This phase will see the creation of the Strategic Partnership Board and the other governance structures that will be agreed between the two parties. Key roles and responsibilities will be agreed, along with plans for the transition phase.
- 6.6. Legal completion will take place during this time as will the preparation for Day 1, which will involve stakeholder management, HR, Finance, ICT and service area involvement to ensure a soft landing on 1st April 2014.
- 6.7. **Transition phase:** This will cover the period from contract commencement to the completion of the mobilisation activities. Demobilisation of the current contractual arrangements will continue through the transition period to the point at which a safe handover to the new arrangements is achieved for all services being transferred.
- 6.8. Further work regarding the scope of service transition will continue during this phase as the partnership explores the value of transferring services through the business case mechanism discussed during dialogue.
- 6.9. Novation and assignment of existing contracts may also take place during this phase, as will the detailed agreements with respect to property and other assets in scope.
- 6.10. Governance of the project over the Preferred Bidder and Transition phases is shown in the figures below:

**Figure 21: Transition Governance**

**Infrastructure+ Transition Governance**



## CONTRACT FINALISATION

- 6.11. During Preferred Bidder stage, the parties shall liaise with a view to fine tuning the contract to meet the proposed solution. Contract signature is anticipated on or before 31st March 2014, contract commencement being 1st April 2014.
- 6.12. During transition, the process of novation and assignment of third party contracts is anticipated.

## ORGANISATIONAL ARRANGEMENTS

- 6.13. During the Preferred Bidder stage, the County Council and Amey shall liaise with a view to developing the detail of:
- the scope of service take on,
  - the phasing of take on and
  - the extent to which each service will be taken on.
- 6.14. The output of these discussions will influence the overall organisational arrangements of the partnership and specifically how the County Council will organise its client side obligations based on the core capabilities identified in 6.10 and the model developed at Figure 13.
- 6.15. In preparation for these further conversations a series of internal workshops are planned for Commissioners, the Head of Place Delivery and the Operational Management Team to consider the capabilities required to deliver the core functions outlined in section 5.21, to undertake an assessment of whether these capabilities currently exist and if so to determine how we ensure they are not lost within the partnership; or if we may have to create or recruit against certain capabilities.
- 6.16. These capabilities will take into account:
- People – in terms of skills, competencies and experience required,
  - Processes – in terms of relationships and interdependencies across the partnership, and
  - Systems – in terms of technology and systems used to support the partnership.
- 6.17. These early sessions will consider capabilities at a relatively high level in order to provide a basis for further conversations with Amey during Preferred Bidder stage.
- 6.18. The work will help to develop a “strawman” client arrangement based on our current understanding. It is anticipated that Amey would join these conversations with their own views on how the organisational arrangements would work and therefore this early preparation provides a backdrop to aid discussions rather than a final structure.



6.19. During transition stage, work will be done to either recruit or retain key capabilities within the client structure depending on the scope, extent and timescales for service take on, the detail of which will be agreed with Amey during the Preferred Bidder stage.

## WORKFORCE AND TUPE

6.20. Within the scope of Infrastructure+ the County Council employs approximately 240 FTE's (324 head count), including vacancies and casuals.

6.21. There are approximately 190 FTE's employed by Enterprise and working on the highways term maintenance contract for the County Council. In addition there are in the region of 65 subcontractor companies employed on existing contract activities.

6.22. During Preferred Bidder stage, parties shall liaise with a view to agreeing:

- the proposed scope of service take on,
- the proposed phasing of take on and
- the extent to which each service will be taken on

6.23. This will determine the scope and timing of any proposed TUPE of County Council employees, changes to job roles and structures or ways of working.

6.24. The TUPE transfer mechanics proposed by Amey are legally compliant and represent good practice, considering both Employee Relations issues as well as employee engagement.

6.25. It is proposed that some organisational changes may be introduced to deliver the range of strategic outcomes, core objectives and critical success factors associated with the services in scope. As a consequence staff may experience changes to job roles and structures as the way in which work is organised changes.

6.26. Workforce and TUPE arrangements will be managed via the Mobilisation and Transition workstream and will be a key consideration during the development of the mobilisation and transition plan. Whilst delivery of the plan will focus on the following (below) this activity will be aligned to the outputs of the Organisational Arrangements workstream in addition to the development of 'client side' capabilities;

- Communication and engagement,
- Consultation with affected staff and Trade Union representatives,
- Transferring entitlements and terms and conditions of employment and
- Staff induction and transition.

6.27. Notwithstanding the protections afforded by employment legislation the County Councils will work with Amey to develop and agree any organisational changes prior

to implementation, ensuring due consideration is given to the impact on staff and the appropriate management of this impact. Staff will be supported through a managed transition process with ongoing engagement and consultation with both them and their Trade Union representatives.

## ORGANISATIONAL DEVELOPMENT

- 6.28. The County Council's Organisational Development Service works to shape, enable, guide, support, challenge and connect the organisation to deliver sustained performance, improvement and effectiveness. This work will continue to be important as we shape and work with our strategic partner to deliver the outcomes of Infrastructure+.
- 6.29. The County Council will work in partnership with Amey during both the Preferred Bidder and transition stages with a view that the County Council's "Vision, Values and Behaviours" are fully integrated and embedded – thus creating a suitable and sustainable cultural fit.
- 6.30. During the Preferred Bidder and transition stages we will work in partnership with Amey on three key areas:
- Strategic Partnership Board,
  - Organisational Arrangements (client side), and
  - Transition.

### **Strategic Partnership Board**

- 6.31. There has been a commitment that the Strategic Partnership Board (SPB), will meet quarterly and focus on agreeing the direction of travel for the project teams, overseeing outcomes and service level commitments, and reviewing and challenging high level service performance and exceptional contract issues.
- 6.32. The County Council will work with the SPB to ensure that they are developing effectively as a strategic board and are concentrating on their agreed focus. In partnership with Amey, we will act as a critical friend to the Board, offering robust challenge and support as well as agreeing a development programme during the Preferred Bidder and transition stages.

### **Organisational Arrangements (Client-side)**

- 6.33. A specialist workforce planning resource is working within this workstream. This support will continue and will work with Amey to identify any skills or knowledge gaps and wider workforce development priorities.

- 6.34. Organisational Development, Human Resources and Business Design will work in partnership with Amey to ensure that the client side systems, processes and people requirements are defined and in a position of readiness for transition.

### **Transition**

- 6.35. To date Organisational Development specialists have provided dedicated support to the project team and to staff affected by the project ensuring that staff have been engaged and involved where appropriate. Organisational Development and Human Resource specialists will work with Amey during the Preferred Bidder and transition stages, to develop a plan to support staff through the next phase of the programme.
- 6.36. Organisational Development specialists will work in partnership with Amey to ensure that the ongoing engagement and support for those staff in scope for transfer will be timely and effective.

## **ACHIEVEABILITY**

### **The County Council's experience of delivering similar projects**

- 6.37. The County Council has a track record of delivering of new and innovative approaches to the provision of public services; exploring and implementing alternative delivery vehicles, forming innovative partnerships and focussing on the delivery of outcomes rather than services.
- 6.38. The County Council have delivered a number of high profile change projects and closed a number of large scale contracts which demonstrate our ability to manage projects of this size, complexity and nature.
- **Education Support Services:** The creation of a shared equity joint venture private limited company for the delivery of education support services, including; education transformation, special educational needs, catering, cleaning, grounds maintenance, information technology and property services, to provide an end-to-end service for learning organisations and to further exploit the commercial opportunities for growth for all included services both within and outside Staffordshire. A Competitive Dialogue Process was completed within 9 months, including completion and award of a £2billion contract. Preparations for Day 1 included the TUPE transfer of 4,000 staff and considerable assets.
  - **Integration:** The transfer of almost 1,000 social care staff and a budget of £153 million from the County Council to the new Staffordshire and Stoke-on-Trent Partnership NHS Trust.
  - **Public Sector Network (PSN):** the successful close of a large-scale telephony contract run via a Competitive Dialogue process and closed in December 2010; OJEU notice to end of standstill was 12 months.

- **Waste To Resources (W2R):** The appointment of Veolia Environmental Services to run Staffordshire's energy from waste project as part of a 25 year Private Finance Initiative (PFI). This £600m contract was the result of a Competitive Dialogue procurement process that took 2 years from issue of the OJEU notice (July 2008) to contract close (July 2010) with a Preferred Bidder phase of 3 months.

### **Amey's experience of delivering similar projects**

- 6.39. Amey is one of the most diverse companies in the public and regulated sectors. Founded in 1921 and part of Ferrovial since 2003, Amey works with customers across the UK in a wide range of sectors. Amey employs around 21,000 people, operates over 320 contracts and has a turnover of £2.3 billion a year. They are the only company in the sector to hold both Investors in People Gold Award and Champion status.
- 6.40. Examples of Amey's key contracts provided during the procurement process evidence that it is experienced in mobilising and delivering contracts of a similar scale to Infrastructure+.
- Amey is the main contractor providing a range of infrastructure services to Bedfordshire County Council through a ten year contract worth £25m per annum.
  - It also runs highway maintenance and professional services for Kent County Council through a 10 year contract worth £45m per annum.
- 6.41. In addition, Amey has a strong track record in undertaking large-scale TUPE transfers. Over half of Amey's employees have joined the company through TUPE with over 3,500 employees transferring in since 2010, excluding the 12,000+ staff who joined via integration with Enterprise
- 6.42. Amey's parent company, Ferrovial employs over 67,000 employees and operates in over 25 countries.

### **External Advice and Challenge**

- 6.43. Staffordshire County Council is able to access external advice and guidance to provide assurance of the work and approach undertaken.
- **Highways Maintenance Efficiency Programme (HMEP) Strategic Reviews:** HMEP is a government funded, sector-led transformation programme to promote efficiencies in the local highways sector. HMEP captures good practice and makes sure it is widely and readily available. They work closely with the Highways Term Maintenance Association and the supply chain with a long term and ambitious vision to find new and improved ways of delivering highways services through partnerships, collaboration and a sustainable balance between

meeting the needs of service users while also providing quality and value for money services. HMEP offers Strategic Reviews to identify and prioritise opportunities for improvement. These reviews bring together peer skills from both the public and private sectors to offer support, guidance and challenge.

- **Local Government Authority (LGA) Local Partnership Peer Review:** The LGA works with local authorities to support, promote and improve local government. The LGA's offer of peer challenge is well known and taken up by many councils. Its offer can be used to challenge many aspects, including the impact of joint working, external reviews of major transformational change projects and the effectiveness of working with partners to delivery corporate and local priorities and outcomes.
- **Capita's role in contract management advice going forward:** As key advisors during the procurement process for Infrastructure+, it is intended that Capita's contract management expertise will be retained through the transitional stages of the project to ensure the benefits projected during the procurement phase are realised. With substantial sector expertise and multi-authority exposure, Capita will lead the commercial management of the project, focusing on service level and performance management, cost control and benchmarking to ensure value generation across the scope of services.

## MEASURING THE IMPACT

### PURPOSE OF THIS SECTION

- 7.1. Future proofing the contract to ensure that it continues to achieve relevant outcomes for the huge range of Infrastructure+ stakeholders is central to achieving a successful partnership. The needs of our customers have changed over the past decade in ways we would not have been able to predict and this is certain to happen again over the next 10 years.
- 7.2. Finding ways to make sure that the partnership remains relevant over the long term has been at the heart of the process we have followed. We need to make sure that it is sufficiently flexible to take account of the changing needs and priorities of customers and also to the changing political, economic and financial landscape.

### FUTURE INSIGHT WORK

- 7.3. The procurement of a strategic partner for Infrastructure+ has been based on the known and desired outcomes, needs and priorities at this time. Given that the partnership is a long-term arrangement of up to 20 years, outcomes, needs and priorities will change, as will behaviours and ways of working.
- 7.4. To make sure that the partnership continues to deliver the right outcomes in the right way for the residents of Staffordshire, the partnership needs a mechanism by which it can keep track of changes and respond appropriately to those changes.
- 7.5. The County Council, through its Insight, Planning & Performance team and the individual services areas, already monitors and researches customer needs and through the use of a variety of surveys, engagement mechanisms and consultations, along with bespoke insight activities, works to identify how needs might change over time.
- 7.6. The Insight, Planning & Performance team will continue to play a critical role, alongside the client side function of the strategic partnership, in tracking customer needs and priorities and translating those into desired outcomes.
- 7.7. This work will make sure that the strategic partnership is commissioned to deliver relevant outcomes that are consistent with the infrastructure needs of the various different customers the strategic partnership will serve.
- 7.8. In addition to changing customer needs, there will be a changing financial picture over the life of the strategic partnership. Given the environment of austerity and the pressure this is putting on public sector services, there is more pressure than ever to make sure that we achieve the best outcomes with the money we have. It is also

difficult to forecast accurately the future levels of revenue and capital budget, meaning that making long term commitments to service delivery is difficult. Changes to the financial picture will be fed into the governance of the strategic partnership at the appropriate time.

## KPI'S

- 7.9. KPIs will form an essential part of the Amey performance management regime and will be developed by the Strategic Partnership Board to ensure the outcomes for both partners can be achieved. Translating outcomes into operational indicators will be subject to annual reviews by the Strategic and operational boards to ensure the relevance and stretch of the indicator, and to ensure any changes in the operating environment are fully embraced and reflected in the outcomes.

## GOVERNANCE

- 7.10. The long-term role of the governance of the strategic partnership with Amey will be to ensure that it is delivering the outcomes and KPI's associated with Infrastructure+ in a way that meets the ongoing MTFS challenges.
- 7.11. Strong governance will ensure that the partnership remains flexible, capturing changing needs effectively and formally and ensuring that these can be delivered and monitored accordingly.
- 7.12. The structure and co-participation of the Strategic, Operational, Delivery and Monitoring boards ensures that the governance of Infrastructure+ will be focused on delivering outcomes. Co-participation is an essential element of the collaborative working model on which Infrastructure+ is founded, allowing balanced decision making from a political to an operational level and ensuring that the project delivers on both a practical and societal level.
- 7.13. The impact of budget change on service scope was a primary consideration for the Infrastructure+ project. The governance structure developed through dialogue and the final submission represents a highly flexible and adaptive structure to manage change and align service levels to outcomes.
- 7.14. Furthermore, the partnership governance will give assurances to the County Council that it is delivering the Infrastructure+ outcomes and associated Critical Success Factors. Through the Prosperous Staffordshire Select Committee and the Assets and Budgets Select Committee the County Council will be able to hold the partnership to account on both outcomes and financial performance.

## ORGANISATIONAL ARRANGEMENTS

- 7.15. Within the strategic partnership's governance, the Council needs to make its own organisational arrangements to ensure that the outcomes and the contract can be effectively managed in the future. These arrangements will need to retain a degree of flexibility to be able to react to local and strategic changes through the contract length.
- 7.16. This will be delivered by ensuring that an appropriate structure, with the right capabilities and skills is designed and maintained by the County Council.

## MTFS

- 7.17. An integral component of the bid submitted by Amey is to guarantee a saving of 25% against all current routine maintenance activity in the first year of the contract. An initial estimate of the level of savings that this will generate is £1.87m in a full year (although this will be offset by mobilisation costs in the first year). Indicative plans for further efficiencies and income generation were included as part of the bid submission with detailed plans being a key component of the negotiations leading up to the finalisation of the contract. Potential fluctuations in workload due to future budget restrictions will also be addressed as part of the contract.

