

Highways Transformation Programme: Future Delivery Model

Prosperous Overview and Scrutiny Committee

15 June 2022



1. Future Highways Delivery Model

- Deciding on what happens at year 10 (2024) of the current I+ partnership contract:

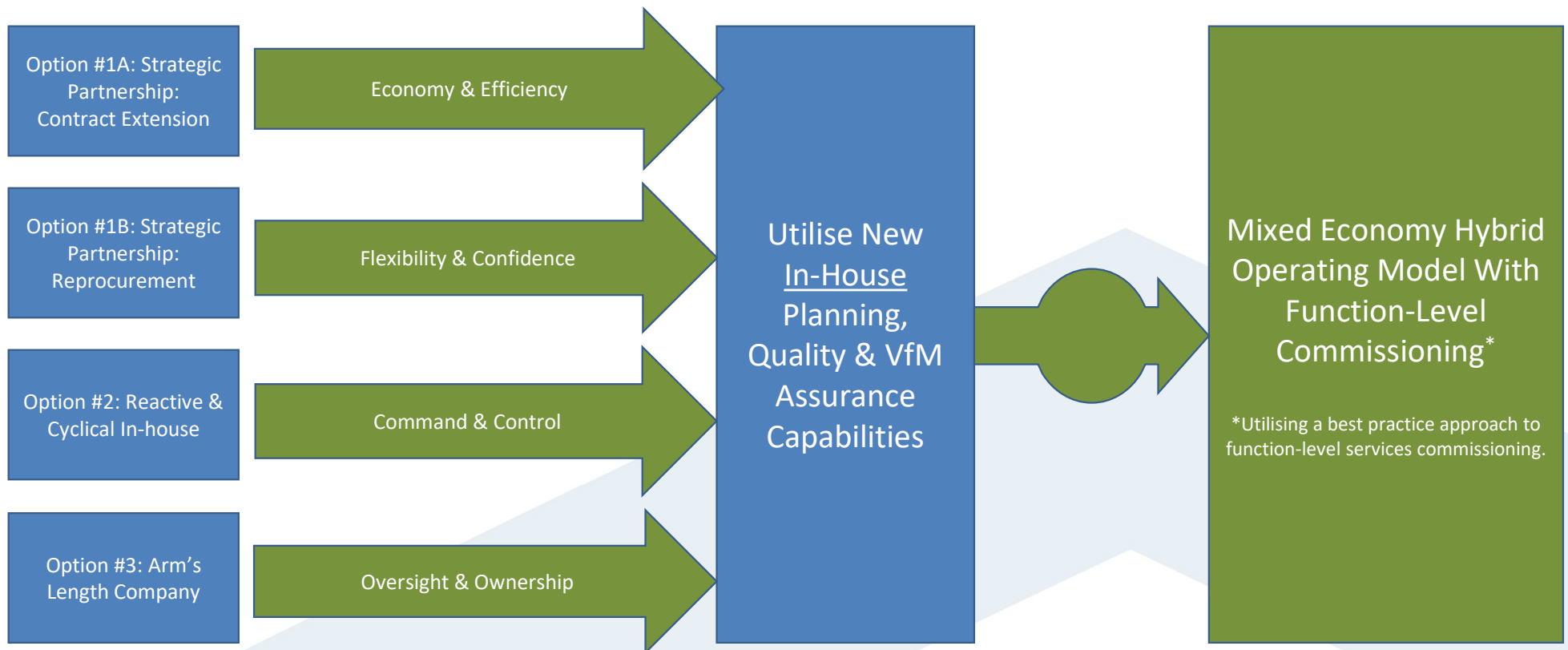
2. Transforming our offer now, ready for the future

- Strengthening SCC control and flexibility now.
- Making changes, in partnership with Amey, in readiness for the future.