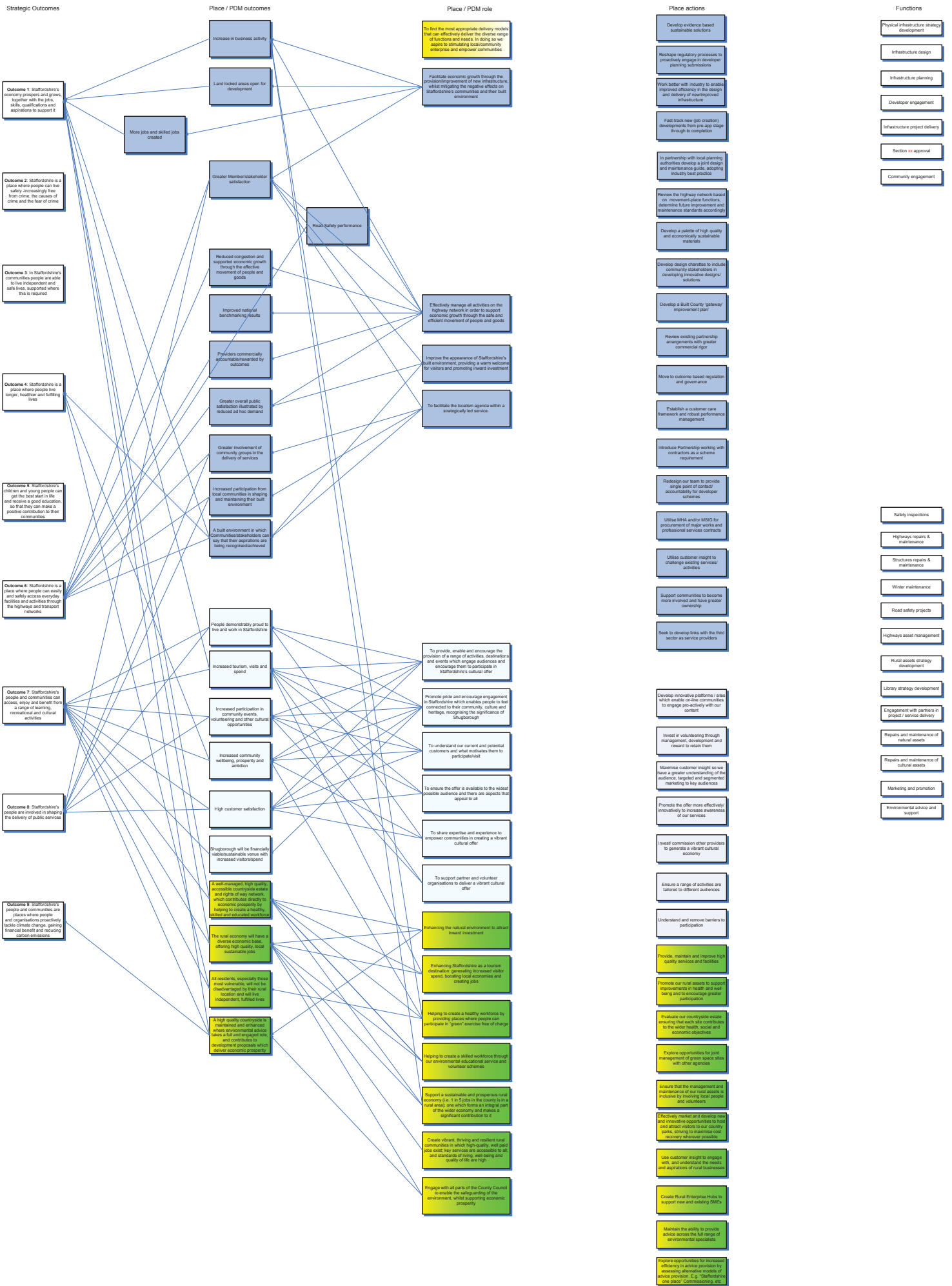


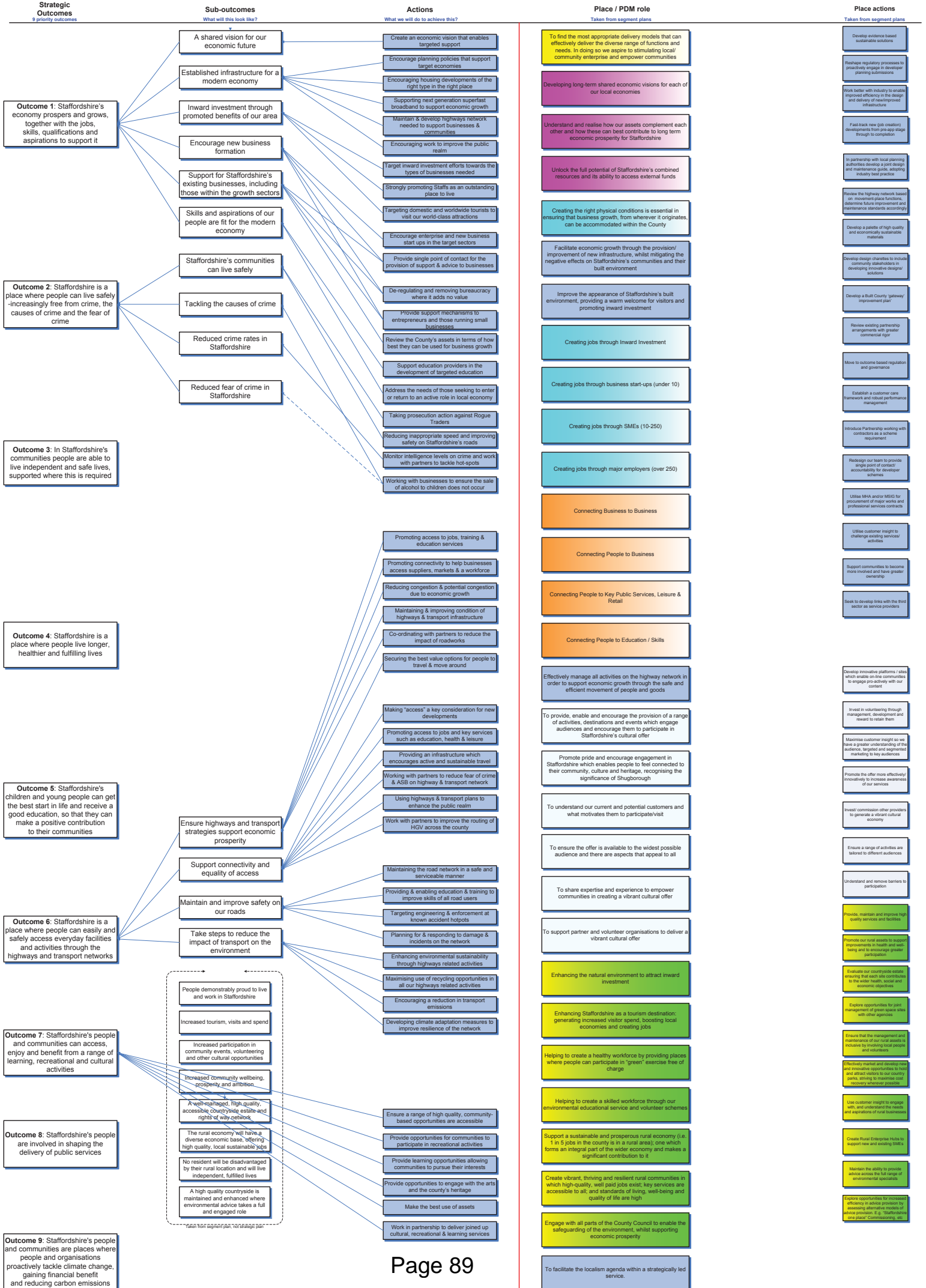
**Infrastructure+**

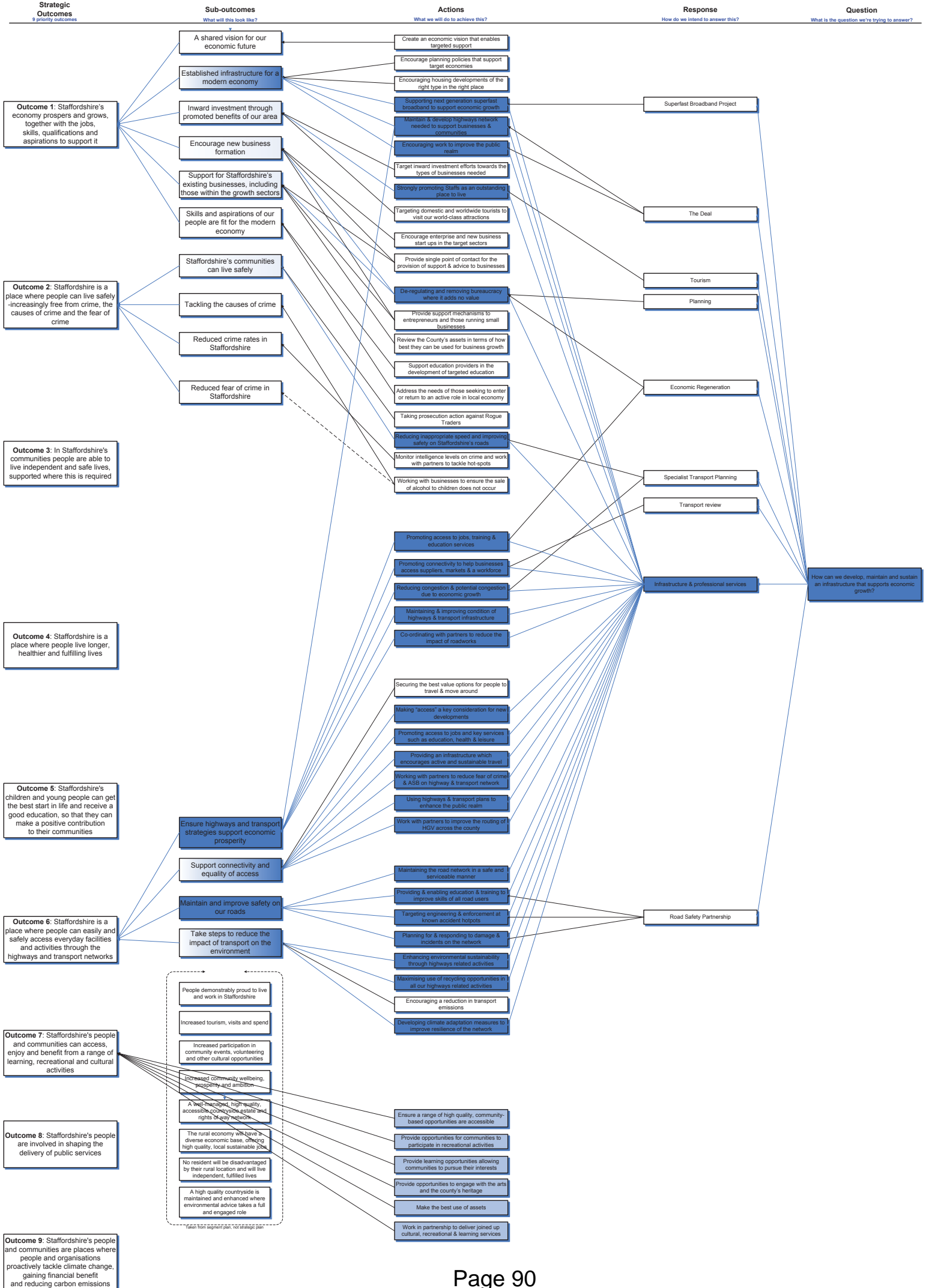


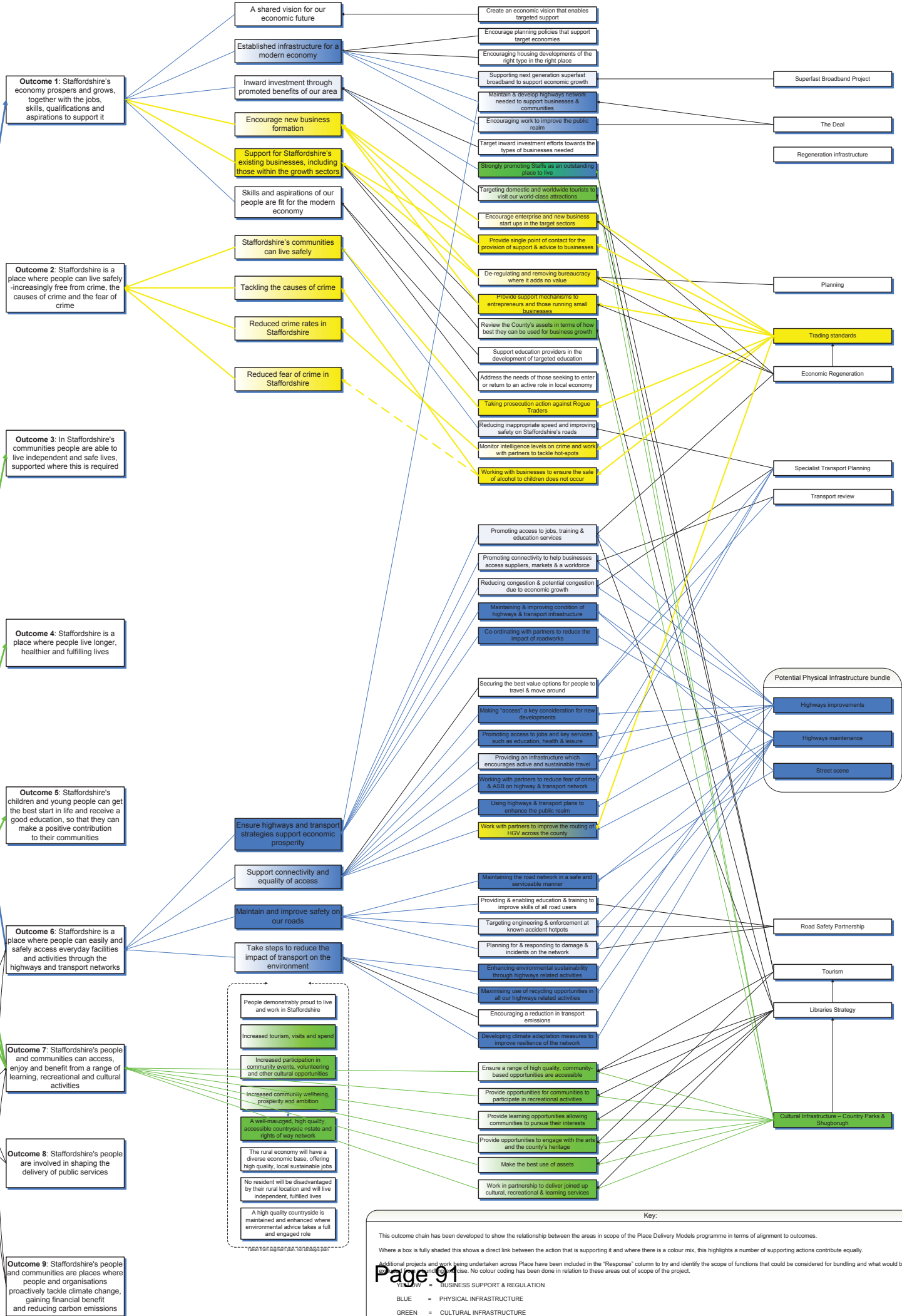
Staffordshire  
County Council

# **Infrastructure+ Appendix A: Outcome Chain**









**Page 91**

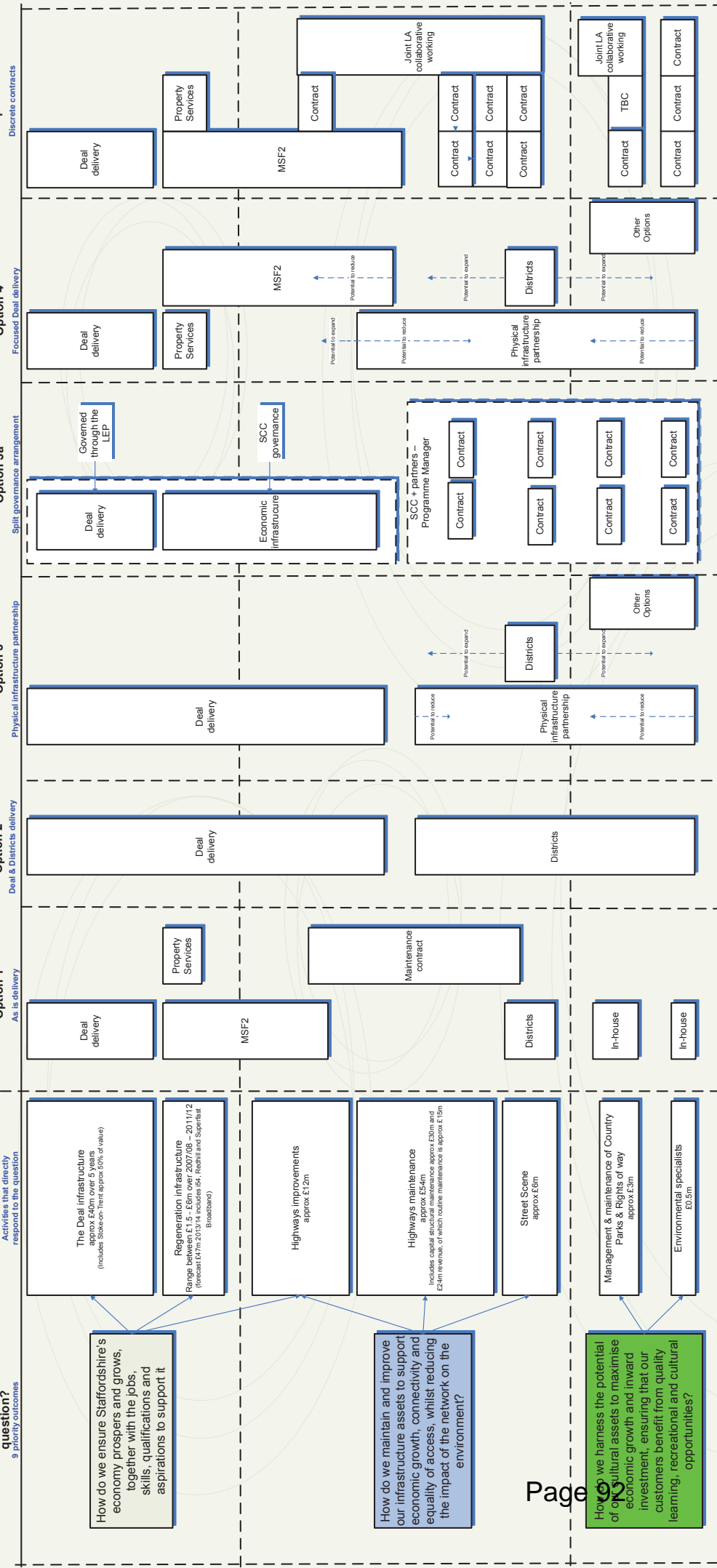
Additional projects and work being undertaken across Place have been included in the 'Response' column to try and identify the scope of functions that could be considered for bundling and what would be the overall impact on the place. No colour coding has been done in relation to these areas out of scope of the project.

**Key:**

Blue = PHYSICAL INFRASTRUCTURE  
Green = CULTURAL INFRASTRUCTURE  
Yellow = BUSINESS SUPPORT & REGULATION

This outcome chain has been developed to show the relationship between the areas in scope of the Place Delivery Models programme in terms of alignment to outcomes. Where a box is fully shaded this shows a direct link between the action that is supporting it and where there is a colour mix, this highlights a number of supporting actions contribute equally.

# Strategic Delivery Options



**Option 1**  
As is delivery



# **Infrastructure+ Appendix B: Services in Scope**



SERVICE AREA	SERVICE	SERVICE DESCRIPTION	EXTERNAL PARTY INVOLVEMENT
HIGHWAYS MAINTENANCE	<b>Routine Maintenance</b>	Highways maintenance is a vital service to ensure the overall preservation and upkeep of the road network across Staffordshire. Highway management is a strategically important function, with the roads network protecting and promoting the economic and social lifeblood of the County.	Work is carried out by Enterprise
	<b>Schemes Delivery</b>	This team reviews the forward structural and preventative maintenance programme, initial design and estimates, detailed design, estimating and delivery of the schemes on the ground.	Work is carried out by Enterprise
	<b>Structures Management</b>	<p>The Bridges and Highway Structures Team inspect, assess, manage and maintain over 1,100 road bridges across Staffordshire.</p> <p>The Bridges team also provides specialist structural support to the Highways Infrastructure teams. The Team also carries out the role of Technical Approval Authority for highway structures.</p>	<p>Enterprise</p> <p>URS – Bridge</p> <p>Inspection services</p> <p>Specialist Driving Contractors</p>
HIGHWAYS MAINTENANCE	<b>Street Lighting</b>	<p>The street lighting team is responsible for the design and installation of systems. They are also responsible for the management and operation of the county's Intelligent Transport Systems (ITS).</p> <p>The team also undertakes design works for proposed lighting and ITS projects and maintain traffic signal equipment.</p>	<p>25 year PFI with E.ON Energy</p> <p>Maintenance contract for traffic signals with Imtech</p>
	<b>Highways Improvements and Developments</b>	<p>The teams in scope for Improvements and Delivery are: Major Projects, Development and Communities.</p> <p>The Major Projects team project manage &amp; design service for private developers/stakeholders, design, check and site supervise service for developers. They also manage the budgets of the joint</p>	The procurement of contracts is through the Midlands Highway Alliance Framework or occasionally via Spot
IMPROVEMENTS AND DEVELOPMENTS			

		<p>venture and manage the 278 agreements. They are a consultancy service offering specialist advice to undertake statutory functions &amp; /support to internal and external bodies and Network Rail.</p> <p>The development team ensure the delivery of high quality statutory and regulatory transport development management services.</p>	<p>Tenders.</p> <p>Delivery of essential, community Infrastructure &amp; Public Realm schemes from inception to completion are delivered by Enterprise.</p>
	<p><b>Highways Improvements and Developments (Communities)</b></p>	<p>The Communities team manage, engage and provide effective services to the wider community. The services they run range from the provision of Accident data and the production of targeted Engineering solutions to the management of several community and highways initiatives.</p>	<p>See Above</p>
	<p><b>Regulation and Governance</b></p>	<p>The Regulation and Governance team ensures effective management of Staffordshire's highway network, enhance connectivity across the county, minimize the impact of highway traffic on residents, and reduce the impact of any work on the highway network.</p> <p>The service also provides governance of delivery contracts in respect of the built environment, the monitoring of performance and identification and development of business improvement initiatives.</p>	<p>N/A</p>
	<p><b>Highways Laboratory</b></p>	<p>The team is involved in all aspects of highways testing and materials advice covering in-situ testing and investigations, geotechnical, soils, aggregates, concrete and bituminous material. The lab is particularly involved in identifying opportunities to utilize recycled materials and processes in support of Local &amp; National sustainability targets.</p>	<p>N/A</p>
	<p><b>Rights of Way Data</b></p>	<p>This team ensures the continuous review of the Definitive Map of Public Rights of Way to take account of legal changes. They provide</p>	<p>N/A</p>

**PROFESSIONAL SERVICES**

	<b>Management</b>	crucial advice to the Rights of Way Team, Legal Services and Highways and assist with the production of rights of way promotional material.	
	<b>Environmental Specialists</b>	<p>The Environmental Advice Service is provided by an in-house team of Environmental Specialists providing advice and information covering landscaping, ecology, biodiversity, historic landscape and environment, archaeology and forestry specialism's.</p> <p>The team provides strategic responses to national policy and legislation, Local Planning process and documents and strategic and large-scale development and infrastructure planning.</p>	There are partnership agreements in place where Environmental Services contribute a fee though more value is received from investment than the cost of the partnership.
	<b>Specialist Transport Planning</b>	The main objectives of the Specialist Transport Planning Department are to commission and develop Staffordshire's key transport policy documents, provide specialist transport planning advice and to support the Stoke on Trent and Staffordshire Local Transport Body.	Term Consultants (Atkins) have been re-appointed to advise up until October 2015.

<p style="text-align: center;"><b>COUNTRY PARKS AND RIGHTS OF WAY MAINTENANCE</b></p>	<p><b>Works Unit Ranger Service and Rights of Way Team</b></p>	<p>The maintenance of the county council's owned countryside estate and rights of way network is mostly delivered in-house by the Countryside Works Unit, the Ranger Service and the Rights of Way team, although only parts of the latter two teams are in scope.</p> <p>The main role of the team is the management of the country parks and their visitors. The Rights of Way team also spend a proportion of their time on maintenance related tasks.</p>	<p>Lease with CFC for most of our vehicles and some plant.</p> <p>Maintenance/servicing contracts on plant</p> <p>Arrangements with some parish councils, charities and Peak District National Park Authority for routine maintenance work</p> <p>2 grass mowing contracts at Brownshore Lane Essington and Oakamoor.</p> <p>Contracts for waste collection, pest control, utilities, cleaning and maintenance contracts on all our visitor centres.</p>
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<p style="text-align: center;"><b>SHUGBOROUGH</b></p> <p style="text-align: center;"><b>GROUNDS MAINTENANCE AT</b></p>	<p><b>Estate Workers</b></p>	<p>All aspects of grounds maintenance on the estate are carried out by site based County Council employed Farm, Gardens &amp; Grounds staff with support from a volunteering programme.</p>	<p>Undertaken by the County Council.</p>
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# **Infrastructure+ Appendix C: PDM Strategic Options Appraisal**

# Place Delivery Models



# Strategic Options Appraisal

# Introduction

- Since December 2012 the PDM Team has been focussing on outcomes and developing and analysing strategic options.
- Four Strategic Outcomes have been identified. These are presented in this paper, along with the questions we need to answer in order to achieve those outcomes.
- Six Strategic Options have been identified and analysed and considered by SLT. Three of these are considered feasible and are presented in detail in this paper.
- The procurement considerations have also been considered in terms of procurement and implementation timescales and any associated risks.
- At this stage the Place Delivery Models project team proposes a streamlining of the project structure so that there is a focus on the time constrained aspects (Infrastructure+) with other parts of project scope (Business Support and Scientific Services) progressing separately, but within overall project governance arrangements.
- This paper therefore presents Strategic Options for the Infrastructure+ bundle only.



# Strategic Outcomes

- The Place Delivery Models team has agreed that the Strategic Outcomes the project is seeking to achieve are;

Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it

Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks

Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities

Staffordshire's people are involved in shaping the delivery of public services

# What are we trying to achieve?

- We are seeking to achieve those outcomes by asking a number of questions. At a high level these are;

How do we maintain and improve our infrastructure assets to support economic growth, connectivity and equality of access, whilst reducing the impact of the network on the environment?

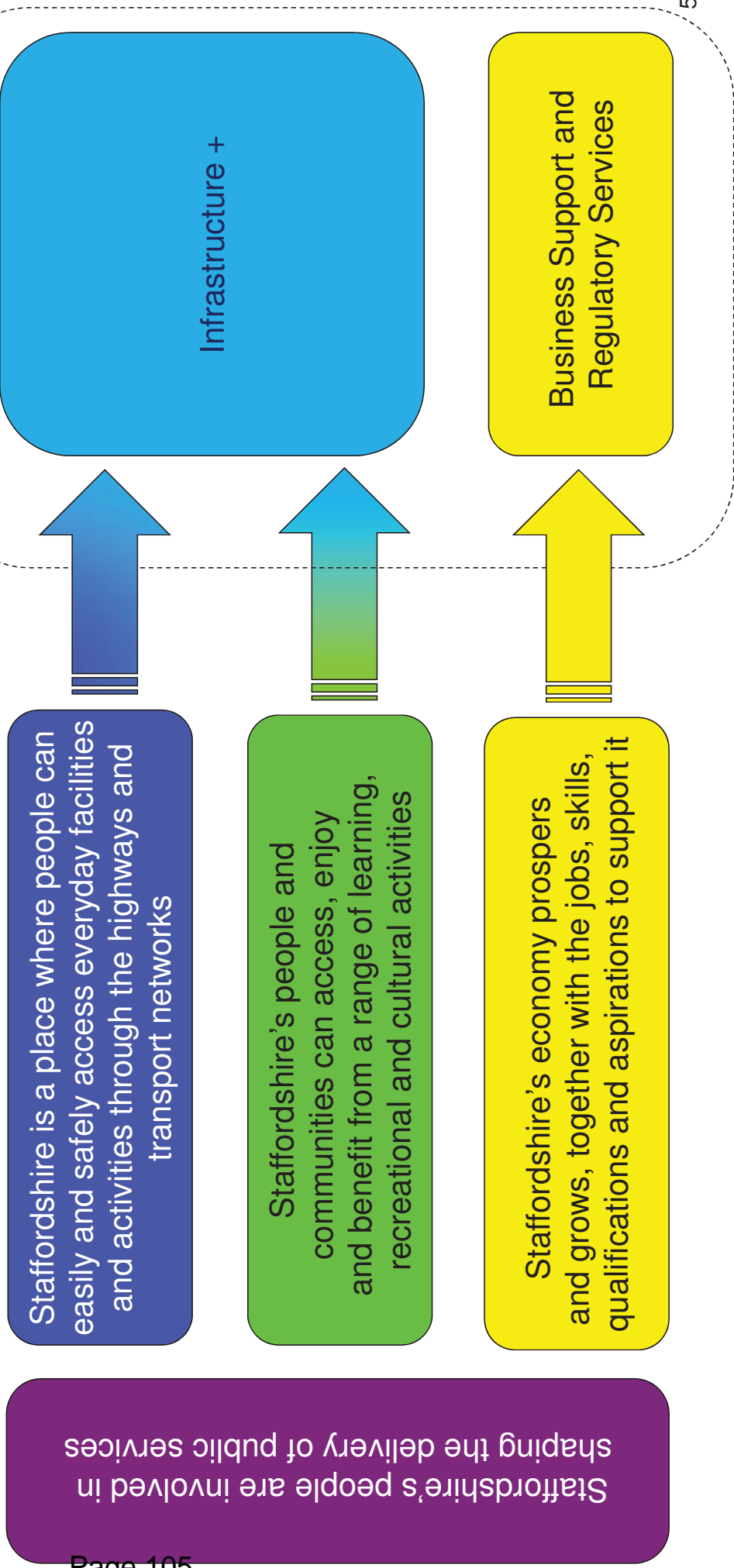
How do we harness the potential of our cultural assets to maximise economic growth and inward investment, ensuring that our customers benefit from quality learning, recreational and cultural opportunities?

How do we work with businesses to protect the public through control and regulation while also driving economic growth, positively impacting on jobs and increasing prosperity?

- Further customer insight work will be undertaken so that we can explore these in greater detail with our stakeholders.;

# Project Structure

- By looking at the alignment of outcomes, the appetite of the market and where there are operational synergies and shared capabilities, there is a natural grouping of outcomes, which drives the structure of the project going forward, as follows;



# Critical Success Factors

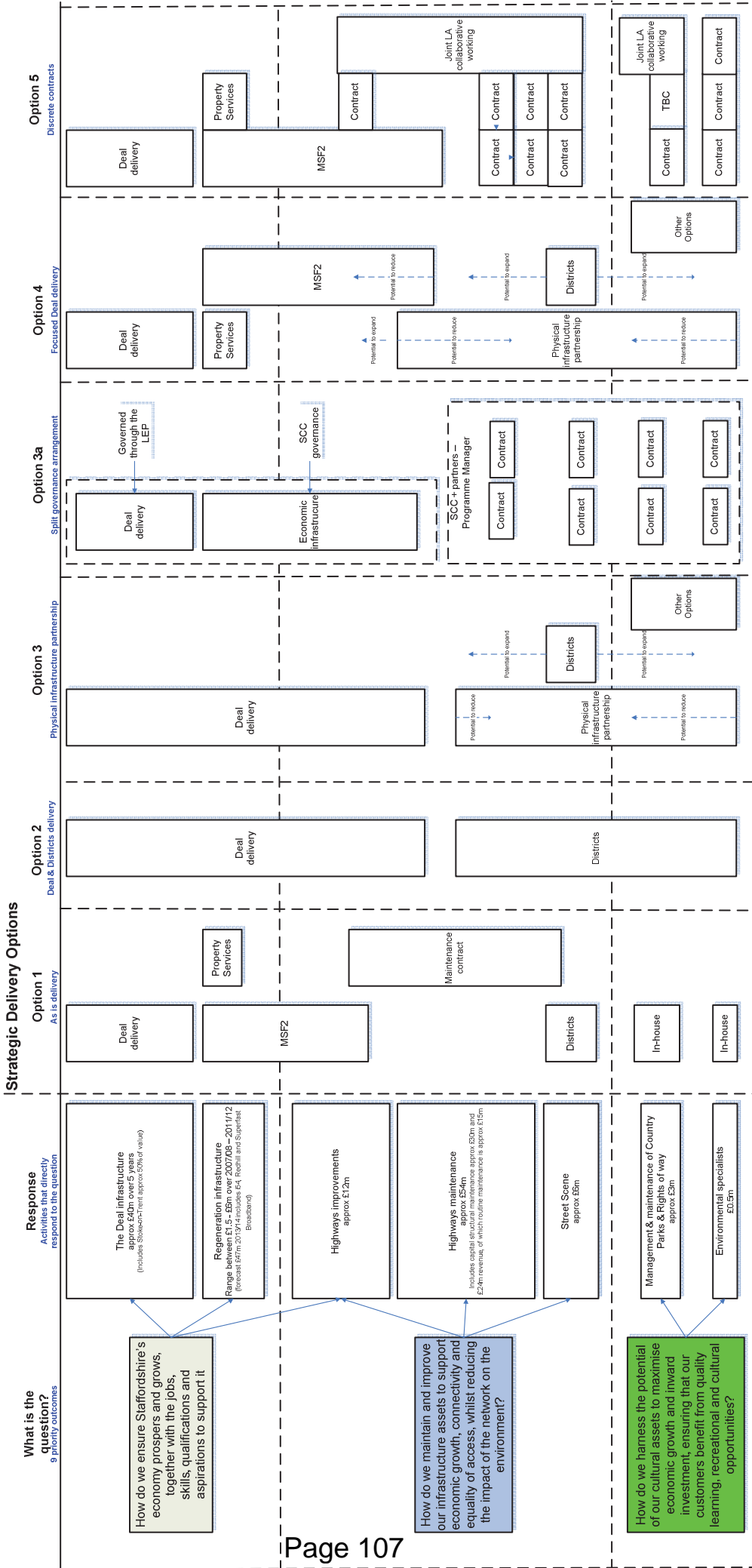
- The following Critical Success Factors have been developed;

## **The Place Delivery Models project must deliver:**

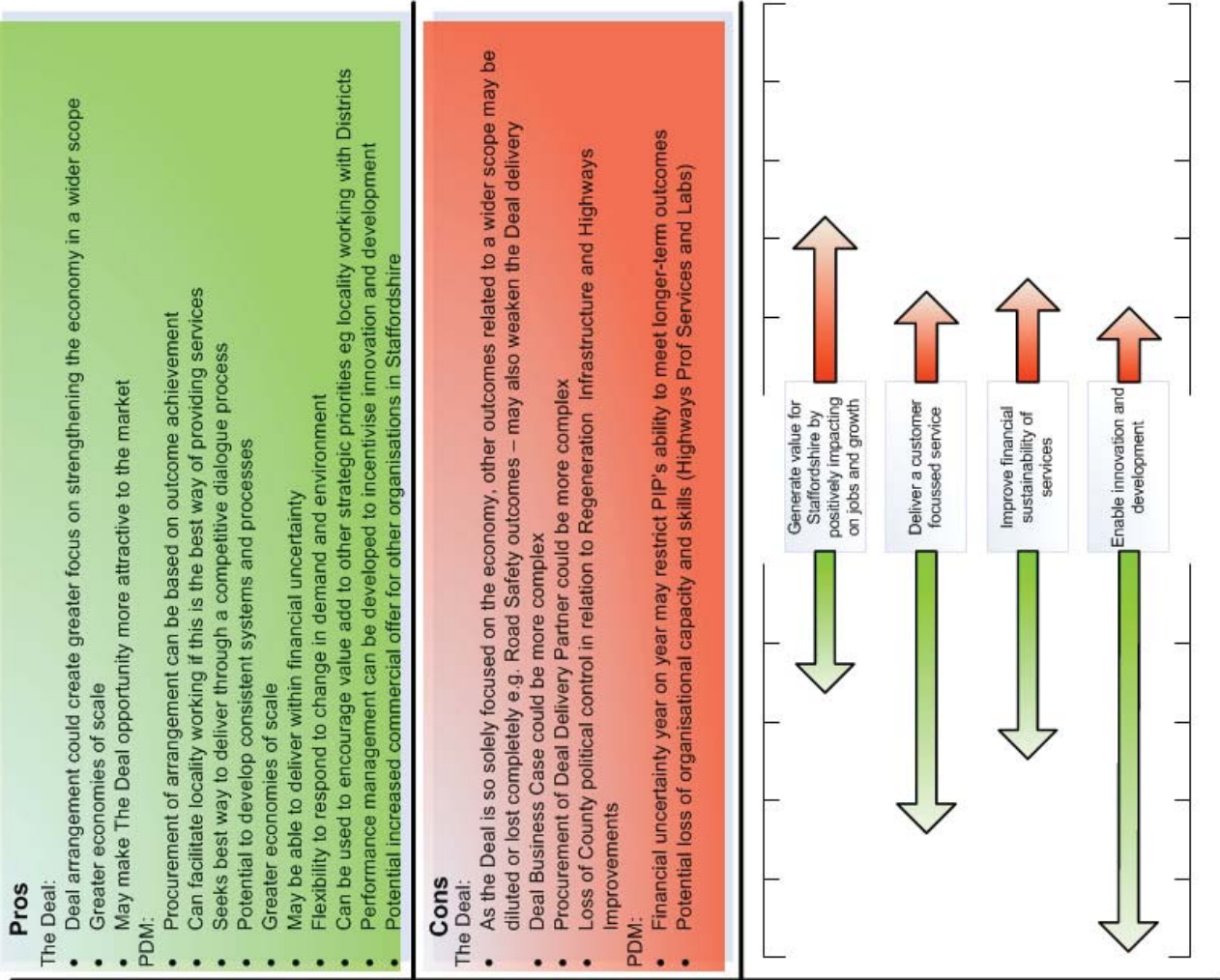
- **Increased value and prosperity for Staffordshire through a positive impact on jobs and growth,**
  - **A customer focussed service which enhances customer satisfaction and the reputation of the Council,**
  - **Financially sustainable and resilient services,**
- **The flexibility to meet changing future demands through innovation and development**

- These CSF's will form the foundation for the evaluation of options during the strategic appraisal stage, right through to the procurement and delivery stages of the project.

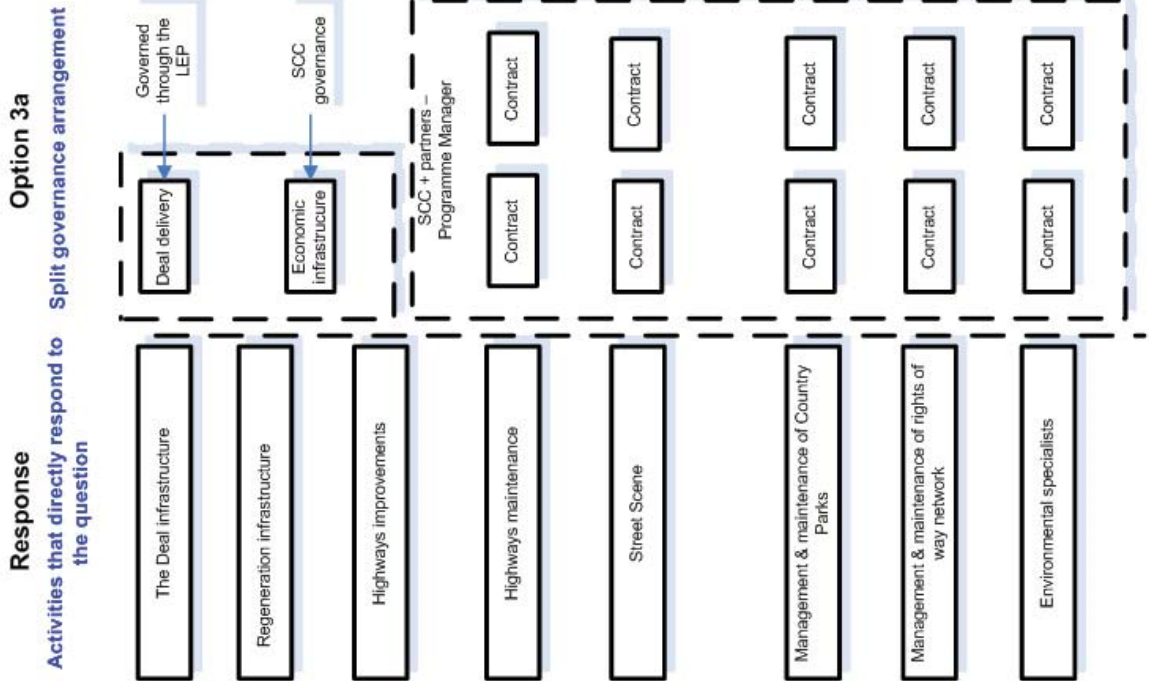
# What are the Strategic Options?



# Physical Infrastructure Partnership: Pros and Cons



# Split Governance: Pros and Cons



**Pros**

The Deal:

- Deal arrangement could create greater focus on strengthening the economy in a wider scope
- Greater economies of scale
- May make The Deal opportunity more attractive to the market

PDM:

- Procurement of arrangement can be based on outcome achievement
- Can facilitate locality working if this is the best way of providing services
- Seeks best way to deliver through the development of a competitive marketplace
- Potential to develop consistent systems and processes
- Greater economies of scale
- May be able to deliver within financial uncertainty
- Flexibility to respond to change in demand and environment
- Can be used to encourage value add to other strategic priorities eg locality working with Districts
- Performance management can be developed to incentivise innovation and development
- Potential increased commercial offer for other organisations in Staffordshire

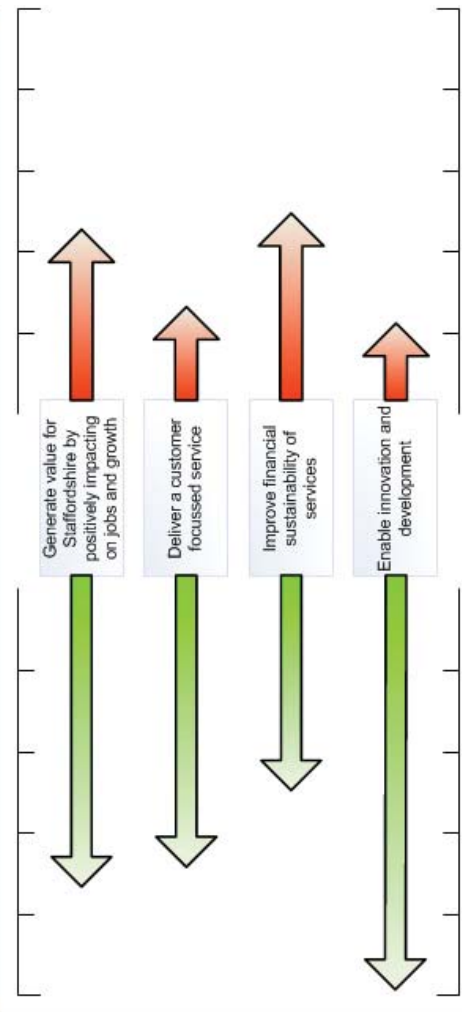
**Cons**

The Deal:

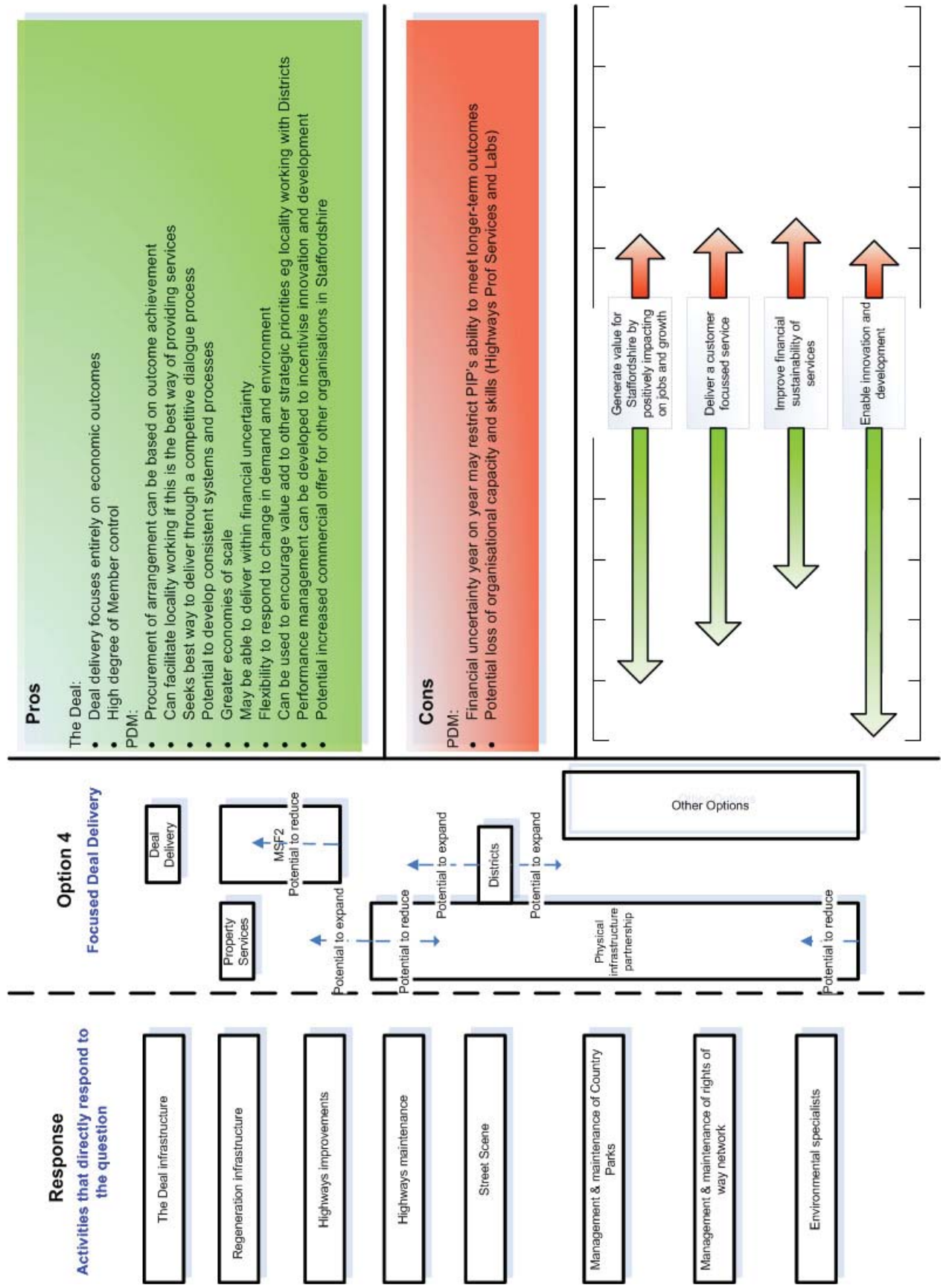
- As the Deal is so solely focused on the economy, other outcomes related to a wider scope may be diluted or lost completely e.g. Road Safety outcomes – may also weaken the Deal delivery
- Deal Business Case could be more complex
- Procurement of Deal Delivery Partner could be more complex

PDM:

- Financial uncertainty year on year may restrict ability to meet longer-term outcomes
- Potential loss of organisational capacity and skills (Highways Prof Services and Labs)
- May build in additional avoidable costs



# Focussed Deal Delivery: Pros and Cons





# Next Steps

- Use of further customer insight work to ensure the project achieves the Critical Success Factors
- Decision to commence procurement for Infrastructure+: OBC to Cabinet, June 2013

# **Infrastructure+ Appendix D: Outline Business Case**

**Outline Business Case:**

**Infrastructure+**

## Document Control and Status

		Date & Signature
<b>Purpose Description</b>	To provide a recommended delivery model for the services within the project and to seek approval for the commencement of a procurement	
<b>Originated &amp; Controlled By</b>	Jenny Pierpoint	
<b>Checked &amp; Owner</b>	Ian Turner	
<b>TSU Sign Off</b>	<b>Michelle McHugh and David Hole</b>	
<b>Council Sign Off</b>	SLT	
<b>Cabinet Sign Off</b>	Cabinet	
<b>Date</b>	24 <sup>th</sup> May 2013	
<b>Version No:</b>	V0.1c: Reviewed by Project Team and amendments made	17/05/13
<b>Version No:</b>	V0.1d: Reviewed by Cabinet Member for Economy and Infrastructure and amendments made	21/05/13
<b>Version No:</b>	V0.1e: Reviewed by Deputy Chief Executive and Director of Place and amendments made	21/05/13
<b>Version No:</b>	V0.1f: Reviewed by Legal and Procurement Workstream and amendments made	22/05/13
<b>Version No:</b>	V0.2: Reviewed by Project Board and amendments made	23/05/13
<b>Version No:</b>	V0.3: Subject to TSU review	23/05/13
<b>Version No:</b>	V0.4: Submitted to Delivery Board	24/05/13
<b>Version No:</b>	V1: Submitted to Pre-Cabinet	30/05/13
<b>Version No:</b>	V1.2: Submitted to Cabinet	10/06/13

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## APPENDICES

A - Strategic Options Appraisal

# Outline Business Case

## Infrastructure+

### 1.0 Executive Summary

- 1.1 This document presents the high-level business case for Staffordshire County Council (SCC) running a competitive dialogue procurement process to identify and secure a suitable partner with whom to deliver a range of Place services, including highways maintenance, improvement and development, maintenance of country parks, rights of way and the Shugborough's historic parkland and a number of professional services associated with the above.
- 1.2 SCC would like to form a strategic partnership with the preferred partner; this being a collaborative working arrangement rather than a partnership in the legal sense of the word. Essentially this will be achieved through a contract with strong governance arrangements.
- 1.3 It is envisaged that this strategic partnership will create an environment for growth which will enable the delivery of high quality services that meet Staffordshire's strategic outcomes, along with the guaranteed savings required to meet challenging MTFS targets in the future.
- 1.4 Soft-market testing has shown significant market appetite in the range of services we are offering, the delivery vehicle we propose and the opportunity as a whole and therefore permission is sought to progress to a full competitive dialogue process.

## 2.0 Overview of the Project: Scope

- 2.1 The Place Delivery Models project is applying commissioning principles to a range of Place services to determine the outcomes that Staffordshire County Council are seeking to achieve and to identify the best way of achieving those outcomes.
- 2.2 Services included within the original scope of the project were:
- Highways Infrastructure Management;
  - Highways Laboratory;
  - Highways Professional Services;
  - Country Parks Works Unit, Rangers and Rights of Way
  - Maintenance of the Shugborough Estate
  - Specialist Transport Planning
  - Environmental Specialists
  - Trading Standards
  - Scientific Services
  - Waste Services
  - Libraries
- 2.3 During the course of the project the final two services above have progressed alternative ways of achieving their outcomes and are therefore currently out of scope of the Place Delivery Models project.
- 2.4 Furthermore, at the request of Cabinet, options regarding Trading Standards and Scientific Services are being progressed as a separate project. This project (currently entitled “Business Support and Regulatory Services”) is part of the overall Place Delivery Models project, but does not form part of this business case.
- 2.5 The remaining services in scope form the “Infrastructure+” project and this outline business case presents the case for the commencement of a procurement exercise to appoint a private sector partner with whom to establish a strategic partnership for the delivery of the outcomes associated with these services.
- 2.6 It has recently been agreed by the Project Board that the Spatial Information Team will be brought within scope of Infrastructure+.
- 2.7 The project is also considering whether there are any other council services that would be adversely affected by the project or which would be attractive to the market in terms of complementing the existing scope. It has been identified that County Fleet Services may be impacted by the project and work is being undertaken to consider bringing that into scope.
- 2.8 Significant work has been undertaken to ensure that scope is expressed as functions rather than “as-is” teams or service areas as this will assist with the discussion of delivery of outcomes rather than outputs when we speak to bidders in the competitive dialogue phase of the procurement. The list of services in scope in 2.2 above has therefore been refined and agreed and this document forms the business case for the following range of functions, to be referred to as “Infrastructure+”:

### **Highways maintenance**

- Operations Management
- Routine Maintenance
- Schemes Delivery
- Streetscene

### **Improvement & Development**

- Major Projects
- Development

- Communities

**Professional Services**

- Regulation
- Structures management
- Lighting
- Highways Lab
- Rights of Way Data Management
- Environmental Specialists
- Specialist Transport Planning

**Country Parks and Rights of Way Maintenance**

- Works unit
- Rangers\*

**Grounds maintenance at Shugborough**

- Estate workers\*

\*=only part of this team is in scope



### **3.0 Business Drivers**

- 3.1** The Infrastructure+ project has a number of business drivers:
- 3.2** Staffordshire County Council's approach to commissioning places outcomes, not services, at the heart of what we do. It encourages us to focus on those outcomes that are consistent with our nine Strategic Outcomes and those that will make the most difference to our residents. In doing so there is less of an emphasis on improving how we currently do things and more of an emphasis on whether we are making the difference that we seek to make and how new approaches will help us to do that.
- 3.3** The services in scope have all come under significant financial pressures over the last few years and have delivered challenging MTFS targets. These targets are set to continue across services in Place and across the Council for the foreseeable future. Services in scope have so far met these challenges through a range of approaches, such as re-structures, a streamlining of processes and procedures and an increasing use of volunteers. The ability to meet the future MTFS targets through equivalent changes is limited and without fundamental change to the way services are delivered, achieving those targets is likely to involve some reduction in service quality. There is therefore a need to do something different.

#### **Highways drivers for change**

- 3.4** The existing highways maintenance contract with Enterprise expires on 1st April 2014. There are no options to extend this contract and there is therefore a need to ensure that we have a delivery solution in place by this date.
- 3.5** Consistent with the drive to commission outcomes rather than services and aware of the lessons learnt from the Enterprise contract, we are keen to move away from a prescriptive "input/output" type contract towards an outcomes-based arrangement.
- 3.6** The current highways service arrangements were recognised as being a leading example of innovative working when established 10 years ago and are still exemplars for collaborative working between public and private sectors. However the landscape has changed in both the public and private sectors over that time and improvements to the service are deliverable. Private sector partners have increased in capability and also the market has seen recent acquisitions so that there are a smaller number of larger providers. This means that providers have more technical capacity than historically available. Providers have also matured in terms of asset and risk management and are increasingly in a position to accept longer term performance risk and hence prepared to be contracted to deliver to an outcome specification.
- 3.7** Financial uncertainty around both capital and revenue budgets over the likely duration of a contract will, to a certain extent, reduce the ability to procure a contract based solely around outcomes but will necessitate a degree of flexibility to cope with changing circumstances.
- 3.8** There is long recognised appetite to work more closely with District Councils around the local street scene environment. The nature of the diversity of the County means that this needs to be a flexible approach and any future arrangements need to reflect and facilitate this. Enhanced working with the communities of Staffordshire in terms of local input to outcomes and work programmes whilst providing better customer information and contact are also areas for improvement.
- 3.9** Planned MTFS savings indicate that, for those highways services within the scope of the Infrastructure+ project, there are target revenue savings of £0.400m in 2014/15 rising to £0.650m in 2015/16. It is planned to achieve £0.150m of these sums in 2013/14 and these have been reflected in the table at paragraph 9.2.

**3.10** In addition to this, the overall quantum of resource available to finance highway capital projects could be almost £14m (40%) lower than the corresponding level for the current year. (At this stage, it is assumed that there will be no additional resource available arising from initiatives around the City Deal). Therefore there is a need to examine how outcomes can be achieved in a more economic, efficient and effective manner.

**Country Parks drivers for change**

**3.11** In terms of Country Parks, the environment is changing, along with the leisure demands of visitors. Over the last few years, there has been a sustained rise in the number of visitors. The economic recession and higher fuel prices mean that more people are tending to spend their leisure time locally rather than travel further afield. SCC Country Parks welcome about 3 million visitors each year. Also, access to the countryside is no longer seasonal because of climatic changes and this trend is likely to continue for the foreseeable future. This increased use is placing constant maintenance pressures on infrastructure and facilities and operational costs are rising.

**3.12** However, the funding available for managing and maintaining the service is reducing. The Service is required to deliver £0.110m savings over the next two years which is around 7% of the net budget and there has been no significant capital investment in the Country Parks for more than 20 years. At the same time the Service will be taking responsibility for the on-going management and maintenance of Chasewater Country Park with no additional resource identified at the present time.

**Professional Services drivers for change**

**3.13** As part of commitments within the MTFs, the Environmental Specialist team (which is part of the Professional Services group within scope) have an income target of £0.128m in 2013/14 onwards compared to £0.078m in 2012/13. The additional £0.050m is likely to be challenging.

**3.14** In addition to this, there are MTFs targets of £0.200m for Built County professional services for the next three years.

**Medium Term Financial Strategy targets**

**3.15** The following table summarises the MTFs position for the Infrastructure+ project:

	2013/14	2014/15	2015/16
Highways maintenance	£0.150m	£0.400m	£0.650m
Professional Services	£0.250m	£0.250m	£0.250m
Country Parks Maintenance	£0.110m	£0.110m	£0.110m

## 4.0 Constraints and Dependencies

4.1 The Infrastructure+ project is working within the following potential constraints and dependencies:

- Enterprise Contract expiry: The Enterprise Highways Term Maintenance contract expires on 31<sup>st</sup> March 2014. As the contract has been extended to its maximum length, there is no option for further extension.
- EU Procurement: Contract value for Highways maintenance requires SCC to follow an EU Procurement Process. The project team includes colleagues from Staffordshire Procurement and Legal Services in order to ensure we are EU compliant.
- The City Deal: Staffordshire County Council have been successful in securing a Wave 2 City Deal; the details of this will not be known until late 2013.

## 5.0 Strategic Outcomes and Critical Success Factors

- 5.1 The project is looking for a contract arrangement which is focussed on the delivery of outcomes rather than outputs. While many of the areas within the scope of the project touch on a number of SCC's Strategic Outcomes, there are three Strategic Outcomes that the project is seeking to make a direct impact on:
- Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it
  - Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks
  - Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities
- 5.2 A further Strategic Outcome over-arches all of these:
- Staffordshire's people are involved in shaping the delivery of public services
- 5.3 The Council's core objectives in establishing this strategic partnership are:
- To maintain and improve the condition and usability of our physical assets;
  - To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership;
  - To involve communities in decisions and delivery of infrastructure;
  - To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.
- 5.4 To ensure that the project is focussed on achieving these outcomes and objectives, a set of Critical Success Factors which outline the key things the project must deliver, has been agreed. The CSF's formed the basis for the evaluation of options in the Strategic Options Appraisal and will form the foundation for the evaluation of bids in the procurement and delivery stages of the project. They will also form the basis for articulating and quantifying benefits associated with the project.

### The Place Delivery Models project must deliver:

- **Increased value and prosperity for Staffordshire through a positive impact on jobs and growth**
  - **A customer focussed service which enhances customer satisfaction and the reputation of the Council**
    - **Financially sustainable and resilient services**
- **The flexibility to meet changing future demands through innovation and development**

## **6.0 Customer Insight**

- 6.1** Research has been undertaken to understand the views and perceptions of customers using some of the services in scope. This work draws on a number of existing sources of information, including national and local surveys. It is important to note that at this stage, those services that have recently been agreed as being in scope (Specialist Transport Planning, and parts of the Spatial Information Team) have not been included in this exercise).
- 6.2** The findings show that for highways maintenance, condition and safety, in general the levels of satisfaction exceed the national average. It also shows that satisfaction with specific highways scheme between January 2011 and February 2012 ranged from 67% to 95%.
- 6.3** In terms of Country Parks the findings are less about satisfaction and more about areas for improvement. Path maintenance, improved stiles and gates (in particular for those less agile), improved signposting and waymarking are amongst some of the suggestions for areas where improvement would be beneficial.
- 6.4** Customer surveys for Shugborough again show good levels of satisfaction. Face to face visitor surveys undertaken during summer of 2012 show that satisfaction levels were at 95%. In addition, many of the attractions at Shugborough, such as the Servant's Quarters, Museum Galleries and Gardens were rated excellent or good.
- 6.5** This "as-is" customer insight will be added to over the coming months and during the course of the procurement process in order that the views, opinions, issues, needs and priorities of the customers of all services in scope can be identified, explored and analysed and ultimately discussed in dialogue so that bidders can consider these views when developing their bids.

## 7.0 Preferred Option - Summary

7.1 A Strategic Options Appraisal was considered by SLT and Informal Cabinet in March 2013. This paper is presented in Appendix A. The conclusion to these presentations was a request from Informal Cabinet to present an Outline Business Case considering the most preferable features from Options 3a and 4 that could be used to optimise the achievement of outcomes. In doing so the project has also considered how The Deal might be linked to Infrastructure+. In summary, these Options are:

### **Option 3a: Split Deal Governance with Contract Management**

7.2 This arrangement keeps high end infrastructure works within The Deal but separates governance so that the County Council work is not subject to potential constraints from The Deal

7.3 It offers an alternative mechanism for the services in scope using a Management Contracting approach where the provider organises and manages discrete contracts for the services in scope and plays no part in actual delivery.

### **Option 4: Focussed Deal Delivery**

7.4 With The Deal being delivered by a Deal Delivery Partner focussed solely on delivering the outcomes associated with The Deal, regeneration infrastructure and highways improvements would be delivered through existing mechanisms of the Medium Scheme Framework contract, Property Services or other delivery partners procured on a case by case basis.

7.5 A Physical Infrastructure Partnership, as described in Option 4, would be established for the delivery of the services in scope.

### **Preferred Option**

7.6 The project team has identified Option 4, the creation of a collaborative working arrangement (a strategic partnership), underpinned by a contract with strong governance arrangements, for the delivery of the outcomes associated with the services in scope, as the most preferable option for the following reasons:

- This option allows the largest potential scope for an infrastructure partnership so that the best possible negotiation with the market can take place through procurement.
- The procurement process can allow for the contract management approach in Option 3a with the providers demonstrating the benefits of either contract management or self-delivery. In practice providers suggest a combination of the two.
- It allows SCC to retain flexibility over the scope during procurement so that the best deal can be obtained and alternatives around working with the districts can be retained
- It retains the current potential delivery for larger works through the Midlands Highways Alliance contracts which gives competition for this type of work while allowing the infrastructure contract to deliver it if beneficial.
- It allows us to focus on outcomes rather than traditional service delivery.
- It allows joint working with districts without concepts of ownership of a particular service.
- It allows the concept of an infrastructure delivery partner to Staffordshire as a whole rather than just the County Council

### **Delivery Vehicle**

**7.7** Based on an evaluation of various delivery vehicles according to how far each one would be able to contribute to the Infrastructure+ Critical Success Factors, the Project Board has agreed that the most appropriate delivery vehicle for the project is a strategic partnership.

**7.8** It should be noted that, in this instance, the term strategic partnership refers more to 'collaboration' with a private sector provider (or consortium), rather than the more generally understood legal term of 'partnership' which would imply such elements as joint and several liability. The features we would require from this arrangement are as follows:

- An arrangement that jointly agrees overall direction, outcomes to be delivered and the potential constraints on delivery (given likely changes in resources over time, priorities, etc)
- A partner that shares Staffordshire County Council's values
- Strong governance, defined in the contract. A Strategic Board, Operations Board and Management Board are suggested, but subject to dialogue:

Strategic Board	<ul style="list-style-type: none"> <li>• Quarterly - director level, probably including Portfolio holder</li> <li>• Disputes and contractual changes</li> <li>• 3 year rolling plan</li> </ul>
Operational Board	<ul style="list-style-type: none"> <li>• Monthly – Service Director/Commissioners, Contract Manager/Commercial Manager</li> <li>• Develop and review business plan delivery and KPIs</li> </ul>
Management Board	<ul style="list-style-type: none"> <li>• Monthly, sub-groups as and when required</li> <li>• Operational Performance Indicators - monitor and manage delivery, develop and consider transformation and change projects</li> <li>• Business cases for change/investment</li> </ul>

## 8.0 Commercial Aspects

- 8.1** This section forms an initial summary of the commercial aspects of the project. It is not a summary of the commercial aspects of the contract as this can only be written at the end of our dialogue with bidders. This section will be added to during the procurement process and a full commercial section included in the Final Business Case when we will have detailed information about the shape of the contract and the commercial impacts of it.
- 8.2** We are looking to appoint a private sector partner to work with us to deliver a range of outcomes associated with the services in scope.
- 8.3** We are seeking a partner with the following attributes:
- An organisation with the skills to deliver the outcomes we require;
  - An organisation of sufficient size and scale;
  - An organisation in which best practice is built into delivery;
  - A company that can show it can deliver innovation;
  - A company that can deliver excellent customer service;
  - An organisation with a strong track record of delivering quality;
  - A company that can demonstrate a commitment to training and growth;
  - The ability to deliver guaranteed savings.
- 8.4** Amongst others, we will require the following from the contract:
- Most economically advantageous proposition.
  - Market leading processes.
  - Lowest whole life cost of asset ownership.
  - Excellent customer services and communications.