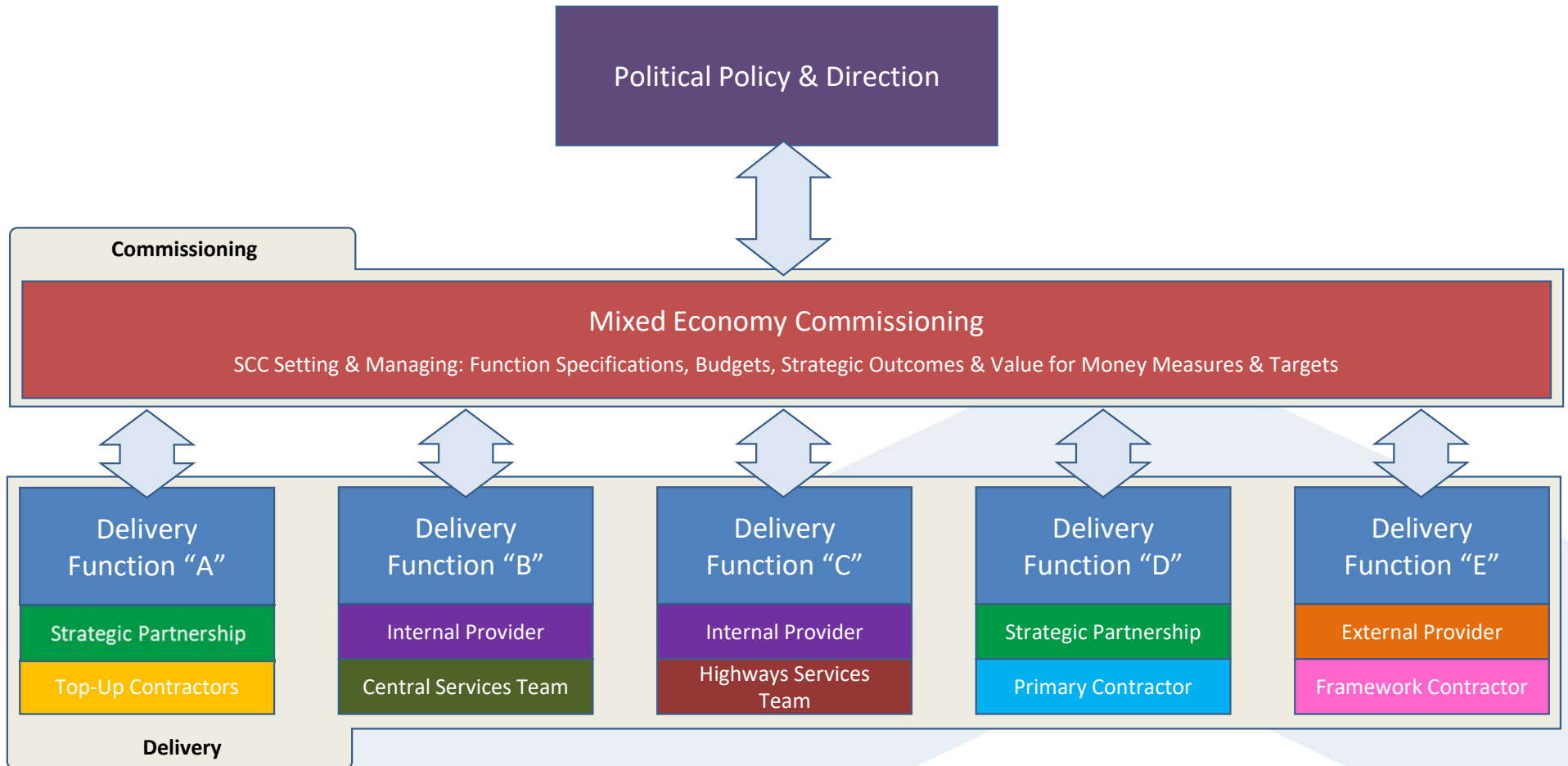
3. Highways Investment Strategy

- Additional investment from April 2022 to fix the roads & drive transformation.

Hybrid Operating Model Composition



Hybrid Mixed-Economy Model



1. Retain Amey (Renegotiated arrangement)	2. Retain Amey in part (Excluding highly visible routine and reactive operations)	3. Procure new partner
<ul style="list-style-type: none"> No additional risks, change or procurement costs 	<ul style="list-style-type: none"> Maintains established 'best-in-class' inward investment capability and associated commercial income stream. 	<ul style="list-style-type: none"> A new contractor without historical baggage may restore the confidence of members.
<ul style="list-style-type: none"> Enables early embedment of new function-by-function operating model and customer focused ways of working. 	<ul style="list-style-type: none"> Scope of risk, change (TUPE) and procurement cost is less than procuring a single new partner. (c.£1M) 	<ul style="list-style-type: none"> New partner energises wider transformation with potential access to new ideas, systems and networks.
<ul style="list-style-type: none"> Retains high VfM baseline capability as a starting point to build from. 	<ul style="list-style-type: none"> Less appealing to both Amey and other bidders in what will be a seller's market. Reduced negotiating position for SCC. 	<ul style="list-style-type: none"> Unknown whether new provider would add any more value than current provider.
<ul style="list-style-type: none"> Maintains the 'best-in-class' inward investment capability and associated commercial income stream. 	<ul style="list-style-type: none"> Loss of end-to-end service efficiency, with multiple hand-offs and less clear accountability. 	<ul style="list-style-type: none"> Significant further disruption (decommissioning and mobilisation stages)
<ul style="list-style-type: none"> Need to regain political confidence through SCC led relaunch & rebranding of highway service. Amey have behind the scene delivery role. 	<ul style="list-style-type: none"> Private sector organisations may not be attracted to bid. 	<ul style="list-style-type: none"> Requires a costly re-procurement exercise – money that cannot be spent on the network or recovered (c.£1.5M)

1. The new operating model, together with investment and new ways of working will revolutionise the performance of Staffordshire Highways.
2. All the future provider options are deliverable.
3. Retaining Amey as principal delivery partner is the fastest, most efficient and lowest risk route to achieving the new operating model and future vision.

1. 15 June – Update to PSOSC. Previously supported the rigour of the process, direction and travel and any of the delivery options being achievable.
2. 20 July - Cabinet decision on future delivery option.
3. July 22 – October 24 - Ongoing change plan with regular updates to PSOSC and Cabinet.

1. Are there any further improvements that could be made to the hybrid mixed-economy delivery model?
 2. Have we missed any other key Pros and Cons to the different procurement options?
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