### Lessons Learnt

- 8.5** In accordance with the principle of learning from experience, a lessons learnt exercise was undertaken to determine the experiential learning from Staffordshire County Council's 10 year highways maintenance contract with Accord/Enterprise/Amey.
- 8.6** The following is a summary of the findings:

<b>SCC perspective</b>	<ul style="list-style-type: none"> <li>• The performance regime was considered far too onerous, particularly the number, and range, of performance indicators (PI's). The c100 PI's have, over the course of the contract, been refined into c11 key PI's.</li> </ul>
	<ul style="list-style-type: none"> <li>• In year 5 of the contract, issues regarding flexibility and costs of running different contracts were acknowledged and a vision was created of what the future of Staffordshire Highways would look like. Strong collaborative working practices were established which had beneficial impacts on efficiency and cost.</li> </ul>
	<ul style="list-style-type: none"> <li>• The current payment mechanism employed is the cost reimbursable model under which the financial risk is largely borne by Staffordshire County Council. This is viewed by SCC as the favourable model although it does require a skilled and knowledgeable contract management team to be able to challenge the supplier and manage actual costs. This will require investment in a contract management team.</li> </ul>
<b>Enterprise perspective</b>	<ul style="list-style-type: none"> <li>• The delivery model has worked well from the supplier's perspective. The Virtual Joint Venture has enabled Enterprise achieve greater efficiency in the payment method. However, their preference would be to move to a single delivery organisation, either a true Joint Venture or a single contracted delivery entity, to help drive further efficiencies.</li> </ul>
	<ul style="list-style-type: none"> <li>• Working together under a VJV, Enterprise were able to identify process improvements, such as a move from the previous delivery model where six satellite units, with each unit having their own admin teams, being streamlined. All process were brought into a single office – all schedulers into one office with help desk staff, admin, specialists, etc, leaving just operations to be run from</li> </ul>



	each depot.
	<ul style="list-style-type: none"> <li>• The contract has been seen as a Private and public sector organisation working closely together.</li> </ul>
	<ul style="list-style-type: none"> <li>• Enterprise assert that by utilising their own supply chain, costs are reduced to Staffordshire, although it should be noted that despite the contract being based on open book accounting, there has been no detailed investigation to substantiate the claim of reduced costs.</li> </ul>
	<ul style="list-style-type: none"> <li>• As a contractor, Enterprise have been left to manage their reporting of performance and cost by benchmarking themselves against the Midlands Highway Alliance. In future benchmark exercises, the value for money schedule should include requirements to provide source data and analysis information in drawing conclusions. In addition, an independent 3rd party should be used to undertake the benchmarking, rather than the delivery partner themselves.</li> </ul>
	<ul style="list-style-type: none"> <li>• One particular area for consideration for improvements was communication. The Council were felt to not be sufficiently vocal around the good work that has been delivered over the term.</li> </ul>
	<ul style="list-style-type: none"> <li>• By their own admission, Enterprise suggested that the implementation of a structured and transparent fee agreement around the "cost +" model should be set up.</li> </ul>
	<ul style="list-style-type: none"> <li>• With respect to having a clear sense of direction from the client, Enterprise stated the need for clear, joint strategies and joint outcomes. By having an appropriately sized 'intelligent client function', a clear understanding of key objectives for both the supplier and the council can be agreed.</li> </ul>

### Soft Market Testing

**8.7** To test the commercial viability of this proposition a range of soft market testing has taken place:

**8.8** **Market Information Day:** Early soft market testing in the form of a “market information day” held in November 2012. The purpose was to test the market appetite for the range of services included in the original project scope and to discuss with the market the optimal mix or “bundling” of those services. The findings from this exercise were:

- There was interest from the market particularly around the highways contract.
- Companies suggested there were potential economies of scale from additional services being bundled together with traditional highways services.
- The market generally had a desire to be rewarded on contribution to high level outcomes as well as delivery-specific type measures, but contract arrangements would need to be of sufficient duration to allow this.
- The scope of the contract with the private sector needed some sensible basis around delivery arrangements, rather than diverse services put together for volume purposes.

**8.9** **National Case Studies:** Research into the kinds of arrangements that other local authorities have currently in place. The purpose of this work was to explore the current arrangements in other local authorities to determine whether some contractual arrangements are more appropriate or attractive to the market than others. This work has taken the form of the development of a set of national case studies capturing the key features of a range of related contracts covering services similar to those in scope for Infrastructure+. The following table outlines the findings of this study:

Local Authority	Supplier	Scope	Delivery Vehicle	Procurement Process
Suffolk County Council	Procurement	Highways Maintenance Winter Maintenance Grass Cutting Gulley Clearing	Fully Outsourced	Competitive Dialogue

		Fleet Maintenance Fleet Maintenance Street Lighting Traffic Signals		
Norfolk County Council	At PQQ stage	Highways Construction Highways Maintenance Highways Services Traffic Signals Scope in contact for ordering similar off-highway works	Strategic Partnership	Competitive Dialogue
Liverpool City Council	Enterprise	Highways maintenance Highways inspection Street lighting maintenance Street cleaning Neighbourhood grounds maintenance Social housing repairs	Non-profit distributing Joint Venture Company	Competitive Dialogue
North Tyneside Council	Capita Symonds	Highways Engineering Traffic and transportation planning Properties and facilities management Planning and building control Consumer Protection Environmental Health Services.	Strategic Partnership	Competitive Dialogue
Torbay Council	May Guerny	Call centre support Waste and recycling collections Highways maintenance Street and beach cleaning	Equity Joint Venture (80% owned by May Guerny, 20% by Torbay Council)	Competitive Dialogue
Cheshire East Council	Ringway Jacobs	Asset management Civil and structural engineering - routine and reactive maintenance and capital schemes. Traffic signals Street lighting and signs - routine and reactive maintenance and capital schemes. Winter services including fleet management and contract management of rock salt provision and related monitoring services contracts. Professional services	Fully Outsourced	Competitive Dialogue
Kent County Council	Enterprise	Routine maintenance Winter services Emergency and out-of-hours response Drainage repairs Signs, lines, barrier and streetlighting maintenance, Highways surface treatment work	Strategic Partnership that may transition to a JV	Competitive Dialogue

**8.10** Market analysis: This work has focussed on a number of key questions that the project team identified as critical to the project. The project team carried out market research with a number of major providers in the sector, along with the Highways Term Maintenance Association, focusing on discussing the following key areas:

- Payment mechanisms
- Risk / reward
- Contract structure
- Overall procurement methods employed
- Lessons learned from other 'procurements'
- Lessons learned from other 'contracts'
- Performance Framework
- Duration of contract

**8.11** The findings from this exercise are, in summary:

**Payment Mechanisms**

- Providers would rather be paid fixed rates and be allowed to manage the risks across the whole contract themselves
- Certain providers would rather not work with open book accounting for contract management
- Any payment model would need to take into account early losses in any new contract; savings could not be achieved in the first year as investment would need to be made in equipment, training, addressing previous incumbent shortfalls (if any) and transforming workloads.

**Risk/Reward**

- The transfer of risk is always a difficult process to manage and there are some that believe this shouldn't always be transferred to the provider. However, the private sector can manage risk if the project is big enough and there is an incentive to do so.

**Procurement Method Employed**

- Competitive Dialogue process is the preferred procurement route for most providers, although it was noted that this route can be time consuming.
- The dialogue process needs to be robust enough to set parameters for the service and procurement. Focus should be placed on agreeing outcomes and measures, rather than on discussing inputs or processes in great detail.

**Lessons learned from other 'procurements'**

- Price sustainability needs to be considered as part of the procurement - meaning a realistic view should be taken with respect to unduly low bids at tender stage.
- Previous procurements have been complicated by TUPE and pension-related issues; pension caps and TUPE information needs to be written into the contract.

**Lessons learned from other 'contracts'**

- Sustainability and affordability were key concerns for a number of suppliers - often the ambitions of authorities are not matched by the funding to achieve such ambitions.
- Suppliers advised against making contracts too bespoke, as this had cost implications which would be passed on to the client. A focus on activity and service delivery often made contracts more and more bespoke to each client, whereas a focus on outcomes enabled the provider to change and adapt over the term to continue to meet the clients' needs, whilst evolving its own operating model to remain competitive.

**Performance Framework**

- Suppliers were generally averse to having 'an industry' of KPIs and SLAs, preferring to rely on simple and streamlined regimes which drove behaviour to deliver.

**Duration of contract**

- Suppliers all commented that the contract would need to be of a sufficient length to provide them with time to recoup any investment made, and ensure that the market can deliver the outcomes required by Staffordshire.
- Consideration of the market, and existing contracts of a similar nature, shows that around a 10-year duration is considered to be 'about right'.

**Other**

The discussion of cost reduction included the removal of any 'dead' costs from the contract. One such example was the suppliers' uniform view that bonds were generally a pure cost, with little if any value from that cost.

- Suppliers also suggested that incentives are good mechanism by which to minimise costs. This focused on the granting of extensions to contracts in order to drive cost reductions (through decreased risk profile to the suppliers).
- Providers noted that a suitably strong retained client function would be required to guide the forward plan of work. Without this function, the suppliers all remarked that lack of clear guidance and leadership would lead to cost increases due to the high likelihood of planning gaps.

**8.12** Overall the range of soft market testing undertaken has confirmed the commercial viability of:

- The market appetite for a range of services such as ours;
- The market appetite for our selected preferred option;
- Our selected delivery vehicle (strategic partnership) and
- Our requirements of a partner

and has outlined a number of key features of the deal that SCC will seek to procure. For clarity, this business case is for the procurement of a contract with a private sector partner that will deliver the following services:

#### **Highways maintenance**

- Operations (Contract) Management
- Routine Maintenance
- Schemes Delivery
- Streetscene

#### **Improvement & Development**

- Major Projects
- Development
- Communities

#### **Professional Services**

- Regulation & governance
- Structures management
- Lighting
- Highways Lab
- Rights of Way management
- Spatial Information
- Environmental Specialists
- Specialist Transport Planning

#### **Country Parks Maintenance**

- Works unit
- Rangers

#### **Grounds maintenance at Shugborough**

- Estate workers

### **The Contract**

**8.13** The contract we are seeking to procure will have the following key features:

- It is proposed that this contract will be for a minimum of 5 years (and not exceeding 20 years). This will be discussed during dialogue. The framework and governance arrangements of the Strategic Partnership (as set out above at section 7.8 above) will be incorporated into the contract. Any contract period of longer than four years will require a Waiver from the Council's internal Contract Standing Orders.

- For clarity, the term strategic partnership does not infer a legal partnership which would imply such elements as joint and several liability.
- The contractual arrangements will include continual formal assessments of quality.
- The contract should include mechanisms to administer and incentivise the right relationship and drive the right behaviours to facilitate the best delivery of outcomes.
- The contract should have strong governance arrangements to assist with the delivery of the strategic partnership arrangement.
- The contract should deliver guaranteed on-going savings to SCC.
- The contract should include strong benchmarking arrangements so that the strategic partner is required to demonstrate a market leading cost approach.
- A flexible payment mechanism is envisaged with the right payment approach for each different type of delivery approach.
- Appropriate risk transfer should be a feature of the competitive dialogue and the contract. The general principle behind procuring such an arrangement is that risk is passed 'to the party best able to manage it'. Of course, the more that risk is transferred to the selected strategic partner, the more that strategic partner has to estimate and provide for those risks and this cost will be built into the cost of the contract.

## **TUPE**

- 8.14** It is anticipated that the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) may apply to this contract, affecting staff undertaking activity that fall within the identified scope.
- 8.15** Informal discussions have taken place with unions to date. It is anticipated that significant engagement will be required for the foreseeable future with both and unions where necessary, staff.
- 8.16** Whilst some engagement can be done prior to contract award, a formal consultation period may be required once a preferred bidder has been appointed dependant on the detailed solution.

## **Procurement Process**

- 8.17** Careful consideration has been given to the selection of an appropriate procurement route. The following factors have been taken into account:
- Compliance with European regulations
  - Simplicity and length of process, particularly in view of the timescales associated with the expiry of the current Highways Maintenance contract
  - The flexibility to shape the deal throughout the process
  - The attractiveness of the procurement route to potential bidders.
- 8.18** This work has concluded that this procurement is best suited to a Competitive Dialogue route, for the following reasons:
- It allows us to discuss with bidders our requirements for delivery of outcomes.
  - It allows us to have an on-going conversation about the scope of the contract throughout the procurement period.
  - It allows us to discuss and develop the core values that should underpin the strategic partnership during the procurement period.
  - Potential bidders have indicated that this is their preferred procurement route.
- 8.19** Please see below for a summary of stages, objectives and timeline.

<b>Stage</b>	<b>Stage Objective</b>	<b>Indicative Timeline</b>
<b>Issue contract notice and Pre-qualification questionnaire</b>	To alert the market to our proposition and attract a broad range of bidders.	July 19 <sup>th</sup> 2013
<b>Bidders Day</b>	To articulate and sell our proposition to bidders, allow key stakeholders (e.g. Members) to meet potential partners.	30 <sup>th</sup> July
<b>Pre-qualification questionnaire return by bidders and evaluation</b>	To make an initial assessment of the bidders suitability to meet our core requirements (e.g. track record, finance) and refine bidders to take into the next stage.	19 <sup>th</sup> – 30 <sup>th</sup> August 2013
<b>Outline Solutions submission and evaluation</b>	To further refine the number of bidders. During this stage bidders are asked to outline how they will meet our requirements. This is refined through dialogue and then submitted for our evaluation.	2 <sup>nd</sup> September 2013 – 1 <sup>st</sup> November 2013
<b>Detailed Solutions</b>	This stage is to explore the next level of detail regarding the bidders offer and reduce the number of bidders to 3 to take forward into the final round of dialogue. This stage has opportunities for structured dialogue with the bidders to negotiate the detail and to give all the opportunity to submit a competitive detailed solution for evaluation.	4 <sup>th</sup> November 2013 – 31 <sup>st</sup> January 2014
<b>Notification of Preferred Bidder</b>	Our remaining 3 bidders refine the detail of their offer through dialogue with the council for submission and notification of a preferred bidder.	31 <sup>st</sup> January 2014
<b>Contract Award</b>	This is a period of due diligence and detailed contract negotiations captured in the Final business Case. It is anticipated that a decision from Cabinet will be requested in February 14	By end March 2014

### **Social Value Act**

**8.20** Appropriate consideration has been undertaken in compliance with the Public Services (Social Value) Act 2012. Consulting the public prior to the commencement of this procurement is not considered necessary. This is not to say that there will be no form of public consultation; the project is currently defining the approach to public consultation.

## 9.0 Financial Aspects

9.1 This section forms a summary of the current financial picture of the services in scope from an income and expenditure point of view. The proposition and related financial impacts will be discussed with bidders during dialogue and therefore, what is contained within this section are highlights regarding significant financial impacts.

### Income and Expenditure

9.2 At this stage it is difficult to estimate the level of savings that will be achieved through the procurement of a strategic partner for the Infrastructure+ group of services. The table below outlines the high level expenditure and income associated with the services in scope.

Service	Gross Expenditure 2013/14	Income 2013/14	Net Expenditure 2013/14
	£'000s	£'000s	£'000s
Highways Maintenance	56,424	-1,855	54,569
Highways Improvement and Development	14,408	-9,956	4,452
Professional Services	6,327	-2,692	3,635
Country Parks & Rights of Way Maintenance	1,372	-0,146	1,226
Grounds Maintenance Shugborough Estate	0,126		0,126
<b>Total</b>	<b>78,657</b>	<b>-14,649</b>	<b>64,008</b>

9.3 The table above includes a significant capital budget. The following table shows this budget and illustrates the pressure this budget is due to come under over the next few years.

	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000s	£'000s	£'000s	£'000s	£'000s
Total Capital Budget	42,160	30,116	28,224	27,282	27,282

### Pensions

9.4 The staff in scope who may be subject to a TUPE transfer to the new partner are in the LGPS (Local Government Pension Scheme). This scheme is classed as 'Defined Benefits' (final salary).

9.5 In addition, some of the staff who transferred to Enterprise remain on the LGPS scheme, while others are on Enterprise's Citrus pension scheme. These staff may be subject to a 2<sup>nd</sup> generation transfer from Enterprise to the new strategic partner.

9.6 Any financial liabilities arising from the transfer of staff currently on the LGPS scheme or the Citrus scheme (whether they currently work for SCC or Enterprise) will rest with SCC.

9.7 As a county council we are currently exploring our position with regards to pensions and a solution for the longer term.

9.8 Feedback from the market intelligence exercise highlights that this will be a key area for negotiation during the CD process; the starting negotiating position from potential partners will be to avoid pension liabilities. In addition, this is an area that will need careful

consideration from the employee perspective. Therefore, it is essential that SCC is very clear on their negotiating position from the outset regarding pensions.

## Costs and Benefits

- 9.9** The Final Business Case will contain details of the financial impact of the contract and will detail the financial and non-financial costs and benefits associated. It is not possible to provide a detailed view of costs and benefits until later in the procurement process; however, any costs associated with the delivery of this project will need to be recouped through the savings made in the contract. Likely areas of cost include:
- 9.10** **Capita Procurement and Commissioning:** providing commercial, procurement and technical advice to the project as part of the Procurement Partner arrangement.
- 9.11** **Pensions:** As indicated above, the project is currently exploring the project pension costs. These will be added to the business case going forward.
- 9.12** **Internal resource costs:** The project is currently benefitting from a range of technical and service expertise. The project team involves support service resources from the following areas: procurement, legal, finance, HR, OD, communications, consultation and engagement and the TSU. The project also includes subject matter experts from the areas in scope. While these costs can be considered “sunk” and therefore not relevant costs from an investment appraisal perspective, there is an opportunity cost associated with the use of these resources on this project that ought to be considered.
- 9.13** The table below gives an indicative overview of the likely support service resource requirements. Depending on SCC’s approach there may also be costs associated with the back-fill of posts for individuals who are required to play a leading part in the Competitive Dialogue process:

	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 13	Feb 13	Mar 13
Procurement	32	40	36	36	36	36	36	36	36	36
Engagement/ Consultation	2	2	2	2	2	2	0	0	0	0
Communications	3	2	2	2	2	2	2	2	2	3
ICT	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Legal	20	28	28	28	28	28	28	28	28	28
<i>Property</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>
Finance	20	20	20	20	20	20	20	20	20	20
Human Resources	16	16	16	12	12	12	20	20	24	24
OD	8	8	8	8	8	8	8	8	8	8
HRSS	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Policy & Performance	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
TSU	40	40	40	40	40	40	40	40	40	40
<b>Total</b>	<b>137</b>	<b>152</b>	<b>148</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>146</b>	<b>146</b>	<b>150</b>	<b>151</b>



## 10.0 Stakeholders

**10.1** This project covers a broad range of services, as set out in section 2 above and therefore has a wide reach regarding stakeholders. Stakeholder identification and analysis was undertaken early in the project to identify key stakeholders, understand the level of impact and develop a communication strategy.

**10.2** Both internal and external stakeholders have been identified and analysed according to the influence they have over the project and the impact the project has on them. A full stakeholder matrix is maintained by the project team. In summary our main stakeholders are:

### Internal

- Members of Staffordshire County Council
- Senior Leadership Team
- Operational Management Team
- Staff in the “Place” directorate
- Place Staff Forum

### External

- District Councils in Staffordshire
- Stoke-on-Trent City Council
- National Trust
- Natural England
- Forestry Commission
- Parish Councils
- Volunteers
- Trade Unions
- Customers/General Public

**10.3** Stakeholder management will be critical to the project as it progresses. We have started to engage with our critical stakeholders and a summary of the feedback is given below:

Organisation	Feedback
District Councils	<ul style="list-style-type: none"> <li>• All District Councils within Staffordshire are interested in working more closely in relation to StreetScene activities. Most District Councils undertake urban grass cutting currently and some undertake tree management or works. Discussions have commenced with Newcastle Borough Council and Staffordshire Moorlands District Council about further areas for integration with a focus on locality working and financial benefits.</li> </ul>
National Trust	<ul style="list-style-type: none"> <li>• To be completed on receipt of feedback from stakeholders apx 30<sup>th</sup> May</li> </ul>
Forestry Commission	<ul style="list-style-type: none"> <li>• Recognises there are some synergies between the work SCC do and the work Forestry Commission does, especially around Cannock Chase. Keen to carry on working in a constructive partnership in that area.</li> <li>• Keen to continue the current discussions around how we work together to cater for visitors through car parking, visitor centres, trails etc.</li> <li>• Beneficial to both parties to continue working together, especially given the current challenging financial climate.</li> </ul>

### **Community Impact Assessment**

- 10.4** Community Impact Assessments are a guide to help the council make sure that the services we provide are delivering the intended outcomes and aren't inadvertently having a negative impact on any particular group or groups.
- 10.5** While the project has not yet completed a Community Impact Assessment (this will be completed during the competitive dialogue, updated during that process and included within the Final Business Case), it is aware of the need to stay focused on our customers' and wider stakeholders' needs and to pay particular attention to any potential impact on equalities and the health agenda.
- 10.6** Over the coming months, the project team will develop a full Community Impact Assessment and will continue to update this during the procurement phase of the project. The full Community Impact Assessment will be included in the Final Business Case.

## 11.0 Management Case

11.1 To test the achievability of this project this section outlines the project management arrangements that will be used.

### Project management arrangements

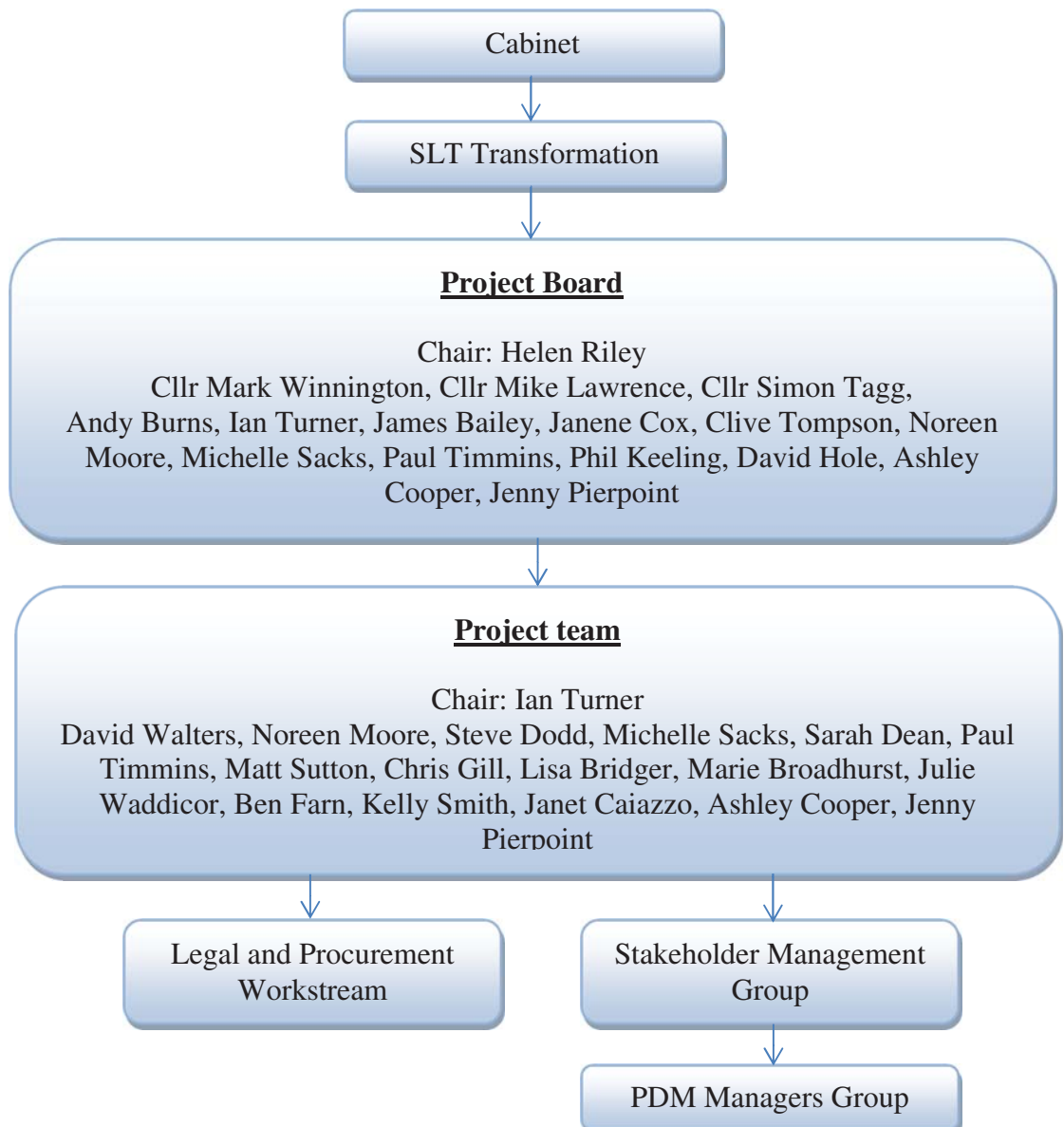
11.2 The project is being managed by the Transformation Support Unit as part of the Place portfolio of projects. The TSU provides the project assurance function for the project requiring regular project health checks, delivery reviews and status reports which give early indications of any issues and the ability to rapidly escalate these with SCC's corporate reporting structure. The TSU operates according to project management best practice.

### Project roles and responsibilities

11.3 The project has established effective governance with the required authority to facilitate timely decision-making throughout the project.

11.4 Workstream leads have been identified and are in place for all of the support services and business areas that are involved in the project.

11.5 The following diagram shows the governance of the project:



## Project Plan

**11.6** In accordance with best practice a high level project plan and a detailed stage plan have been produced. The stage plan for the next stage of the project covers the period from the commencement of the procurement process through to the appointment of the Preferred Bidder. Appointment of the Preferred Bidder, being a critical milestone, will also act as the end of the first stage of procurement, with approval required prior to progression to the next project stage (that being Preferred Bidder stage). The Project Plan is available on request.

## Use of special advisers

**11.7** Capita Procurement and Commissioning have been providing SCC with specialist procurement, commercial and technical advice as part of the Procurement Partner arrangement. All other resources are currently being provided in house.

## Outline arrangements for risk management

**11.8** A detailed Risk Register is managed by the Senior Project Manager which is regularly updated and reviewed as part of on-going governance arrangements. The issue and risk register conforms to corporate standards for the council. Detailed below are the key strategic risks to the Council. A full Risk Register is available on request.

Risk Description	Key Control	Mitigation	Likelihood	Impact	Score
There is a risk that the local government elections result in a different administration that is either i) a different political party or ii) has a greater level of opposition and therefore scrutiny. This could result in i) Cabinet not approving start of procurement ii) scrutiny calling in decision, with the result that procurement cannot start with sufficient time to negotiate a good replacement to the highways contract/ there is no time to re-procure the highways contract within timescales and Council has make interim arrangements.	Project Board	1. Engagement with all members in run up to election 2. Engage with relevant scrutiny committees	3	4	12
There is a risk that the reputation of the Council is damaged should the highways contract not be replaced within timescales. There is a further risk to reputation should the Council be subject to challenge.	Project Board, Stakeholder Management Group	1. Raise issue with PSLT, SLT and Members 2. Seek quick resolution to "outcomes" question within procurement minimum timescales to enable procurement to commence as soon as possible. 3. Twin track procurement preparation "at risk".	2	3	6

Risk Description	Key Control	Mitigation	Likelihood	Impact	Score
There is a risk that the level of uncertainty around future service provision and types of delivery models causes staff to leave SCC for better job security.	Project Board, PDM Managers Group	<ol style="list-style-type: none"> <li>1. Effective communications plan.</li> <li>2. Effective and strong project leadership</li> <li>3. Clearly articulated vision for the project.</li> <li>4. Change readiness assessments and plan.</li> <li>5. Effective Staff engagement and OD work.</li> </ol>	3	4	12
There is a risk that if a Competitive Dialogue process is followed the resource demands will not be able to be met in house. Should sufficient resource not be available in house we would need to appoint external resources in order to meet timescales, and would need a project budget to meet this.	Project Board	<ol style="list-style-type: none"> <li>1. Assess likely level of resources and options for that to be provided once there is further clarity over procurement strategy.</li> <li>2. Raise issue with Sponsor and Board.</li> <li>3. Discuss Resources with Resources Group and include in OBC.</li> </ol>	3	3	9
Enterprise contract cannot be extended any further. There is a risk that should the replacement contract not be in place by April 2014, SCC would have to make interim arrangement and may be subject to legal challenge. Associated financial, commercial, political, reputational and legal risks.	Project Board	<ol style="list-style-type: none"> <li>1. Raise issue with PSLT, SLT and Members</li> <li>2. Seek quick resolution to "outcomes" question within procurement minimum timescales to enable procurement to commence as soon as possible.</li> <li>3. Twin track procurement preparation "at risk".</li> <li>4. Work towards achieving Preferred Bidder by end March 2014 to minimise the likelihood of challenge and developing a robust mobilisation plan to minimise risk.</li> </ol>	3	5	15

Risk Description	Key Control	Mitigation	Likelihood	Impact	Score
Should SCC wish to minimise the risk of challenge and only agree to interim arrangements for 3 months (instead of more standard 6 months), there may be a financial implication in that the costs of rapid mobilisation would be factored into the contract.	Project Board	1.Project Sponsor to discuss with SLT	3	3	9

### Contingency plans

**11.9** In the event that this project fails, the following arrangements are in place for continued delivery of the required services and outcomes:

- All services currently delivered through Enterprise (now Enterprise/Amey): A new procurement would have to be approved by Cabinet and a new contract for the provision of highways maintenance awarded.
- All services currently provided in house: services would continue to be delivered as-is while alternative options are explored.

# **Infrastructure+ Appendix E: Customer Insight**

## **Place Delivery Models – What do our customers think?**

This report provides a summary of the views and perceptions of the customers of the services that are being proposed to go out to market as part of the Infrastructure+ project. It draws on a number of existing sources of information, including national and local surveys.

### **I. Highways**

The County Council has a range of mechanisms to gather public opinion and levels of satisfaction with highway services. In this section, there is a summary of the key themes relating to highways, including the issues that are most important to local people and their current level of satisfaction with them.

#### ***What are the most important highway issues to Staffordshire people?***

The main issues that people highlighted as being most important to them, according to the National Highways and Transport (NHT) Satisfaction Survey<sup>1</sup>, were the condition of the roads (24% of responses), pavements and footpaths (18%) and safety on the roads (16%), all of which are consistent with the national picture.

The survey also asks how people feel the Council should use its budget to improve transport and highways in their area. The top three responses for Staffordshire were the condition of the roads (25%), pavements and footpaths (18%) and traffic and congestion levels (14%).

#### ***How satisfied are Staffordshire people with highways?***

According to the NHT Survey, around 53% of respondents in Staffordshire were satisfied with transport and highway services, compared to 55% nationally.

Satisfaction with the issues that are important to people varies. 39% of respondents were satisfied with the condition of the highways, compared to 35% nationally. Overall highway maintenance was comparable with national figures, but with particular issues in Staffordshire highlighted around the speed and quality of repair to damaged roads and pavements, keeping drains clear and working, dealing with potholes and pavement obstructions and general maintenance of verges, trees and hedges.

High levels of satisfaction were recorded for condition and cleanliness of road signs, speed of repair to street lights and keeping roads clear of obstructions.

Overall satisfaction with pavements and footpaths is comparable to national figures, with 59% of respondents satisfied, compared to 57% nationally. Staffordshire scored particularly highly for the provision of pavements where needed, provision of safe crossing points and drop kerb crossing points. Levels of satisfaction were lowest for pavements being kept clear of obstruction.

Road safety was the third most important issue to people, and generally people were satisfied, 63% compared to 60% nationally. Speed limits and safety of walking had the highest levels of satisfaction, whereas speed control measures, safety of children cycling to school and road safety training/education for young drivers had the lowest levels.

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<sup>1</sup> Data quoted in report is taken from the 2012 National Highways and Transport Survey



Feedback from the Highways Hotline indicates that satisfaction can vary considerably from month to month. Highest levels of satisfaction are recorded for the ease with which people can contact the Council about a highways matter (80% in March 2013), the speed with which a call was answered (69%) and the helpfulness of the person answering the phone (69%). The lowest levels of satisfaction were recorded for satisfaction with the quality of the repair (43% in March 2013) and satisfaction with overall service provided (48%).

### ***How satisfied are Staffordshire's people with highways schemes?***

Overall satisfaction with individual schemes, as measured via the Post Scheme surveys, indicates that overall satisfaction with the 18 projects surveyed between January 2011 and February 2012 ranged from 67% to 95%.

The main theme for compliments offered in the surveys was the overall level of service provided. Comments highlighted the "excellent" communication with residents, the "efficient, friendly and courteous" site teams and the overall attitude, politeness and efficiency of the workers. Others mentioned the fact that the jobs were "well organised and co-ordinated" and completed with "minimum disruption".

Complaints predominantly focused on the following themes - communication, disruption, signing, and the quality of the work. There was not always adequate information and communication in advance of the work starting or sometimes the information was incorrect, for example relating to the extent of overnight working in one instance. Other comments were about the length of time the work took, with sometimes "large breaks in time between completing work". During the work some of the signage was felt to be "inadequate" and "diversions were not very clear".

## **2. Country Parks**

Much of the available insight about customer views of Country Parks is gathered from visitor surveys for Cannock Chase Area of Outstanding Natural Beauty (AONB) and work undertaken for the Forestry Commission focused on the Birches Valley site. However, there are some general messages that can be drawn from these surveys that may be applied to country parks in general. Other sources of insight include surveys undertaken as part of the development of the Right of Way Improvement Plan and by Staffordshire Wildlife Trust, relating to their site at Wolseley.

### ***Who is most likely to visit Staffordshire's Country Parks?***

For many of the surveys considered in this report, the respondent profile was relatively young (30-45 age group). This was partly dependent on the type of activity, with cycling tending to attract younger people and walking in the older age groups. This could also be a reflection of where the surveys were conducted, with some parts of Cannock Chase specialising in cycling and mountain biking, hence there would likely be a higher number of respondents doing those types of activities.

The majority of people visiting the sites tended to live within a relatively short distance. In the Cannock Chase Visitor Survey, over half of respondents lived within 6.2km of the interview site and 75% lived within 15.1km. This was partly dependent on the activity as mountain bikers were likely to travel the furthest and walkers and dog walkers tended to be more local.

The main length of a visit was around 1-2 hours and the majority visited on a regular basis, usually either weekly or monthly.

Despite the fact that many people were relatively local, the majority arrived by car, with response rates from 75% up to over 90%, depending on the site.

Unsurprisingly, the main reasons for visiting Cannock Chase and nearby sites were walking, dog walking, cycling and horse riding. Other reasons cited by visitors to the Wildlife Trust included nature watching and photography.

For all of the surveys where the question is asked, the majority of respondents rate the experience/area as excellent or very good, with responses ranging from 89% to 95% in the surveys.

### ***What are the strengths of the country parks in Staffordshire?***

Many of the surveys asked questions around what they felt were the strengths of the area (for example Cannock Chase) or what they liked most about the area. This provides an indication of what people feel should be offered by such facilities.

One of the main strengths mentioned about Cannock Chase was its beautiful scenery and views. 63% of respondents to the AONB survey stated that the attractive scenery was their main reason for choosing to visit Cannock Chase.

The facilities that are offered at the sites are seen as a great strength and asset for the area. For example, the cycle trails and the opportunities for cycling was mentioned in one survey, as were the paths for walking. Other facilities highlighted were the car parking, Go Ape and the café and restaurant sites.

### ***What are the areas for improvement for Staffordshire's countryside?***

The different surveys highlighted a number of issues that were seen as either areas for improvement or deterrents to people accessing the countryside or visiting some of the country parks. Some of the issues raised were specific to certain sites, but they provide an indication of the issues that are important to people and that addressing them in all areas would increase overall satisfaction.

One group of issues concerned general physical improvements and ensuring that the experience was not spoiled by the state of the countryside and its facilities. This included issues such as path maintenance, improved stiles and gates, particularly for the less agile and making sure that areas were not overgrown. Litter and dog fouling were particular complaints in some areas.

Another area of improvement related to information and signposting. This applies to both the general lack of information about the sites and where to go and also in signposts and waymarking around some of the paths and trails.

Issues relating to transport were also raised. This ranged from the need to slow down traffic in certain areas and tackle inconsiderate drivers to the improvement of public transport links. Given the high proportion of people who access the sites by car and the fact that many live within a

short distance, it would be interesting to assess whether this was by choice or as there are no feasible alternatives.

The final group of issues were around the additional facilities that were available, or in some cases not available, at some of the sites. Tea rooms or general catering facilities are popular and were seen as a useful addition in some areas (although this may be about signposting people to nearby facilities). The provision of public toilets was also mentioned as well as the availability of suitable car parking provision.

### **3. Shugborough**

This section summarises the insight from visitors to Shugborough, including a face to face survey and regular ongoing questions about where people live and why they are visiting.

#### ***Who visits Shugborough?***

Every one in ten visitor that goes through the tills at Shugborough, is asked their home postcode and reason for visiting. Data for 2012 related to 1,449 visitors and indicated that the majority of visitors were local, with 64% coming from the West Midlands region, and a further 11% from the East Midlands, and 9% from the North West. The main reason for visiting the attraction was due to being a National Trust member (29% of visitors). Around a fifth of visitors said that it was a repeat visit, which provides a useful indication of quality as people would be less likely to return if they did not enjoy the experience.

#### ***How satisfied are visitors to Shugborough?***

A face to face survey with Shugborough visitors was last undertaken over the summer months of 2011. During that time 868 people completed the survey which explored their views about the attraction.

Nearly half of the visitors had found out about Shugborough via the National Trust guide book, with recommendations forming 10% of reasons for visiting.

Overall, visitors who were surveyed were satisfied with Shugborough - 95%, with a further 96% stating that they would recommend it to friends and family.

Many of the attractions at Shugborough were rated excellent or good, with the Servants' Quarters receiving the highest rating (97% rated as good or excellent). The Mansion House, Earl's Apartment, Museum Galleries, Gardens and Costumed Guides were all rated as good or excellent by 90% or more respondents.

### **4. Environmental Specialists**

Due to the nature of the work undertaken by Environmental Specialists, there are currently limited mechanisms to collecting feedback from customers. This is predominantly due to the service's mix of internal and external professional customers.

### **5. Specialist Transport Planning**

The service has identified the following as its key customers:

- Developers & Consultants
- Local Planning Authorities
- Department for Transport
- Highways Agency
- The Rail Industry
- Interest groups and members of the public
- Internal – e.g. other services in Place, Business and Enterprise County, Built County, Rural County

Currently the team receive feedback from customers on an informal basis, for example verbal, ad-hoc emails. The team is currently scoping out the potential to develop a partner satisfaction survey to collect customer satisfaction information in a systematic way. It is proposed that this is rolled out in March 2014.

## **6. Spatial Information Team**

The team predominantly provide services for internal customers. Due to the nature of the work of the team, there are currently limited mechanisms to collect feedback from customers. Any feedback is on an informal basis, for example verbal, ad-hoc emails.

In the 12 months up to May 2013, the team have responded to:

- 35 Rights of Way property services
- 332 internal requests
- 46 external queries

## **Future Engagement**

Through the data collection process, it is evident that ongoing consultation and engagement mechanisms with customers are limited. All three of the services undertake annual engagement exercises, or project based consultation – e.g. Highways Post Scheme Surveys.

It will be vital to understand from the Project Board the requirements of any engagement mechanisms post Outline Business Case, including considering the following questions:

- What do we want to achieve? What are the gaps in knowledge?
- Who do we want to engage with?
- What existing mechanisms can we use?
- What timescales does it need to be delivered within?

Currently, it is not feasible to develop a detailed proposal until the above factors are considered and agreed.

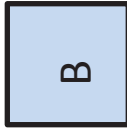
# **Infrastructure+ Appendix F: Stakeholder Register**

Group A		Group B		Group B	
All SC County Councillors		Local Authority partners (referred to in OJUE Notice):		Staffordshire Bodies:	
Cabinet Members		Staffordshire Moorlands District Council		Staffordshire Ecological Record	
Prosperous Staffordshire Select Committee		Newcastle Borough Council		Staffordshire and Stoke Equalities Network (SSEN)	
Corporate SLT		Lichfield District Council		Staffordshire Rural Forum	
Project Board		Tamworth Borough Council		Staffordshire Wildlife Sites Partnership	
Place SLT		East Staffordshire Borough Council		Staffordshire Wildlife Trust	
People SLT		Cannock Chase Council		VAST	
		South Staffordshire Council		SPAN (Staffordshire Public Access Network)	
People Directorate (Commissioners)		Stafford Borough Council		Staffordshire Biodiversity Partnership	
Trade Unions – Unison, GMB and Unite the Union (Critical)		Stoke on Trent City Council		Peak District National Park Authority	
SCC Staff in scope (Critical)		Parish Councils:		Cannock Chase AONB Unit	
Enterprise Staff in scope (Critical)		Staffordshire Parish Council Association		Community/Voluntary/User Groups:	
SCC Place staff out of scope		Other Local Authority partners:		Friends of Cannock Chase	
SCC other staff not in scope		Staffordshire Police		Apedale Country Park Voluntary Wardens	
SCC Public Health Team		Staffordshire Fire and Rescue Service		Apedale Heritage Centre	
People Place Forum		Staffordshire Civil Contingency Unit		Apedale Valley Light Railway	
Media (Critical)		Society of Local Councils (Staffordshire Branch)		Caldon and Uttoxeter Canals Trust	
North Staffs Chamber of Commerce		Community Council of Staffordshire		Central Rivers Initiative	
South Staffs Chamber of Commerce		National and Regional Bodies:		Churnet Valley Living Landscape Partnership	
National Trust (Critical)		Environment Agency		Churnet Valley Railway	
Forestry Commission (Critical)		Department for Environment, Food and Rural Affairs		Forest of Mercia	
Natural England (Critical)		Food and Environmental Research Agency		Staffordshire Local Nature Partnership	
		English Heritage		Cannock Chase AONB Unit	
		Institute for Archaeology	Group C	Shugborough Volunteers	
		Institute for Historic Building Conservation		Trent Rivers Trust	
		National Association of AONB		National Forest	
		Open Spaces Society		Staffordshire Badger Group	
		Peak and Northern Footpaths Society		Staffordshire Bat Group	
		Ramblers Association		Wildlife and Countryside Protection Group	
		Joint Local Access Forum		Staffordshire, Stoke on Trent and Wolverhampton	
		Royal Society for Prevention of Birds (RSPB)		Joint Local Access Forum.	
		The Woodland Trust			Group C
		West Midland Bird Club		Members of Parliament:	
		Sustrans		Members of the European Parliament for West	
		LEP		Midlands Region:	
				Local Authority partners (Neighbouring Authorities not referred to in OJUE Notice): 7 Local Authorities	

## Groups



These Stakeholders were kept informed, updated and fully engaged throughout the process. This group of stakeholders comprises executive decision-makers, those providing strategic direction and scrutiny.



These Stakeholders were kept informed, updated, involved and engaged at appropriate stages in the process. This group of stakeholders includes relevant staff, trade unions and community and other groups and bodies.



These Stakeholders were kept informed and updated as and when appropriate in the process so they are aware of what is happening on the project.

# **Infrastructure+ Appendix G: Community Impact Assessment DRAFT**



## **Leading for Better Outcomes Community Impact Assessments**

Community Impact assessments (CIAs) should be used whenever there is a policy or service change. The template will enable staff to record how they have taken account of the following essential areas within proposals;

- Strategic Priorities
- Public Sector Equality Duty
- Health inequalities
- Rural issues
- Climate change

The Public Sector Equality Duty, is a legal requirement and must be applied in all that we do, and in particular whenever there are changes.

See guidance note and frequently asked questions for further information.

### **Name of proposal:**

- Infrastructure+

### **State here which of the County Council priorities the proposal will deliver against:**

On inception the Infrastructure+ project sought to deliver against three of the original nine strategic priorities as follows:

- Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it
- Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks
- Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities

whilst also contributing to the over-arching strategic outcome:

- Staffordshire's people are involved in shaping the delivery of public services.

Following the work in early 2013 to refine these nine strategic priorities into three priority outcomes, the project can now be aligned to the first two of these:

- Be able to access more good jobs and feel the benefits of economic growth
- Be healthier and more independent.

In addition, the project has established a set of agreed core objectives, as follows:

- To maintain and improve the condition and usability of our physical assets;
- To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership;
- To involve communities in decisions and delivery of infrastructure;
- To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.

**Project lead: (s)**

- Helen Riley: Executive Sponsor and Deputy Chief Executive and Director for Place
- Ian Turner: Project Sponsor and Head of Place Delivery

**Names of other officers involved**

- A wide range of other officers have been involved in the project, both from the services areas in scope and from specialist support services.
- The Core Evaluation Team is made up of Helen Riley, Ian Turner, James Bailey (Commissioners for the Highways and the Built County) and Ian Wykes (Commissioner for the Rural County). This team has a critical role to play in terms of leading the dialogue and evaluation of submissions at PQQ, IPD1 and IPD2 stage.
- In addition to the Core Evaluation Team, Janene Cox (Commissioner for Tourism and the Cultural County), Clive Thomson (Commissioner for Transport and the Connected County) and Ian Benson (Commissioner for the Sustainable County) have also been involved in the project.
- In terms of specialist service areas, the project has involved officers from Staffordshire Procurement, the Legal Services Unit, HR, OD, Place Finance, TSU, Community Consultation and Engagement and Customer Insight.
- There has also been significant involvement from the managers and staff working in the services in scope. The Infrastructure+ Managers Group has involved all managers from the services in scope and has been responsible for a number of project deliverables and for managing communication with the members of their team.
- In addition, the Place Staff Forum has proved to be a useful feedback mechanism providing a temperature check of the readiness for change.

**Executive summary of the assessment:**

The Infrastructure+ project was driven by a strong desire across the County Council to change the way we provide services to the people of Staffordshire. In June 2013 Cabinet approved the strategic decision to proceed with the procurement of a private sector partner with which to establish a strategic partnership for the delivery of a number of infrastructure-related requirements.

The Infrastructure+ project represents an ambitious step change in the delivery of infrastructure across the county. Outcome-led and bringing together services that have traditionally been provided via very different delivery models, Infrastructure+ is attempting to harness the synergies within the scope of the project, whilst also maximising the value to be had through a different type of contract arrangement with a partner that understands our vision.

The Infrastructure+ Project seeks to achieve the following Critical Success Factors:

1. Increased value and prosperity for Staffordshire through a positive impact on jobs and growth.
2. A customer focussed service which enhances customer satisfaction and the reputation of the Council
3. Financially sustainable and resilient services
4. The flexibility to meet changing future demands through innovation and development

Forming a strategic partnership with a private sector partner provides us with an exciting opportunity to build on our success as a County Council in the provision of infrastructure related services. The Community Impact Assessment (CIA) has taken a tailored approach in capturing and analysing stakeholder engagement the wider effects of this project.

### **Signature**

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**Helen Riley**  
**Deputy Chief Executive and**  
**Director of Place**

**Date:**

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**Ian Turner**  
**Head of Place Delivery Ventures**

**Date:**

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## 1.0 The Purpose, Aims and Outcomes of the proposal

### 1.1 Purpose

With the creation of a collaborative working arrangement (a strategic partnership), underpinned by a contract with strong governance arrangements, we ('Staffordshire County Council') are looking to appoint a private sector partner to work with us to deliver a range of strategic outcomes, core objectives and critical success factors associated with the services in scope.

The Infrastructure+ project is applying commissioning principles to a range of Infrastructure services to determine the outcomes that Staffordshire County Council are seeking to achieve and to identify the best way of achieving those outcomes.

The envisaged scope of services currently undertaken to deliver Staffordshire County Council's responsibilities are listed in the table below:

**Figure 1: Infrastructure+ proposed scope**

<b><u>Service</u></b>	<b><u>Description</u></b>	<b><u>Activities</u></b>
<b>Highways Maintenance</b>	Staffordshire County Council is responsible for nearly 6000km of highway network and its associated assets. Current maintenance arrangements utilise a single contract for most highways maintenance work (the virtual joint venture with Enterprise)	<ul style="list-style-type: none"> <li>• Reactive Maintenance</li> <li>• Cyclical Maintenance</li> <li>• Bridge Maintenance and Improvement</li> <li>• Winter Service</li> <li>• Preventative Maintenance</li> <li>• Structural maintenance (renewals)</li> <li>• Traffic Signal Maintenance (currently subject to a separate third party maintenance contract)</li> <li>• Range of street lighting functions</li> </ul>
<b>Highways Improvement &amp; Development</b>	In addition to maintenance there are improvement schemes undertaken to improve safety or add capacity to the network or to facilitate new developments. This work is undertaken by a mixture of mechanisms including	<ul style="list-style-type: none"> <li>• Major Projects</li> <li>• Development Schemes S278</li> <li>• Traffic Calming</li> <li>• Junction Improvements</li> <li>• Crossing Facilities</li> <li>• Environmental Enhancements</li> <li>• Community Impact Schemes</li> </ul>

	through the existing maintenance contract with Enterprise, by spot tender or through regional framework contracts, such as the Midlands Highways Alliance.	
<b>Highways Professional Services</b>	In order to manage the work on the highways assets there is a team of in-house professional staff supported by contracted-in skills or top up resources.	<ul style="list-style-type: none"> <li>• Regulation and Highway Network Management</li> <li>• Highways Administration</li> <li>• Community Liaison</li> <li>• Development Control</li> <li>• Structures Management</li> <li>• Highways Asset Management</li> <li>• Highways Design</li> <li>• Range of street lighting functions</li> <li>• UTC and Traffic Signals Management</li> <li>• Highways Laboratory</li> <li>• Rights of Way Management</li> <li>• Rights of Way Data Management</li> <li>• Environmental Specialists</li> <li>• Transport Planning</li> </ul>
<b>Country Parks Maintenance and Rights of Way Maintenance</b>	The Rural Access team is one of three teams within the Rural County, alongside the Rural Development and Environmental Advice teams. The Rural Access Team is committed to managing and developing Staffordshire County Council's own countryside estate and the 4,400km of public footpaths and bridleways across Staffordshire for people to enjoy.	<ul style="list-style-type: none"> <li>• Works unit</li> <li>• Rangers (only part of this team is in scope)</li> <li>• Rights of Way staff (only part of this team is in scope)</li> </ul>

<b>Grounds maintenance of Shugborough</b>	The Shugborough Estate, which is managed via a 100 year lease from the National Trust, is covered by a Grade 1 Listed Parkland Conservation Management Plan and the grounds maintenance duties are covered within this by Estate workers.	<ul style="list-style-type: none"> <li>• Estate Workers</li> </ul>
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## 1.2 Aims & Objectives

The main aims and objectives of Infrastructure+ are.

**Figure 2: Aims and Objectives**

<ul style="list-style-type: none"> <li>• To maintain and improve the condition and usability of our physical assets.</li> <li>• To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership.</li> <li>• To involve communities in decisions and delivery of infrastructure.</li> <li>• To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.</li> </ul>
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The project has developed a set of **Critical Success Factors (CSFs)** which outline the key things the project must deliver. The CSFs formed the basis for the evaluation of options in the Strategic Options Appraisal and has formed the foundation for the evaluation of bids in the procurement and delivery stages of the project. They will also form the basis for articulating and quantifying benefits associated with the project.

The Infrastructure+ CSFs and their sub-factors are:

**Figure 3: Infrastructure+ Critical Success Factors**

<b>Increased value and prosperity for Staffordshire through a positive impact on jobs and growth</b>
<ul style="list-style-type: none"> <li>• Attract inward investment to Staffordshire</li> </ul>
<ul style="list-style-type: none"> <li>• Provide more and better jobs within Staffordshire</li> </ul>
<ul style="list-style-type: none"> <li>• Contribute towards an increase in Gross Value Add (GVA) across</li> </ul>



Staffordshire
<ul style="list-style-type: none"> <li>Actively encourage and support business growth</li> </ul>
<b>A customer focussed service which enhances customer satisfaction and the reputation of the Council</b>
<ul style="list-style-type: none"> <li>Ensure an appropriate level of quality as defined by customers</li> </ul>
<ul style="list-style-type: none"> <li>Improve customer satisfaction</li> </ul>
<ul style="list-style-type: none"> <li>Improve and / or enhance customer access to services</li> </ul>
<ul style="list-style-type: none"> <li>Improve the quality of communication and engagement with customers</li> </ul>
<b>Financially sustainable and resilient services</b>
<ul style="list-style-type: none"> <li>Attract investment into services</li> </ul>
<ul style="list-style-type: none"> <li>Improve efficiency and value for money</li> </ul>
<ul style="list-style-type: none"> <li>Identify and develop potential commercial opportunities where appropriate</li> </ul>
<b>The flexibility to meet changing future demands through innovation and development</b>
<ul style="list-style-type: none"> <li>Provide flexibility to meet changes in demand, environment or scope</li> </ul>
<ul style="list-style-type: none"> <li>Maximise service user involvement in the delivery of services</li> </ul>
<ul style="list-style-type: none"> <li>Promote Staffordshire's reputation as a forward thinking and entrepreneurial county; locally, regionally and nationally</li> </ul>
<ul style="list-style-type: none"> <li>Incentivise improved service levels and innovation, including new products/services, where appropriate</li> </ul>
<ul style="list-style-type: none"> <li>Maintain and develop skills and expertise</li> </ul>

### 1.3 Outcomes

There are three Strategic Outcomes that the project is seeking to make a direct impact on:

- Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it.
- Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks.
- Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities

A further Strategic Outcome over-arches all of these:

- Staffordshire's people are involved in shaping the delivery of public Services

**2.0 Those Affected: Who and Why?**

Table 4 shows the different groups affected by the Infrastructure+ project and explains why.

**Figure 4: Those affected: Who and Why?**

<b>Those affected:</b>	<b>Why?</b>
<b>Staff</b>	<p>All staff that are in scope will be affected to some degree as a result of this project. SCC will form a strategic partnership with a private sector company and some staff are likely to TUPE transfer to the provider. This may take place shortly after commencement with potential for further future transfers as the partnership develops.</p> <p>The exact detail of who will transfer has not been fully decided as the solution presents a potential significantly different way of working and it is not simply a case of transferring known existing staff groups.</p> <p>Such ambiguity will affect staff; however SCC will pursue a clear and transparent consultation process with staff and their Trade Union representatives.</p> <p>Additionally staff engagement will continue where information is shared and feedback received.</p>
<b>Residents</b>	<p>The services covered by the partnership are some of the most visible to the general public. The highways aspect presents the most challenging service in terms of public satisfaction.</p> <p>Customer satisfaction and council reputation has been identified as a key objective and critical success factor for the project.</p> <p>It will deliver improvements to customer information and response to issues, concerns and problems.</p> <p>It is also a requirement of the partnership that the public are able to be more involved and informed about the decision making process around the infrastructure both in terms of construction and maintenance.</p>
<b>External Stakeholders</b>	<p>External stakeholders will be affected by this proposal to some degree. We have developed a database of all of our stakeholders and categorized them according to the level of impact this proposal may have on them.</p> <p>Stakeholders range from those who contribute funding to the current services through the land of Shugborough to district and borough councils who have a large part to play in the</p>

	development and maintenance of physical infrastructure.
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### 3.0 Current users of this service

Table 5 provides more detail on the current users for services in scope.

**Figure 5 : Current users of the services in scope**

<b><u>I+ Service</u></b>	<b><u>User</u></b>
<b>Highways maintenance</b>  Operations (Contract) Management Routine Maintenance Schemes Delivery Street-scene	The highway environment and the services associated with developing and maintaining it affect all members of the public as it is essential to virtual all aspects of modern life.
<b>Highways Improvement &amp; Development</b>  Major Projects Development Communities	
<b>Professional Services</b>  Regulation & governance Structures management Lighting Highways Lab Rights of Way management Spatial Information Environmental Specialists Specialist Transport Planning	In addition to the above some of the professional services also affect businesses and other authorities where service are provided to them. For example the highways laboratory provides interesting services to private companies working within and outside Staffordshire as well as to other local authorities.

<b>Country Parks Maintenance and Rights of Way Maintenance</b> Works unit Rangers*	Visitors and users of Country Parks General public accessing rights of way
<b>Grounds maintenance of Shugborough</b> Estate workers*	Customers and visitors to Shugborough Estate

#### 4. Will the proposal have an impact on staff?

The creation of the strategic partnership will see the transfer of functional activity currently delivered by Staffordshire County Council to the partner organisation. Where this occurs staff employed to deliver this activity will also transfer to the partner organisation and their employer will change.

It is anticipated that organisational changes will be introduced to deliver the range of strategic outcomes, core objectives and critical success factors associated with the services in scope. As a consequence staff may experience changes to job roles and structures as the way in which work is organised changes.

Additionally, the new collaborative working arrangements will introduce new ways of working which will impact on all members of staff employed in services in scope.

##### 4.1 What does this mean for the workforce?

The table below details a breakdown of the current work force profile against the protected characteristics of age, disability, race and sex. Staffordshire County Council does not capture work force data in relation to gender reassignment, marriage and civil partnership, pregnancy, religion or belief or sexual orientation.

**Figure 6: Breakdown of current workforce profile against the protected characteristics of age, disability, race and sex**



Whilst some organisational change will be required to meet the collaborative working arrangements of the partnership and it is not anticipated this will lead to significant changes to the makeup of the current workforce profile or impact adversely on any one protected characteristics.

Where staff employment transfers to the partner organisation The Transfer of Undertakings (Protection of Employment) Regulations 2006 and the anticipated The Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 will be applied mitigating any adverse implications of a transfer of employment.

Any adverse implications of organisational changes will be mitigated through consultation with staff and their Trade Union representatives, the application of

appropriate organisational HR policies and procedures and a comprehensive approach to staff engagement.

Notwithstanding the protections afforded by employment legislation it is the County Councils intention to work with the partner to develop and agree any organisational changes prior to implementation. This will ensure due consideration is given to the impact on staff and the appropriate management of this impact in line with the County Councils values.

Staff will be supported through a managed transition process with ongoing engagement and consultation with both them and their Trade Union representatives.

## 5.0 Public Sector Equality Duty

The Public Sector Equality Duty (PSED), requires public authorities to pay “due regard” to;

eliminate discrimination; advance equality of opportunity; foster good relations between people.

### 5.1 Could the proposal impact on protected groups

The table below shows and impact on protected groups

Figure 7: Impact on protected groups

Protected groups/characteristics	Is there any potential for positive or negative impact	Could the proposal create better opportunities or minimise disadvantage?	Please detail what measures or changes will be put in place to mitigate adverse implications
Race	No		
Disability	No		
Gender	No		
Age	No		
Religion/belief	No		
Gender reassignment	No		
Sexual orientation	No		
Pregnancy/maternity?	No		
Impact on staff	Yes	The proposal has the potential to see a number of staff transferred from SCC to the private sector partner. This may have the result of protecting employment and	

		opening up additional opportunities for staff.	
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**6.0 Are there any gaps in your evidence or conclusions that makes it difficult for you to quantify potential adverse impact?**

No. The vast majority of the services in scope are well established and conform to national or international design standards. There exist challenges in terms of ensuring that use of and input into services is fully representative of the communities and sometimes minority populations but this is not a function of how the service delivery is specifically arranged.

As the exact extent of staff transfer is not known at this stage the impact in terms of numbers is not known. However even if only one person is transferred the same impacts occur and the transfer process has been explored through the procurement process and assessment of the providers capability and capacity to undertake this was assessed.

**7.0 How will you explore the proposal in greater depth?**

Service delivery is well assessed at present by visitor surveys and by national satisfaction surveys. These include the collection of demographic data so that assessments can be made to see if there are differences in terms of service perception and satisfaction by different groups.

In terms of staff issues there will be a full mobilisation plan developed for the transition stage of the project. This will be overseen by the project board. This will include suitable time to ensure that transferring staff are allowed to fully contribute to the process with opportunities to include union representation.

## 8.0 Consultation

### 8.1 Staff Engagement

The following has been done in terms of staff engagement:

Figure 8: Staff Engagement

Staff Activity	Membership	Purpose	Frequency
<b>Bidders Day - Staff Involvement</b>	Manager involvement, Commissioners, other SCC Staff	Members of the Place staff forum were invited to be involved in an open discussion with potential bidders at the start of the procurement process. This allowed them to see and hear first hand the objectives of the project and the views of the market around capability and scope.	18 <sup>th</sup> July 2013
<b>I+ Managers Group</b>	Manager Involvement	The purpose of the I+ Managers group is to provide an opportunity for Managers to engage with those directly involved with the project, raise any staff concerns and help guide the process by providing service specialist advice. The Managers group is particularly useful to keep communication flowing and share information directly.	Fortnightly
<b>Staff Forum</b>	This group is run by staff for staff throughout Place.  Currently the membership is approximately 20 colleagues	The aim of the forum is to provide an opportunity for all staff to engage and debate with decision makers and other colleagues on work-related matters, to raise concerns, to help to shape services and drive	The forum meets monthly for at least 1.5 hours



		a high performance culture that takes account of staff health, welfare and working conditions, with the ultimate aim of improving services for the people of Staffordshire.	
<b>Development of the Data Room / Service Specifications</b>	Manager involvement, Service Level Specialists	The data room holds all the relevant information regarding the bid, including technical service level specifications, project documents and any additional useful specifications.	June-Dec 2013
<b>Clarification process</b>	Manager Support	A number of staff were contacted regularly to provide support to the process. They were asked to respond to bidders technical queries and thus apply their own knowledge and expertise in order to assist the overall process.	Sept-Dec 2013
<b>Competitive Dialogue (IPD1 &amp; IPD2)</b>	Manager Involvement & Service Area Specialists	A number of Managers and officers formed part of a team involved in competitive dialogue. In both stages IPD1 and IPD2, dialogue was based around certain specialist areas.	Sept – Dec 2013
<b>I+ Bid Evaluation Process</b>	Service Area Specialists, Commissioners,	Managers were given the opportunity to read the final submissions and prepare advice for the key evaluators.	Dec-Jan 2013
<b>I+ Site Visits</b>	SCC Core Panel + Service Area Managers	The managers that had volunteered for the site visits were given the opportunity to visit 1 of the 3 bidder's sites around the UK.	December 2013

<b>I+ Final Bid Presentation</b>	Evaluation Advisors – Staff (Managers + Service Area Specialists)	This event saw the 3 bidders come in and deliver a presentation on their final submissions, followed by a Q&A.	17 <sup>th</sup> December 2013
	Professional specialists	Those staff that had volunteered to evaluate the written bids had been given the opportunity to come along, listen and pose any questions to the bidders.	

### 8.1.1 Staff briefings

- All 300+ staff in scope have been invited to attend staff briefings held in October 2013. The staff Briefings provided an overview of the project thus far, the project timeline and a political and strategic perspective from Mark Winnington, The Cabinet Member for Economy and Infrastructure and Helen Riley, Deputy Chief Executive and Director for Place.
- The 4 Commissioners (James Bailey, Ian Wykes, Clive Thomson and Janene Cox) were too involved in the staff presentations as they gave the group a project update and a reflection of the project and its next steps.
- After the presentation, staff were given the opportunity to ask questions to those involved in the project.
- 4 staff briefings were organised for staff to attend on 25<sup>th</sup>, 28<sup>th</sup> October, 1<sup>st</sup> and 8<sup>th</sup> November 2013.

**Figure 9: Attendance at Staff Briefings**

Attendance
25th Oct - 45 Staff
28th Oct - 52 Staff
29th Oct - 59 Staff
8th Nov - 50 Staff (approx.)

*Feedback from the sessions showed that:*

- 86.4% of staff understand the reasons for undertaking the project
- 64.2% of staff understand their role in making the project a success

## What worked well:

Seeing, hearing and understanding bidders perspectives  
Allaying fears, being honest and open

- Upon announcement of the preferred bidder, and as the Cabinet Paper goes live, additional staff briefings have been arranged in February 2013.
- 3 staff briefings will be held to inform all staff in scope of the process so far and the next steps.
- This will allow staff the opportunity to ask any questions to the preferred bidder and/or the key evaluators.

### 8.1.2 Staff Engagement Day

On the 11<sup>th</sup> November 2013, all staff in scope were invited to attend a staff engagement day with the three remaining bidders. The sessions were structured around a presentation from bidders followed by Q&A, with the majority of each session being Q&A. Approximately 130 staff attended.

*Feedback from the sessions showed that:*

- 98.5% of staff agree that they valued the opportunity to meet bidders
- 97.1% valued the opportunity to put questions directly to bidders
- 95.5% staff report that they have more information now than they had before the event
- 74.6% of staff have a better understanding of what the future may look like

Figure 10: Additional Staff Consultation

Additional Staff Consultation	Frequency	Content
Place Newsletter	Monthly	Latest Project Info
Helen's Newsletter	Monthly – up to October	Latest Project info from Deputy Chief Exec
Staff questionnaire	Dependent on Key milestones.	Circulated after Staff Engagement Day
Change readiness questionnaire	Dependent on Key milestones.	Varied questions posed
Direct Emails from Helen	<b>From October onwards</b>	

### 8.1.3 Trade Union Engagement and Consultation

Project Reps have had ongoing discussions with all relevant Trade Unions from early in the project (November 2012) on a formal basis through the fortnightly Trade Union Consultative Forum to facilitate the Trade Unions

representation their members interests. The Project Sponsor and HR Business Partner have ensured that Trade Union representatives are aware of and understand the concept of the strategic partnership as well as the potential impact on staff employed within services in scope. This will enable productive discussions in respect of impact and mitigation.

The Trade Unions have attended all staff briefings (June, October and November 2013) in addition to the Stakeholder Event held for staff. This provided an opportunity for final bidders to present their organisation and ideas and for staff and Trade Unions to ask questions. A specific Stakeholder Event was also held for the Trade Unions to directly meet with the final bidders.

Engagement will continue with the Trade Unions through the Preferred Bidder stage and thereafter, through mobilisation and transition, through consultation mechanisms where this is required.

## **8.2 Public Consultation**

The project team took advice from the Community Consultation and Engagement Team and developed a consultation to gather views and opinions on the outcomes that the project is seeking to achieve. As the project was part way through the procurement process by this stage the decision was taken to concentrate on asking questions around whether respondents agreed with the outcomes we are seeking to achieve through the project rather than asking whether respondents agreed with what we are doing.

- Public Consultation was launched to coincide with IPD2 (ran from 11 October 2013 to 24 November 2013)
- A Consultation report was produced in time for bidders to incorporate into their final bids.
- 32 responses were received
- 28 responses online & 4 letters

### **8.2.1 Key Findings**

- 43% of the online survey respondents were fairly supportive of the outcomes and some showed support for the new ways of working.
- 18 of the 28 questionnaire respondents answered the consultation in the capacity of a resident of Staffordshire.
- The top 3 priorities for the respondents were the: Quality of Services provided, Joined up working across service areas and Value for Money.

### 8.3 Additional Stakeholder Consultation

There has been an ongoing conversation with stakeholders throughout the project, especially those stakeholders that are considered critical and with whom the Council has key partner relationships.

Several key steps were undertaken in order to organise SCC's critical stakeholder database.

These included:

- Letters sent to stakeholders in May 2013.
- Stakeholder analysis
- A Stakeholder register was created
- All stakeholders were categorized into one of 3 main groups.
- **Group 1** received a letter to update them on the project and inform them that the consultation was open.
- **Group 2** received a letter to stakeholders not previously informed on the project, inform them that the consultation is open and welcome their participation in the consultation survey.
- **Group 3** received a letter to update on the project, inform them that the consultation is open and invite critical external stakeholders to the stakeholder event on the 12<sup>th</sup> November 2013.
- Those critical stakeholders that attended the Engagement event on 12<sup>th</sup> November are detailed below, with the necessary information.

#### 8.3.1 Stakeholder event – 12th November

- This consultation event allowed the two groups of critical stakeholders to meet each of the three bidders for a two hour session.
- Each bidder had prepared a brief presentation which focused on their business model and ideas for the bid.
- After the presentations, the critical stakeholders had the opportunity to ask the bidders questions.

*The main themes the questions were based around can be found below:*

- The future of voluntary groups.
- How their Company ensures that its Corporate Social Responsibility obligations assists and supports local communities in Staffordshire.
- Liaison strategies
- Developments of projects and the partnership structure.

**Figure 11: Critical Stakeholders Attendees**

**Critical Stakeholders that attended event on 12<sup>th</sup> November 2013:**

- National Trust
- Ramblers Association
- VAST
- Staffordshire Parish Councils Association
- Cannock Chase AONB
- Staffordshire, Stoke on Trent and Wolverhampton Local Access

**Figure 12: Neighbouring Local Authority Attendees**

**Neighbouring Local Authority Stakeholders that attended event on 12<sup>th</sup> November 2013: Representatives from -**

- **Newcastle-under-Lyme Borough Council**
- **High Peak Borough Council/Staffordshire Moorlands District Council**
- **Lichfield District Council**
- **Tamworth Borough Council**
- **South Staffordshire District Council**
- **Councillor Ruth Rosenau, Cabinet Member for Regeneration, Planning and Transport – Stoke-on-Trent City Council**

#### **8.4 Member Consultation**

Members have been significantly involved in the Infrastructure+ Project at various points of the project. It is important to note that Cllr Mark Winnington, Cllr Mike Lawrence and Cllr Simon Tagg are key members of the Project Board which meets twice a month. The responsibility of the Project Board is to have ultimate authority and responsibility for the project, ensure delivery of transition work to agreed plan and ensure that SCC's interests are represented.

All Members receive an email update every month giving them a project update and informing them of the next steps. At key points also included in Members' Bulletin.

Staff Briefings – The staff briefings held in October/November 2013 had Cllr Lawrence and Winnington present. They were able to participate in the dialogue with staff. Further staff briefings are scheduled to be held in February 2014.

Members have received a verbal update of the project through Informal cabinet which was held on 8<sup>th</sup> January 2014.

Assets and Budgets Select Committee – An initial presentation has taken place at this committee and a further session is to be planned in March or April to examine the financial aspects.

Prosperous Staffordshire Select Committee – The committee has had periodic updates on the progress of the project and will be considering the proposal in full immediately prior to cabinet in February.

Member Stakeholder Day – on the 25<sup>th</sup> November 2013, specific members were invited to attend an engagement event which allowed them to meet the 3 final bidders. The sessions lasted for two hours and after each respective bidder gave a short presentation, members had the opportunity to explore their bids further and ask any questions.

Infrastructure+ Final Bid Presentations – on the 17<sup>th</sup> December 2013, the 3 final bidders presented their final bid presentations to the Core Panel and evaluators. Cllr Mark Winnington and Cllr Mike Lawrence were both present and had the opportunity to pose questions to each bidder.

## **9. Making a decision**

As the proposal is a key decision (in terms of the value of the contract being procured and the impact on more than one district in the County) it is subject to a decision by Cabinet. This decision is scheduled to take place in February 2014.

The analysis undertaken as part of this project has informed the direction of the project itself (for example the customer insight that was undertaken at the Outline Business Case stage of the project was factored into the Outline Business Case and the later development of the procurement products.

The results of the Consultation that took place in November 2013 was analysed by Customer Insight and provided to the final three bidders for them to consider as part of their final bid submission.

### **Yes, subject to cabinet approval:**

- Staff have been involved in evaluation
- Staff involved in site visits
- Wash-up sessions
- How the above have inputted whilst evaluation has been going on
- Survey results were passed onto bidders for including in their bids
- Continued involvement with key stakeholders

## **10. Actions**

There are no specific actions required as a result of equality considerations in terms of the choice of delivery mechanism for the relevant services. The

ongoing service delivery through the strategic partnership will continue to adopt national practice in terms of improvements and maintenance of infrastructure.

## **11. Monitoring and review**

A strategic board will oversee the objectives of the partnership and set and monitor relevant outcomes and any changes to service deliver policy will be subject to impact assessments.

The strategic board will ensure the development of a set of performance management criteria

- What analysis criteria will be used for monitoring the equal opportunity effects of the proposal?
- Who will be responsible for monitoring and deciding how targets will be revised to achieve continuous improvement?

### **11.1 Social Value Act**

Social Value is now enshrined in legislation through the Public Services (Social Value) Act 2012.

The Act became law on the 8th March 2012 and for the first time, places a duty on public bodies to consider social value ahead of procurement. The wording of the Act states that the authority must consider:

- how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- how, in conducting the process of procurement, it might act with a view to securing that improvement.
- whether or not the community should be consulted

The project is seeking to deliver strategic outcomes which will impact, to a greater or lesser extent on the economic, social and environmental aspects of well-being.

In terms of the procurement process, the project has agreed a set of Critical Success Factors that encompass aspects referred to in the Social Value Act. These CSF's and strategic outcomes were used to shape the evaluation criteria which were used throughout the procurement process.

The procurement took the form of a competitive dialogue process. An advantage of this process over others is the ability to discuss and shape potential approaches directly with bidders so that bidders can shape their bids accordingly.

The table below outlines how the project and the procurement process itself may impact on the various areas.



Figure 13: Project and Process Impact

	Impact	Rationale
Economic	Positive	<p>1. The high level outcome related to the economic well-being associated with the services we are seeking to procure is:  <b>“Staffordshire’s economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it”</b></p> <p>2. The project’s Critical Success Factors were incorporated into procurement evaluation criteria. CSF’s include factors that will impact positively on economy and prosperity:  <b>“Increased value and prosperity for Staffordshire through a positive impact on jobs and growth:</b></p> <ul style="list-style-type: none"> <li>• Attract inward investment to Staffordshire</li> <li>• Provide more and better jobs within Staffordshire</li> <li>• Contribute towards an increase in Gross Value Add (GVA) across Staffordshire</li> <li>• Actively encourage and support business growth</li> <li>• There will be opportunity throughout the competitive dialogue process to discuss economic value added aspects with the bidder. For example, there will be an opportunity to discuss potential apprenticeships and other such schemes and also to explore the potential to use local suppliers and local materials.”</li> </ul>
Social	Neutral	<p>3. The high level outcome related to social well-being associated with the services we are seeking to procure is:</p> <p><b>“Staffordshire’s people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities”</b></p> <p>4. The project’s Critical Success Factors were incorporated into procurement evaluation criteria. CSF’s include factors that will impact positively on customers and give customers and the community a greater ability to shape and access services:  <b>“A customer focussed service which enhances customer satisfaction and the reputation of the Council</b></p> <ul style="list-style-type: none"> <li>• Ensure an appropriate level of quality as defined by customers</li> <li>• Improve customer satisfaction</li> <li>• Improve and / or enhance customer access to services</li> </ul>

		<ul style="list-style-type: none"> <li>• Improve the quality of communication and engagement with customers</li> <li>• We are seeking a contract that delivers guaranteed savings to the authority. These savings should avoid the need to make any changes that would be to the detriment of services provided and should enable the authority to improve the service quality and value.</li> <li>• Through dialogue with bidders we will be able to discuss social aspects of the delivery of the services in scope, such as the use of volunteers in Country Parks.”</li> </ul>
Environmental	Neutral	<p>5. The high level outcome related to environmental well-being associated with the services we are seeking to procure is:</p> <p><b>“Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks”</b></p>

Given that the assessment is for a positive impact on economic well-being and a neutral impact on social and environmental well-being, consulting the public prior to the commencement of procurement was not considered necessary.



## 11.2 Health considerations

It is clearly understood that well maintained and valued built and natural infrastructure plays an important part in supporting peoples health and wellbeing as part of the “wider determinates of health”

The sub outcomes which sit at the heart of the Infrastructure + help articulate the benefits of the project to more general health outcomes.

The delivery of Infrastructure + will contribute directly through providing physical access to services or providing recreational opportunities such as well-maintained cycle ways, footpaths and country parks all providing health opportunities.

Volunteering also sits at the heart of Infrastructure + and the benefits of volunteering on people’s mental and physical wellbeing are also well understood.

Perhaps most fundamentally Infrastructure + is designed to help facilitate economic growth and increase skills and aspiration again all of which are important in supporting Staffordshire’s citizens wellbeing.

Public Health has been involved in the Infrastructure + project and has had the opportunity of shaping it. Through the Ecosystem approach proposed by Amey key partners such as Public Health Colleagues, The Health and Well Being Board and Clinical Commissioning Groups will all be heavily involved in shaping the delivery in the future.

As details emerge around specific operations Amey and the County Council will be updating an agreeing a Health Impact Assessment on an ongoing basis with appropriate health colleagues.

## 11.3 Climate change implications

Sustainability sits at the heart of Staffordshire County Council, underpinning everything we do. It is considered that currently, there is insufficient detail on sustainability principles in the bid documents. As an indication, some examples of what we would expect to see in future are listed below although this list is not exhaustive. However, it is recognised that Amey have in general very good corporate sustainability and energy policies and that these were discussed in some detail during the procurement process. Therefore we would expect that Amey’s Sustainability Team liaise with the Climate Change Team at Staffordshire County Council in due course to set out how sustainability will be more thoroughly embedded in the project.

General Principles

- Employee energy conservation and behaviour.
- Employee waste and recycling.
- Promotion of energy saving behaviour in the workplace.

## Carbon Reduction

- Carbon foot printing process.
- Targets and action plan.
- Energy saving best practice in highway maintenance and repair e.g. aggregate reuse, infra-red pothole repair.
- Efficiency standards for vehicles.
- Electric vehicles and charging points where appropriate.
- Re-use of waste wood from highway tree pruning.
- Energy conservation in Lighting and Traffic Signals.

## Adaptation

- Generally a more proactive approach to flood risk management.
- Include strategic planting/green infrastructure in Preventative and Structural maintenance programme for flood prone highways and gully routes. Roadside nature reserves to include consideration for flood management and shading

Will your proposal result in an increase or decrease in;

**Figure 14: Climate change implications**

	<b>Question</b>	<b>Answer</b>
1	Business mileage by officer or;	No
2	Mileage of our badged fleet or;	No
3	Mileage under contract (e.g. taxis or;	No
4	Fuel use in our building or other infrastructure (e.g. street lighting) or;	No
5	Fuel use in the building or on the sites of private sector contractors delivering a service on our behalf or;	No
6	Waste generated in the workplace	No
7.	Other	No

Visit the Climate Chang for further information.

## Publication

The Equalities Team will quality-assure CIAs, and prepare for publishing

Please return copy of the CIA to the county's Equality Team

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## 12: Impact Assessment Table

Figure 15: Impact Assessment

<b>Name of Policy/Project/Proposal: Infrastructure+</b>
<b>Responsible officer: Helen Riley</b>
<b>Commencement date &amp; expected duration: April 2014 for up to 20 years</b>

	<b>Impact Assessment</b>	
	<b>+ve/neutral/ -ve</b>	<b>Further information degree of impact and signpost to where implications reflected within the report/ main Assessment</b>
<b>Impact on access to more good jobs and increased economic growth</b>	<b>+ve</b>	<b>Service job growth is an objective of the solution. Economic growth and value to Staffordshire is a key critical success factor for the project. Key to the solution has been to enable the most efficient delivery of infrastructure which will support wider economic growth and therefore positively impact on jobs and growth.</b>
<b>Supporting healthier living and independence</b>	<b>neutral</b>	
<b>Impact on feeling safer, happier and more supported in and by the community</b>	<b>neutral</b>	
<b>Maximising the opportunities for a good quality physical environment</b>	<b>+ve</b>	<b>The project is seeking the best possible infrastructure and to maximise opportunities to achieve more for the</b>
<b>Maximising the use of community property portfolio</b>	<b>neutral</b>	
<b>Addressing issues affecting rural areas?</b>	<b>neutral</b>	
<b>Equalities impact</b>		
<b>Age</b>	<b>neutral</b>	<b>The main issue for infrastructure tends to be around disability. This is covered by the adherence to national standards on design that take account of best practice in relation to transport infrastructure for people with disabilities.</b>
<b>Disability</b>	<b>neutral</b>	
<b>Ethnicity</b>	<b>neutral</b>	
<b>Gender</b>	<b>neutral</b>	
<b>Religion/Belief</b>	<b>neutral</b>	
<b>Sexuality</b>	<b>neutral</b>	
<b>Gender-reassignment</b>	<b>neutral</b>	
<b>Pregnancy/maternity</b>	<b>neutral</b>	

<b>Resource and Value for money</b>	<b>Resource is largely fixed and the project has established mechanism to deliver the best value for that fixed resource. It includes opportunities to reduce the current cost of service delivery and to maximise opportunities for securing additional funding where possible.</b>
<b>Risks identified and mitigation offered</b>	<b>A project risk assessment has been undertaken for the procurement stage. Additionally the bids were required to include an assessment of service risk. These will be developed further as part of detailed business planning.</b>
<b>Legal imperative to change/implications (including the Social Value Act 2012)</b>	<b>.The existing highway maintenance contract expires in April and therefore a replacement to at contract is required as a minimum.</b>

### **Document Contributors**

The following people have contributed to the authoring of the CIA

- Ian Turner, Head of Place Delivery Ventures
- Ian Wykes, Commissioner for the Rural County
- Shelley Brough, Commissioning Manager Carers and Wider Determinants of Health
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- Dzenana Hurem, Project Support Officer - TSU



# **Infrastructure+ Appendix H: Consultation Report**

# INFRASTRUCTURE+

## Consultation Report

December 2013

## Document Information

Title	Infrastructure+ Consultation Report, December 2013
Date created	November 2013
Description	This report presents the findings from Infrastructure+ Project Consultation
Produced by	Alice Walters, Research Officer Insight Team Staffordshire County Council Tel: 01785 27 8150 Email: <a href="mailto:alice.walters@staffordshire.gov.uk">alice.walters@staffordshire.gov.uk</a>
Status	Final Version
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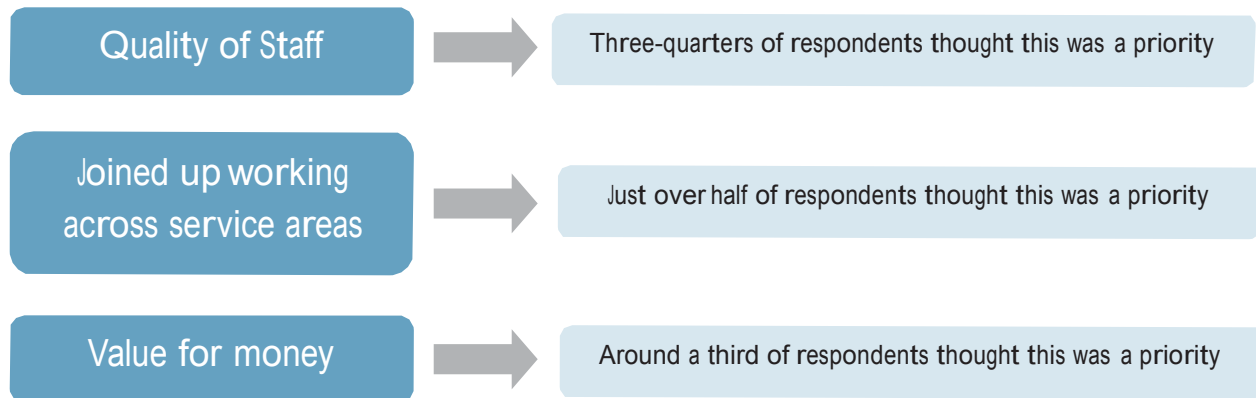
## Contents

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• Letter Response	

## 1. KEY FINDINGS

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- 43% of the online survey respondents were fairly supportive of the outcomes and some showed support for the new ways of working. However, concerns were raised about outsourcing; it was felt by some that private companies are too concerned with profit margins and would not be as dedicated to the cause as the County Council. Equally concerns were voiced about staff, in terms of current staff members being made redundant and organisations and residents losing well-established links with staff who had years of knowledge and expertise in specific areas.
- The three main priorities highlighted by the respondents were:



- One in three thought that existing working relationships would deteriorate while just one in five felt they would either remain the same or improve. Again, concerns were raised about motivations and quality of both private sector organisations and their staff members and whether they were best placed to deliver the work.
- Half of the respondents were currently volunteering but of that group of 14, just 4 said that they would continue to do so if the service is transferred over to Infrastructure+. Reluctance to continue volunteering was largely due to the respondent not agreeing with the principle of volunteering for a profit-seeking company.
- Other comments taken from both the questionnaires and the letter responses tended to be more specific to each organisation and the concerns they had about potential impacts of the proposed ways of working. However the key theme which ran throughout was about ensuring continuity and maintaining the quality of services and the knowledge and expertise of staff.
- Specific concerns from English Heritage and the National Trust were relayed about the impact of this project on the management of the Shugborough Estate. The National Trust in particular, felt very strongly that excluding Shugborough from the project would be the best decision.

## 2. INTRODUCTION AND METHODOLOGY

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Infrastructure+ is a new approach to delivering key services such as:

- Highways
- Shugborough Grounds Maintenance
- Country Parks
- Rights of Way Maintenance

Staffordshire County Council is looking for a new provider to deliver these services in partnership with the Council. This will result in improved services and achieve the best possible outcomes for the residents and businesses of Staffordshire.

A consultation took place in November 2013, in the form of an online questionnaire, which invited residents, businesses and community and voluntary groups to give their views on how (if at all) they think that this project will affect them as an individual or the groups they represent, what their priorities are for delivering these services and whether this project will change the way they work with the County Council. This report presents and analyses the responses to the questionnaire.

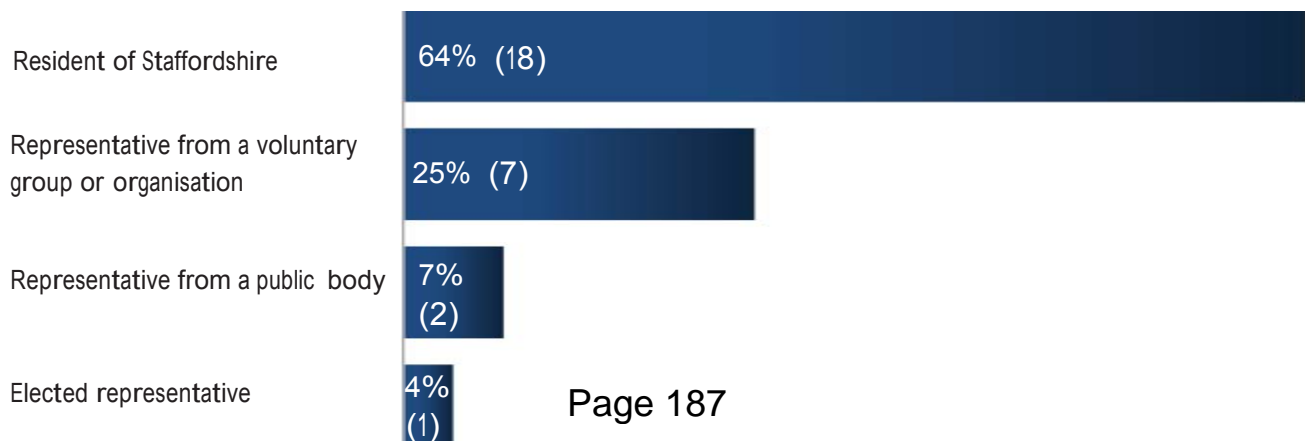
## 3. RESULTS

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A total of 32 responses to the consultation were received, consisting of 28 completed questionnaires and four letters. The responses came from eleven different organisations, namely:

- Cannock Chase Area of Outstanding Beauty Partnership (AONB) (feedback by letter)
- Churnet Valley Living Landscape Partnership
- English Heritage (feedback by letter)
- High Peak Borough Council
- National Trust (feedback by letter)
- Natural England (feedback by letter)
- Ramblers (Staffordshire Area)
- Staffordshire Moorlands District Council
- Staffordshire Wildlife Trust
- Staffordshire, Stoke-on-Trent and Wolverhampton Joint Local Access Forum
- Stone Ramblers
- Trent Rivers Trust
- Woodland Trust

18 of the 28 questionnaire respondents answered the consultation in the capacity of a resident of Staffordshire, as illustrated in the graph below.



## Questionnaire Response Feedback

This section will present each of the questions asked (which are displayed in blue highlighted boxes) and the responses given below.

The creation of Infrastructure+ will support the four outcomes below:

- To ensure that Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it
- To ensure that Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks
- To ensure that Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities
- Staffordshire's people are involved in shaping the delivery of public services

How supportive are you of our outcomes above?



Please could you tell us why?

The general consensus was “supportive of the outcomes”, which were viewed as “a lovely idea” and “sensible”. One respondent, although supportive of the outcomes listed, stated that “no mention is made of the environment as a key outcome. The environment is one of the three pillars of sustainability, along with the economy and social well being, and must be a major consideration for the future of the county”.

However, many concerns were raised over outsourcing. One respondent felt that “the public sector is better placed to complete them (the outcomes) than the private sector” while another was “concerned that the process of infrastructure+ lacks mechanisms to ensure that outcomes will be achieved.” Another felt “privatisation does not benefit the community...selling off key parts of the County Council will benefit shareholders of the successful organisation not the shareholders of the County, the residents”.

Further concerns were raised about “the future of current SCC staff who may be made redundant or taken over by the eventual partner organisation” and it was felt that this action could result in the loss of “a considerable amount of expertise in the management of infrastructure projects and the ability to carry out these projects”.

One respondent commented that “the incorporation of the Environment team into this process is, in my opinion, a mistake. The team should remain with the local government structure rather than sitting within the proposed innovation+ partnership.”

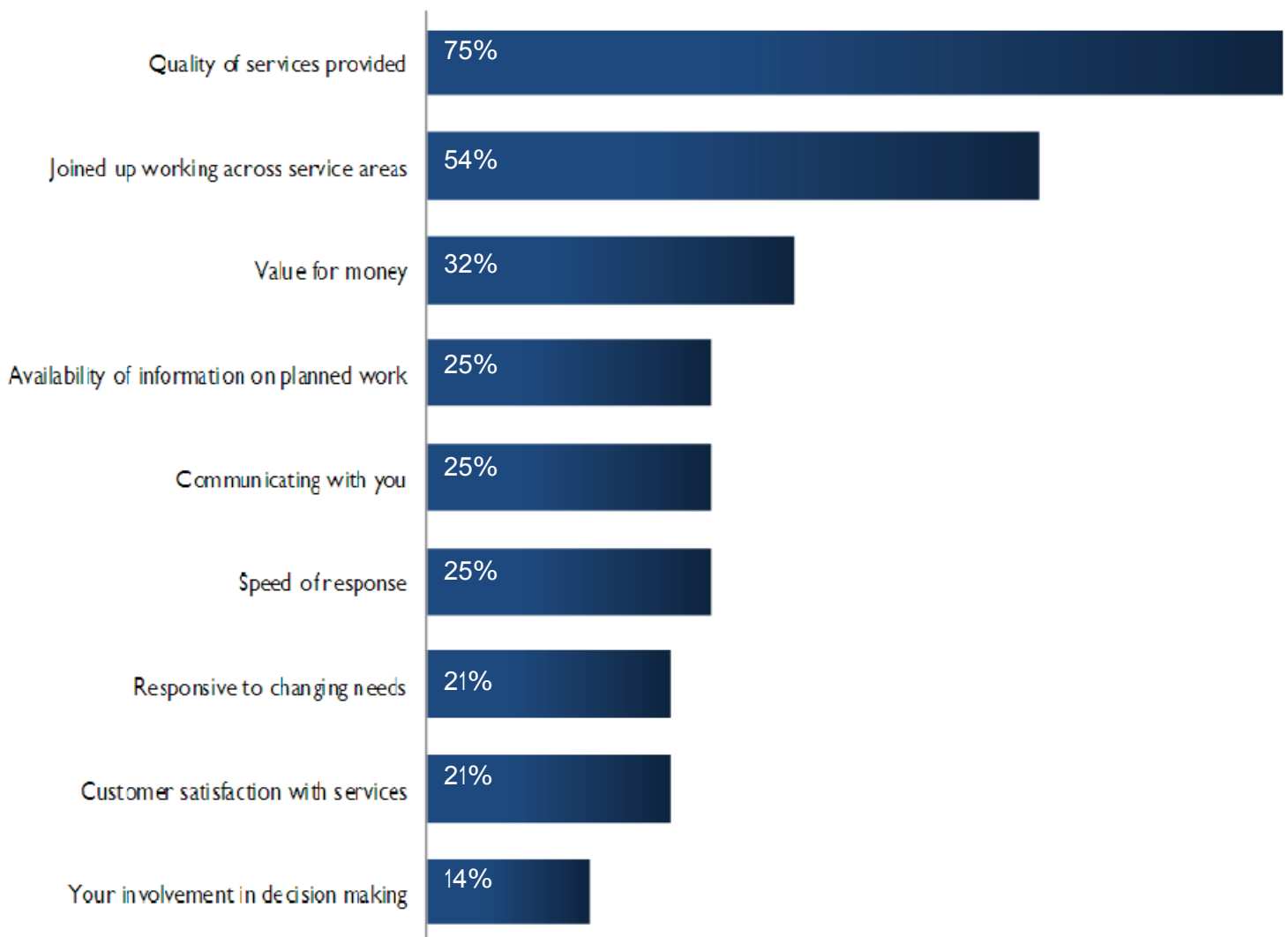
Some felt that the supporting document was “light on detail” which caused a number of questions to be raised, “what elements of the Ranger Service are to be included in the new contract? How will current Rights of Way volunteers be accommodated in the new structure?”.

Some comments were very specific to the local area, “I have reservations into how this will affect the Moorlands. its a unique landscape and this can be lost if not done with sensitive management” .

There was some support however, and one respondent saw the proposals as “a sensible way to work”, with another adding that “joining up where possible makes financial and customer service sense”. One respondent showed support for the proposals and felt that the current service was “highly inefficient”. This individual added that “major change is essential” and to focus on “user requirements and priorities” is “fundamental to the point of providing a service”.

#### PRIORITIES FOR DELIVERING INFRASTRUCTURE+

Which of the Infrastructure+ priorities below are the most important for you or your organisation?  
(please tick up to 3 options)



## WORKING WITH INFRASTRUCTURE+

Having read the supporting document, do you think your existing working (or voluntary) relationship in these areas will change?

All but two of those who completed the questionnaire stated that they had read the supporting documentation to the consultation and those 26 responses are detailed below:

Not sure	Yes - Get worse	Yes - Get better	No change
42% (11)	35% (9)	12% (3)	12% (3)

Please could you tell us why?

Some felt that they were unable to make a judgement, with one respondent stating there was “insufficient information”, another saying that they “need to delve into the detail somewhat” and a further respondent saying “at present, I cannot see how the proposal will impact me.”

Others, however, expressed some very strong views, “working relationships are in the end all about people, their knowledge, willingness to provide information and professional support, within clearly agreed parameters and to further objectives..... I am concerned that your FAQ doc says.... that the only difference will be different people and logos. .... the working relationships with key people are of huge value. They are an accumulated resource for the partnership and will be time consuming to replace. They are knowledgeable and helpful and enhance the initiative hugely.....I wonder whether the same would be true under the new arrangements. There is a risk that this might not be the case.”

Some respondents had very low opinions of private organisations, questioning their motivations, “private companies DON'T CARE about people, just profit margins” and therefore their capabilities to complete the job effectively, “ can you really see private sector companies meeting with individual residents or community groups, or taking their views on board? They will just do as little as possible to get the 'job' done, not go above and beyond like public sector workers have been doing for years.”

These concerns extended to the staff within these private organisations too. Some felt that they will “not be able to deliver the same level of service as existing dedicated specialist staff” as they “might not have as good internal links, to understand the ‘big picture’ ” and “they might have less knowledge and take time to build up the knowledge base required.” Others were concerned that the “good working relationship with County Officers” might deteriorate since they “do not know whether the same staff will be retained or what the attitude and motivation of any new contacts might be.”

Concerns about two very specific subjects were also voiced and these are detailed below:

“The County Council's obligations as a land owner include the Cannock Chase Special Area for Conservation (SAC), which is a European designation, plus several country parks that are designated as Sites of Special Scientific Interest (SSSI). The legislation for these designations is complex and requires professional ecological advice on a continual basis. At present this is provided to a very high standard internally, by environmental specialists. We seek assurances that this would continue.”

“We are concerned that, if this link were broken then ecological advice would be poorly provided and / or ignored in order to save costs and effort. This is important across all services; external advice, Highways and Minerals Planning and in management of Country Parks. How will the County Council ensure that it's environmental obligations are met?”



If you currently volunteer, would you continue to if the service is delivered in partnership with a private sector organisation?

Just half of the group were current volunteers, therefore the graph below refers to 14 respondents.



Please could you tell us why?

Half of the respondents were currently volunteering but of that group of 14, just 4 said that they would continue to do so if the service is transferred over to Infrastructure+. One respondent stated that they would continue to volunteer as "we think volunteers are extremely important in the running of the community", while another said they would only do so, "as long as the fundamental aims and working practices remain the same".

Four further respondents said they were not sure, one stated that their decision would be dependent on "the quality of the support given and the relationships developed with the current staff being the main" while another said their "voluntary work is based on knowing that my efforts are appreciated and working towards the same goals as the provider". A further respondent said that they were not sure they would continue since "Infrastructure+ is incentivised to achieve...and I don't see why they should profit from my labour".

Six respondents said they would not continue to volunteer, only one expanded on their response and said "I would feel uncomfortable volunteering my time to help a private company pay its shareholder's profits".

Please use this space to share any other comments you may have about the proposals we are making to the way we deliver services and how this may impact you?

Access to the countryside, through rights of way and through natural green space, such as country parks is essential to people's health and wellbeing. Can we be assured that maintenance and enforcement of rights of way will be pursued at the current level of service when most critical attention is likely to be on highways?

A service partner is a good concept, but the wholesale transfer of quality services to a Third Party is not. This will impact on the flexibility of the services the County supplies and restrict possibilities for internal growth, keeping profits and income (the obvious key motivators for all private industry) within the Public Coffers.

I can see how delivering schemes on the ground and detailed design work can be best done in the private sector, but only if managed by internal county council staff who have residents' interests at heart. You will never get that from the private sector. If you could then you may as well privatise the whole of the council and have them run as a private business trying to make a profit, or is this the plan? Those higher up in the council who are blindly pushing this through without considering the consequences to interaction and consultation with residents and businesses should realise that if that is the way they are going then they may not be needed either...

I am concerned that the professional services are included. Ecological advice receives little mention, yet it is a vital service and CRI has been able to work with this service for mutual benefit. I am concerned that if this service is contracted out, the valuable link between this service and minerals planning in particular could be lost. The professional neutrality of such a service under 'contracted out' arrangements and potential conflicts of interest would need to be carefully dealt with.

I am a Parish Clerk and very often the Parish Council is not informed until after the event,

It is important that any currently publicly accessible sites remain open for public access.

Our concerns are that the supervision, support and the provision of materials for our rights of way operations would change.

Fully support this project.

Need to make sure that environmental issues are not ignored over economical short term gains, they are linked and improvements can only be made long term through both supporting pillars being improved.

If a bridle path/footpath was in disrepair we would go to the council.....but where and how would we report this?



It is vitally important proper regard is paid to improving and maintaining public rights of way. These play an important part in our society and the more people can be encouraged to exercise the better. We need to remain constantly vigilant because some people are all too ready to close up rights of way. A speedy response to complaints about blocked rights of way is very necessary.

No reference is made to the terms and conditions or future employment of staff and the impact upon them as people. As a colleague this concerns me.

I am aware that other LA's have tendered out their responsibilities (i.e. Stoke on Trent) and this has led to delay in service delivery and once the infrastructure in the organisation had gone there was unfortunately no turning back.

We would like to ensure that when the committee has decided on the policy, going forward, that we are given the opportunity to comment on that policy.

This process may present opportunities for bringing woodland into local community management. Community woodland is an excellent way of facilitating local community engagement with the natural environment, both to appreciate landscape and nature but also as a means to achieving better mental and physical health & wellbeing. Older people too can use community woodland projects to help mitigate the effects of social isolation.

In short, I have been hugely impressed by the 'joined up' and highly professional and helpful service from many of your officers and their positive impact, through CRI, on many issues of local significance in Staffordshire. I fear that this will be very difficult to replicate under the new arrangements which will affect the effectiveness of CRI."

This is supported in the Government Forestry Policy Statement (Defra Jan 2013) which states: 'A true and sustainable woodland culture needs to be built from the ground up and must be based on the needs, interests and enthusiasm of local people. We, therefore, applaud the work of organisations like the Tree Council, Community Forests, Woodland Initiatives Network, Small Woods Association and the Woodland Trust in supporting and promoting community action on trees and woodlands'. It contains an objective: 'Work with the sector in seeking funding for possible future initiatives aimed at developing local access, individual potential and community cohesion through engagement with trees, woods and forests'.

The Woodland Trust has a web based initiative – Community Woodland Network – which provides a wealth of information on managing, creating and funding community woodland projects.

As a horse rider as well as a walker it is helpful to be aware of work to be carried out in advance. For example, repair and maintenance is being carried out to bridges on the Manifold track but there is no indication until the work location is reached. It would be helpful to have some warning posted at access points to paths or tracks in order that the rider can decide whether to proceed or choose another route. Advance notice of works could also be circulated to user groups, e.g. ramblers association, local bridleway groups, cycling groups etc.

## Letter Response Feedback

Four organisations submitted consultation feedback via letter and this section summarises the key points from each letter.

Cannock Chase Area of Outstanding Natural Beauty (AONB) Partnership responded to the consultation by letter. The partnership felt that "since the detailed scope of the project is still unknown, our comments can only give indicators at this stage of its potential impact on the Partnership's work and responsibilities" and expressed an interest in engaging in "further discussion with the chosen contractor at an early stage.....to ensure the appropriate impact on the AONB". The partnership had already raised some questions and concerns with the bidders which were reiterated in the letter. They requested that the contract with the new provider contain the following commitments which were given by all bidders at the stakeholder's meeting:

- "Staffordshire County Council's commitment within the Cannock Chase AONB Partnership"
- "Work with the AONB Partnership and understand the provisions of the Management Plan"
- "Deliver work in accordance with the Management Plan"
- "Respect all designated areas within the AONB"

Further points which the partnership wanted to raise were:

- "Sufficient (staff) resource should be allowed by the contractor to undertake partnership working, enabling timely development and delivery of projects and access to funding"
- "Landscape scale considerations should be given to delivery of contract works. Contractors must be aware of the context and links to the wider needs within Staffordshire, including areas such as the AONB, not just piecemeal maintenance"
- "The contractor should work with "on the ground" networks to ensure informed delivery decisions and avoid duplication of effort"
- "The contractor should work with those currently involved in supporting voluntary effort. Crucially, acknowledgement needs to be made of the resource and support required to enable voluntary effort. Volunteers bring long term benefits creating more sustainable projects through local knowledge, community involvement and ownership. However, they cannot be seen as a direct replacement of employed staff. Bidders who propose a team expert to deliver this aspect of the contract should be favoured."

The letter from Natural England stated that "the work of the Environment Group is crucial to a range of partnerships and ensuring the environment is recognised in its rightful place as Staffordshire moves forward". The letter also highlighted how highly regarded and valued the current staff are by giving examples of how their knowledge and expertise has enhanced the work of Natural England; "the ecologist has a wealth of ecological experience from across the county..... (and) has played a significant leading role in progressing the Cannock Chase SAC partnership" "the Biodiversity Officer has worked on management of the SAC for 20 years and has a unique understanding of the site's history and management".

With this in mind, they stipulated that their "key concern is any threat to consistency and/or continuity" but felt that "provided the 'model' adopted by the procurement process allows skilled and experienced staff to continue the good work they do then the risk to effective partnership working with stakeholders, like ourselves, should be minimised". The letter referred to similar changes which have successfully occurred across other teams and highlighted that a "key element has been to minimise the disruption and keep the 'team' intact and functioning in a 'if it ain't broke don't fix it' type of way".

English Heritage also submitted a letter which focused purely on the impact of the project on the maintenance staff at Shugborough. They stressed firstly the "heritage importance" of the Shugborough

Estate and how “management and upkeep of such historic sites needs the highest quality inputs both in terms of professional specification and planning and in the skill, sympathy and understanding of maintenance staff on the ground.” The letter goes on to comment that “our own observation is that a dedicated in-house park or gardening team often delivers a higher quality outcome than can be achieved through period contractors” and consequently described their “particular concern ....is whether potential partners with the skill and experience needed to deliver high quality highway engineering works will also encompass that range of knowledge and understanding necessary for the upkeep of a major historic site such as Shugborough”.

The National Trust also expressed specific concern about the impacts of the Infrastructure+ project on the Shugborough Estate. Their letter stated that “we do not feel the long-term interests of Shugborough are best served by fragmenting its management and bringing in third parties to maintain and provide services. Instead, we strongly feel that for the estate to be run successfully, and at the same time respect its status as a grade one listed heritage asset, it is essential that a unified management philosophy is adopted and that the person in day-to-day operational responsibility has the ability to direct and influence the deployment of resources on site.”

The organisation indicated a “strong preference” that the Shugborough Estate be excluded from the project and “instead allow the staff responsible for the maintenance of the grounds, parkland, woodland and livestock enterprises to be directly accountable to the Operational Manager at Shugborough.” Reference was made to similar work recently undertaken by Coventry City Council towards the management of Coombe Park and this way of working has had a “hugely beneficial impact on the way that Capability Brown designed landscape is being managed.”

# **Infrastructure+ Appendix I: PQQ Procurement Report**

## PQQ SELECTION REPORT

To: Helen Riley, Director for Place & Deputy Chief Executive

**Report Date:** 23<sup>rd</sup> August 2013

**Designation:** Staffordshire Procurement

**Contracting Authority:** Staffordshire County Council

**Address:** Staffordshire Place 2, Stafford, ST16 2LP

**REPORT TO  
THE  
DEPUTY CHIEF  
EXECUTIVE**

### Place Delivery: Infrastructure+

**REF: PC394**

#### 1.0 Purpose of the Report

The purpose of this report is to gain project sponsor authorisation of the process for the selection of economic operators, via Pre-Qualification Questionnaire (PQQ), for the Infrastructure+ procurement.

#### 2.0 Period

Up to 20 year contract in total, commencing Autumn 2014 with options to be discussed in dialogue.

#### 3.0 Value of Consideration

Up to £3.2 billion over the 20 years.

#### 4.0 Operation and Scope

With the creation of a collaborative working arrangement (a strategic partnership), underpinned by a contract with strong governance arrangements, Staffordshire County Council are looking to appoint a private sector partner to deliver a range of strategic outcomes, core objectives and critical success factors associated with the services in scope outlined as follows: -

##### Strategic Outcomes

1. Staffordshire's people are involved in shaping the delivery of public services.
2. Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it.
3. Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks.
4. Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities.

##### Core Objectives

1. To maintain and improve the condition and usability of our physical assets.
2. To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership.
3. To involve communities in decisions and delivery of infrastructure.
4. To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.

##### Critical Success Factors

1. Increased value and prosperity for Staffordshire through a positive impact on jobs and growth.
2. A customer focussed service which enhances customer satisfaction and the reputation of the Council.
3. Financially sustainable and resilient services.
4. The flexibility to meet changing future demands through innovation and development.

#### 5.0 Client

Project Sponsor – Helen Riley, Director for Place & Deputy Chief Executive  
Project Lead – Ian Turner, Head of Place Delivery Ventures

#### 6.0 Submission Summary

- OJEU contract notice sent 8<sup>th</sup> July 2013, reference 2013/S 133-230432
- Electronic PQQs were invited by OJEU, the SCC Procurement website and Proactis website
- Bidders day 18<sup>th</sup> July 2013
- PQQ returned 12 noon, 8<sup>th</sup> August 2013
- 28 'interests' in total noted on the eTender system
- 6 returned eTenders: -
  1. Amey LG Limited
  2. Balfour Beatty Living Places Limited
  3. Colas / URS (unincorporated JV)
  4. Enterprise Mouchel (EM) Limited
  5. Kier May Gurney / WSP (MGWSP) (unincorporated JV)
  6. Skanska Construction UK Ltd

### 7.0 Regulatory Note

This is an EU tender and therefore all tenders were invited in accordance with County Council Procurement Regulations and Public Contracts Regulations 2006 (as amended), as amended.

### 8.0 PQQ Compilation

PQQ drafted by SCC and authorised by the Project Board.

### 9.0 PQQ Evaluation

*Selection Criteria:*

Criteria	Percentage or Pass/Fail
Annex A – Financial	Pass/Fail
Annex B – Business, Professional Standing, Risk and Quality Management	Pass/Fail and Information only
Annex C – Health and Safety & Insurance	Pass/Fail
Annex D – Equal Opportunities & Diversity	Pass/Fail
Annex E – Environmental Management	Pass/Fail
Annex F – HR / TUPE	Pass/Fail
Annex G – Case Studies	Scored 40%
Annex H – Questions	Scored 60%
<b>Total:</b>	<b>100%</b>

### 10.0 Withdrawal post-Submission

No operators withdrew their PQQs post-submission.

### 11.0 PQQ Scoring Process

All sections were evaluated between 9<sup>th</sup> and 29<sup>th</sup> August 2013. Moderation of failed submissions took place on Friday 23rd August 2013.

*Moderation Panel:*

- Paul Timmins
- Jon Waller
- Helen Riley
- Ian Turner
- John Tradewell

*Core Evaluation Panel:*

- Ian Turner
- James Bailey
- Helen Riley
- Ian Wykes

*PQQ Financial Panel*

- Phil Keeling (Lead)
- Paul Timmins (Procurement facilitator)
- Chris Gill

*PQQ Capability Panel (Scored Annex G & H)*

- Ian Turner (Lead)
- James Bailey
- Janene Cox
- Ian Wykes
- Clive Thompson
- Matt Sutton (Procurement facilitator)

*PQQ Elimination Panel (Pass / Fail Annex A – F)*

- John Challinor (H&S) Annex C
- Clive Gill (H&S) Annex C
- Ian Gough (Insurance) Annex A & AA
- Lisa Bridger (HR) Annex D
- Rashida Gilkes (Equalities) Annex F
- Ian Wykes (Environmental Management) Annex E
- Dave Walters Annex B
- Sarah Dean / Kevin Parkes (Legal) - need by exception

**12.0 Scored, and Pass / Fail Criteria**

Initially, with the exception of Balfour Beatty Living Places, May Gurney and Colas all bidders passed the Pass / Fail sections Annex A – Annex F. All other criteria were successfully scored with no issues.

**13.0 Rejection of Bidders**

Issues concerning Balfour Beatty Living Places, May Gurney and Colas were raised at moderation on Friday 23rd August 2013. All 3 bidders were initially scored as Fail due to non-compliance with the Equal Opportunities criteria. Moderation advised that all 3 bidders were to be Passed given that the weak areas of the PQQ were to be separately addressed in dialogues.

**14.0 Risks Identified to Procurement**

None identified.

**15.0 Procurement Scrutiny**

Jenny Mann (Staffordshire Procurement) (21/08/13) and Deborah Harris (Audit) (22/08/13 – 26/08/13) have both independently checked either the PQQ results and/or the evaluation sheet mechanisms for robustness. No issues identified.

**16.0 Results Summary**

The 6 PQQs were scored and ranked as follows: -

	<b>Bidders</b>	<b>PQQ % Score</b>
1	Balfour Beatty Living Places Limited	72
2	MGWSP	65
3	Skanska Construction UK Ltd	58
4	EM	56
5	Amey LG Limited	55
6	Colas / URS	50

**17.0 Invite to ITT (Tender)**

The OJEU notice includes for up to a maximum of 5 highest scoring submissions to be invited to IPD1.



**18.0 Rejection Letters**

The unsuccessful bidder will receive an 'unsuccessful' PQQ debrief letter. Note this procurement was advertised post-Remedies 2009, therefore all rejection letters require full debrief feedback. This will be issued Tuesday 27th August 2013.

**19.0 Recommendation**

- That the top 5 highest scoring bidders be invited to the IPD stage 1 via a PQQ Successful letter.

**20.0 Project Sign-Offs**

Name .....HELEN RILEY.....Project Sponsor

Signature *Helen Riley* ..... Project Sponsor

Date *23/08/2013* ..... Project Sponsor

Name .....IAN SIMPSON.....Head of Staffordshire Procurement

Signature *I Simpson* ..... Head of Staffordshire Procurement

Date *23/8/13* ..... Head of Staffordshire Procurement

Name .....PAUL TIMMINS.....Senior Category Manager

Signature *P Timmins* ..... Senior Category Manager

Date *23/8/13* ..... Senior Category Manager

**21.0 Evaluation Spread Sheet**

The final spread sheet is shown below.

Moderation have authorised the highlighted areas below as all PASSES.

PROVIDER	Pass / Fail	/ 40%	/ 60%	FINAL PERCENTAGE SCORES
	Compliance	Case Studies	Core Questions	
Amey LG Limited	Pass	20.0	35.0	55.0%
Balfour Beatty Living Places Limited	Pass	28.0	44.0	72.0%
Colas / URS	Pass	16.0	34.0	50.0%
EM	Pass	20.0	36.0	56.0%
MGWSP	Pass	28.0	37.0	65.0%
Skanska Construction UK Ltd	Pass	24.0	34.0	58.0%

# **Infrastructure+ Appendix J: ISOS Procurement Report**

## ISOS SELECTION REPORT

**To:** Helen Riley, Director for Place & Deputy Chief Executive  
Ian Turner, Head of Place Delivery Ventures

**Report Date:** 25<sup>th</sup> August 2013

**Authors:** Staffordshire Procurement

**Contracting Authority:** Staffordshire County Council

**Address:** Staffordshire Place, Stafford, ST16 2LP

**REPORT TO THE  
DEPUTY CHIEF  
EXECUTIVE**

### Place Delivery: Infrastructure+

**REF: PC394**

#### 1.0 Purpose of the Report

The purpose of this report is to gain authorisation of the process for the selection of Bidders, via Invitation to Submit Outline Solutions (ISOS), for the Infrastructure+ procurement.

#### 2.0 Period

Up to 20 year contract in total, commencing Autumn 2014 with options to be discussed in dialogue.

#### 3.0 Value of Consideration

Up to £3.2 billion over the 20 years.

#### 4.0 Operation and Scope

With the creation of a collaborative working arrangement (a strategic partnership), underpinned by a contract with strong governance arrangements, Staffordshire County Council are looking to appoint a private sector partner to deliver a range of strategic outcomes, core objectives and critical success factors associated with the services in scope outlined as follows: -

##### Strategic Outcomes

1. Staffordshire's people are involved in shaping the delivery of public services.
2. Staffordshire's economy prospers and grows, together with the jobs, skills, qualifications and aspirations to support it.
3. Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks.
4. Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities.

##### Core Objectives

1. To maintain and improve the condition and usability of our physical assets.
2. To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership.
3. To involve communities in decisions and delivery of infrastructure.
4. To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.

##### Critical Success Factors

1. Increased value and prosperity for Staffordshire through a positive impact on jobs and growth.
2. A customer focussed service which enhances customer satisfaction and the reputation of the Council.
3. Financially sustainable and resilient services.
4. The flexibility to meet changing future demands through innovation and development.

#### 5.0 Client

Project Sponsor – Helen Riley, Director for Place & Deputy Chief Executive  
Project Lead – Ian Turner, Head of Place Delivery Ventures

#### 6.0 Submission Summary

- OJEU contract notice sent 8<sup>th</sup> July 2013, reference 2013/S 133-230432

- Electronic PQQs were invited by OJEU, the SCC Procurement website and Proactis website
- Bidders day 18<sup>th</sup> July 2013
- PQQ returned 12 noon, 8<sup>th</sup> August 2013
- 28 'interests' in total noted on the eTender system
- 6 returned PQQ eTenders: -
  1. Amey LG Limited
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  3. Colas / URS (unincorporated JV)
  4. Enterprise Mouchel (EM) Limited
  5. Kier May Gurney / WSP (MGWSP) (unincorporated JV)
  6. Skanska Construction UK Ltd
- 5 were accepted into IPD1 ISOS: -
  1. Amey LG Limited
  2. Balfour Beatty Living Places Limited
  3. Enterprise Mouchel (EM) Limited
  4. Kier May Gurney / WSP (MGWSP) (unincorporated JV)
  5. Skanska Construction UK Ltd

#### 7.0 Regulatory Note

This is an EU tender and therefore all tenders were invited in accordance with County Council Procurement Regulations and Public Contracts Regulations 2006 (as amended), as amended.

#### 8.0 IPD1 and ISOS Compilation

The IPD1 ISOS documentation was drafted by Capita, aided by Staffordshire Procurement and authorised by the Project Board.

#### 9.0 ISOS Evaluation

*Award Criteria:*

Criteria	Percentage
Quality / Technical	60
Commercial	40
<b>Total:</b>	<b>100%</b>

#### 10.0 Withdrawal post-Submission

No bids were withdrawn post submission

#### 11.0 ISOS Process

ISOS Descriptive Document and Data Room were made live on 27<sup>th</sup> August 2013. Dialogue sessions took place from 2<sup>nd</sup> September to 27<sup>th</sup> September 2013. All bidders were required to submit their Outline Solution by midday on 4<sup>th</sup> October 2013.

#### 12.0 ISOS Evaluation Scoring

Scoring took place from 7<sup>th</sup> October to 18<sup>th</sup> October 2013 via written submissions. ISOS bidder presentations took place between 9<sup>th</sup> October and 15<sup>th</sup> October 2013 were used for clarification purposes only, and not scored

Formal core evaluation panel for ISOS: -

- Helen Riley
- Ian Turner
- James Bailey
- Ian Wykes

Support/advice panel was provided by

- Capita
  - Staffordshire Procurement
  - SCC Finance
  - SCC Legal Services
- All individual scores have been collated and group scored in the presence of all evaluators and two representatives of Capita. All evaluators have signed and dated the consolidated score sheet to verify that the scores inserted are agreed and correct.
  - The manually entered figures have been transposed at the same group meeting into one spread sheet and forwarded to SCC Audit. This sheet has been signed-off by the core evaluation panel.
  - Spread sheets were peer-reviewed / tested for integrity by two representatives of Capita prior to completion of evaluations

Following evaluation and group scoring the evaluation panels and Capita agreed that no **moderation** was required

### 13.0 ISOS Written Submissions

Both the Quality/Technical and Commercial written submissions were evaluated for all Bidders. The total submissions were up to 70 pages in length per Bidder.

### 14.0 Audit

The ISOS process has been audited by Debbie Harris. The draft report does not contain any high-risk areas of IPD1. Report to formally follow this report.

### 15.0 Results Summary - Ranked

Following agreed evaluation, the 5 submissions were scored as follows: -

Rank	Bidder	Quality / Technical	Commercial	Total %
1	Amey LG Limited	40.82	28.54	69.36
2	Balfour Beatty Living Places Limited	39.43	27.43	66.86
3	MGWSP	37.76	25.91	63.67
4	EM	36.57	26.27	62.84
5	Skanska Construction UK Ltd	30.99	27.60	58.59

### 16.0 Risks and Considerations

The following Key Risks have been identified: -

- SCC Audit has completed checks of the spread sheet submission. Minor errors were detected, and have since been corrected.
- The differential between MGWSP and EM is 0.85%. Capita and the core evaluation panel are confident to proceed with de-selection of bidder 4 on the basis of the following:
  - In overall technical scores EM were lower than MGWSP in fourteen of the scoring areas, higher than MGWSP in only seven and equal in the remaining ten. This proportionality is reflected in the closeness of the scores.
  - In the higher weighting areas of routine maintenance, improvements and professional services, EM scored lower in eight of the available criteria, only bettering MGWS in two areas. The remainder were equal.
  - EM's overall price was reduced by £4.08m based on a line insertion in their submission, benefitting their commercial score by 0.2%

- EM may wish to challenge their de-selection on the basis of the closeness of the scoring. They may challenge that either they supplant MGWSP or we take through 4 bidders.
- This may then be countered by the three higher bidders countering that the IPD2 process would be unfairly open with the inclusion of a fourth bidder, thus increasing competition at a limited competition stage
- In conclusion, EM scores have been robustly assessed and a de-brief letter drafted reflecting the comments made during evaluation. Consequently the project team remain confident that the process will not be challenged.
- The inclusion of Bidder assumptions in the outline commercial evaluation has proved to be highly problematic to assess. The assumption levels made varied from bidder to bidder across a wide scope of services with the potential impact on service levels. Skanska's assumptions did not relate to current service levels in across key areas and were not supported with valid justifications. For IPD2 it is imperative that bidders are given definitive baseline data for price evaluations.

#### **17.0 Invite to ITT (Tender)**

IPD1 Descriptive Document stated that it is the Council's intention to select up to three Bidders with the highest scores at IPD Phase I to be invited to enter into dialogue at the next phase (IPD Phase II). However, the Council reserves the right to invite fewer than three Bidders to enter into IPD Phase II.

#### **18.0 Rejection Letters**

Both EM and Skanska will receive 'unsuccessful' IPD1 ISOS notices and debrief letters, scheduled for despatch on the afternoon of Friday 25<sup>th</sup> October 2013. Both letters have been drafted by Capita and have sought approval from Ian Turner. Note this procurement was advertised post-Remedies 2009, therefore all unsuccessful notices require a full written debrief to accompany them. It is anticipated that these two Bidders may seek further clarification on their scores via meetings. Both core evaluators and project team should be primed for this.

#### **19.0 Recommendation**

The core evaluation panel recommends that the top 3 highest scoring Bidders be invited to the IPD stage 2, and that letters will be despatched on the afternoon of Friday 25<sup>th</sup> October.

This recommendation was ratified at Project Board, Friday 25<sup>th</sup> October 2012.


#### **20.0 Project ISOS Sign-Offs**

Name ..... HELEN RILEY ..... Project Sponsor

Signature .....  ..... Project Sponsor

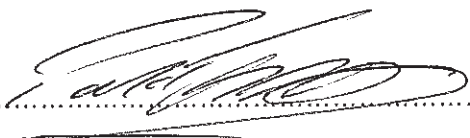
Date ..... 25/10/2013 ..... Project Sponsor

Name ..... IAN SIMPSON ..... Head of Staffordshire Procurement

Signature .....  ..... Head of Staffordshire Procurement

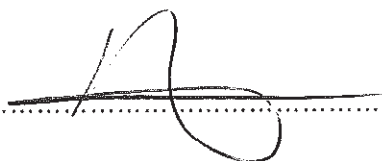
Date ..... 25.10.13 ..... Head of Staffordshire Procurement

Name ..... PAUL TIMMINS ..... Senior Category Manager

Signature .....  ..... Senior Category Manager

Date ..... 25/10/13 ..... Senior Category Manager

Name ..... MATTHEW SUTTON ..... Category Manager

Signature .....  ..... Category Manager

Date ..... 25/10/13 ..... Senior Category Manager





# **Infrastructure+ Appendix K: Final Bid Evaluation Procurement Report**

## REPORT - CONTRACT RECOMMENDATION TO AWARD

**To:** Helen Riley, Director for Place & Deputy Chief Executive  
Ian Simpson, Head of Staffordshire Procurement

**Report Date:** 15<sup>th</sup> January 2014

**Authors:** Staffordshire Procurement

**Contracting Authority:** Staffordshire County Council

**Address:** Staffordshire Place, Stafford, ST16 2LP

**REPORT TO THE  
DIRECTOR FOR  
PLACE AND  
DEPUTY CHIEF  
EXECUTIVE**

### Infrastructure +

**REF: PC394**

#### 1.0 Purpose of the Report

The purpose of this report is to gain Head of Staffordshire Procurement and Project Sponsor authorisation of the process for the award of contract to the successful bidder for Infrastructure +.

#### 2.0 Period

Envisaged commencement 1st April 2014 with bidders required to demonstrate mobilisation plans with the aim of commencing on site as soon as possible from that date. The duration of the contract will be for a period between 10 years (minimum) and up to 20 years (maximum) period and extensions to be discussed and agreed through the duration of the contract and subject to performance management. Extensions may be implemented at Staffordshire County Councils discretion depending on performance which will be measured against set indicators.

#### 3.0 Value of Consideration

The agreement value is potentially up to 160 000 000 GBP "per annum". The lower end of the value of "78 000000" GBP per annum assumes the estimated spend for Staffordshire County Council only. This upper estimate of value includes an assumption of some of the services being purchased by other contracting authorities and Public Bodies.

#### 4.0 Operation and Scope

With the creation of a collaborative working arrangement (a strategic partnership), underpinned by a contract with strong governance arrangements, we ('Staffordshire County Council') are looking to appoint a private sector partner to work with us to deliver a range of strategic outcomes, core objectives and critical success factors associated with the services in scope. These are outlined as follows: -

On inception the Infrastructure+ project sought to deliver against three of the original nine strategic priorities as follows: -

- Staffordshire's economy prospers and grows, together with the jobs, skills qualifications and aspirations to support it
- Staffordshire is a place where people can easily and safely access everyday facilities and activities through the highways and transport networks
- Staffordshire's people and communities can access, enjoy and benefit from a range of learning, recreational and cultural activities

whilst also contributing to the over-arching strategic outcome: -

- Staffordshire's people are involved in shaping the delivery of public services.

Following the work in early 2013 to refine these nine strategic priorities into three priority outcomes, the project can now be aligned to all three priority outcomes:

- Be able to access more good jobs and feel the benefits of economic growth
- Be healthier and more independent
- Feel safer, happier and more supported in and by their community

#### **Core Objectives**

1. To maintain and improve the condition and usability of our physical assets.
2. To reduce cost of delivering the services and reach the lowest whole life cost of asset ownership.
3. To involve communities in decisions and delivery of infrastructure.
4. To improve customer satisfaction in Staffordshire County Council and to enhance its reputation.

#### **Critical Success Factors**

1. Increased value and prosperity for Staffordshire through a positive impact on jobs and growth.
2. A customer focussed service which enhances customer satisfaction and the reputation of the Council.
3. Financially sustainable and resilient services.
4. The flexibility to meet changing future demands through innovation and development.

#### **5.0 Core Client Team**

- Helen Riley, Director for Place and Deputy Chief Executive, Executive Sponsor
- Ian Turner – Head of Place Delivery Ventures, Project Sponsor
- Ian Wykes - Commissioner for the Rural County
- James Bailey - Commissioner for Highways and the Built County

#### **6.0 Submission Summary**

- OJEU contract notice sent 8<sup>th</sup> July 2013, reference 2013/S 133-230432
- Electronic PQQs were invited by OJEU, the SCC Procurement website and Proactis website
- Bidders day 18<sup>th</sup> July 2013
- PQQ returned 12 noon, 8<sup>th</sup> August 2013
- 28 'interests' in total noted on the eTender system
- 6 returned PQQ eTenders: -
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  2. Balfour Beatty Living Places Limited
  3. Colas / URS (unincorporated JV)
  4. Enterprise Mouchel (EM) Limited
  5. Kier May Gurney / WSP (MGWSP) (unincorporated JV)
  6. Skanska Construction UK Ltd
- 5 were accepted into IPD1 ISOS: -
  1. Amey LG Limited
  2. Balfour Beatty Living Places Limited
  3. Enterprise Mouchel (EM) Limited

4. Kier May Gurney / WSP (MGWSP) (unincorporated JV)
  5. Skanska Construction UK Ltd
- IPD2 commenced on the 28<sup>th</sup> October 2013 with three bidders: -
    1. Amey LG Limited
    2. Balfour Beatty Living Places Limited
    3. Kier May Gurney / WSP (MGWSP)
  - ITSFB was issued on the 5<sup>th</sup> December 2013 to all three bidders
  - Final bids were received on the 13<sup>th</sup> December 2013
  - Final bid presentations on the 17<sup>th</sup> December 2013
  - 3 compliant bids were received and evaluated: -
    1. Amey LG Limited
    2. Balfour Beatty Living Places Limited
    3. Kier May Gurney / WSP (MGWSP)

### 7.0 Regulatory Note

This is an EU tender and therefore all tenders were invited in accordance with County Council Procurement Regulations and Public Contracts Regulations 2006, as amended.

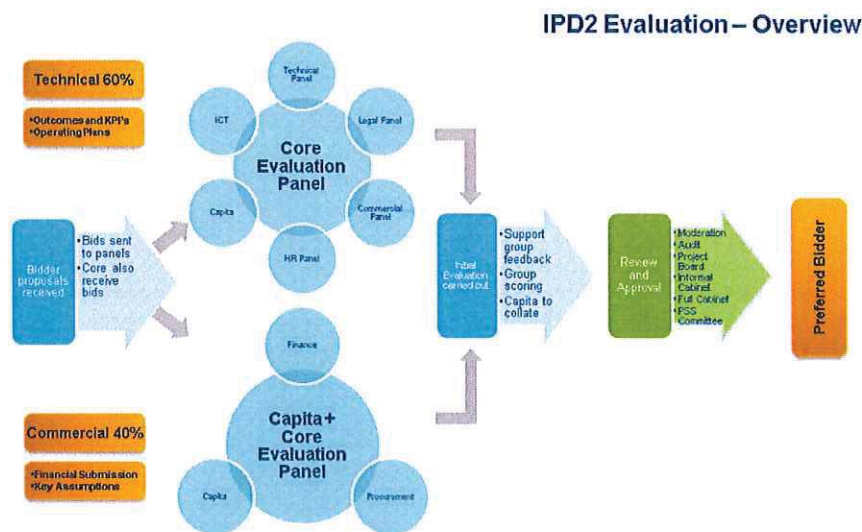
### 8.0 IPD1, IPD2 and ITSFB Compilation

Half of IPD1 and all IPD2 and ITSFB documentation was drafted by Capita, amended by the client Board and Staffordshire Procurement. The project board approved and reviewed all documentation.

### 9.0 ITSFB Evaluation

The award of this contract is based on the following evaluation award criteria: -

Criteria	Percentage
Technical	60
Commercial	40
<b>Total:</b>	<b>100%</b>



### 10.0 IPD2 Process Summary

IPD2 commenced on 5<sup>th</sup> December 2013 giving all bidders the opportunity to meet with the wider stakeholder group and Unions. Panels comprised the following: -

Core Evaluation Panel
Helen Riley - Director for Place and Deputy Chief Executive, Executive Sponsor
Ian Turner - Head of Place Delivery Ventures, Project Sponsor
Ian Wykes - Commissioner for the Rural County
James Bailey - Commissioner for Highways and the Built County

Dialogue formally closed on Friday 6<sup>th</sup> December 2013

### 11.0 Final Bid Submission Format and Presentations

Final bids were received 12.00 noon on the 13<sup>th</sup> December 2013. Bidders were required to submit a presentation summarising their offer together with a Technical and a Commercial Response which formed the basis of the evaluation submission, and a table of derogations from the draft forms of contract.

### 12.0 Final Bid Presentations and Clarifications

Final Bid presentations were conducted on the 17<sup>th</sup> December 2013 with 2 hour slots per bidder – split between presentation and Q&A sessions. All clarifications raised at the presentations and subsequently from the evaluation overall were managed via the Staffordshire Procurement electronic tendering system.

### 13.0 Results Summary

The three submissions were evaluated and scored as follows: -



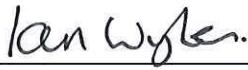
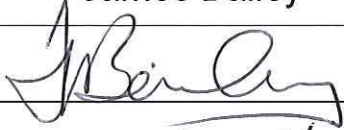
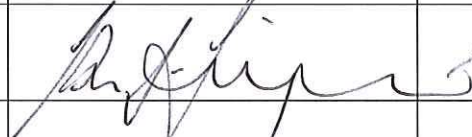

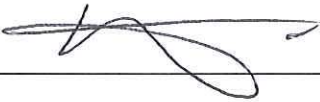

Summary				
Bidder	Commercial	Technical	Total	Position
Amey LG	39.00%	40.80%	79.80%	1
Balfour Beatty Living Places Ltd	34.44%	41.20%	75.64%	2
Kier May Gurney / WSP	35.07%	36.80%	71.87%	3

### 14.0 Recommendation

The Project Sponsor recommends that **Amey LG** Limited be awarded the contract subject to minor tweaks to finalise the contract, the SCC Cabinet approval and the successful completion of the Standstill process.

**15.0 Report Signatories**

Agreement of the above recommendation.

<b>Name:</b>	Helen Riley	Ian Turner
<b>Signature:</b>		
<b>Date:</b>	15/11/14	15/11/14
<b>Name:</b>	Ian Wykes	James Bailey
<b>Signature:</b>		
<b>Date:</b>	15-1-14	15-1-14
<b>Name:</b>	Ian Simpson Head of Procurement	Paul Timmins Senior Category Manager
<b>Signature:</b>		
<b>Date:</b>	15-1-14	15/1/14
<b>Name:</b>	Matthew Sutton Category Manager	Ian Goodwin Capita Procurement
<b>Signature:</b>		
<b>Date:</b>	15/11/14	15/1/14





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of Part 1 of Schedule 12A  
of the Local Government Act 1972

Document is Restricted

