

MEETING:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	14TH SEPTEMBER 2012
TITLE OF REPORT:	STREETSCENE ROOT AND BRANCH REVIEW AND STRATEGIC SERVICE DELIVERY PARTNERSHIP REPROCUREMENT PROCESS
REPORT BY:	ASSISTANT DIRECTOR PLACE BASED COMMISSIONING

CLASSIFICATION: OPEN

Wards Affected

Countywide

Purpose

To update Members in relation to the Streetscene Root and Branch review following the Cabinet's decision on 12th July 2012 regarding the services currently included in the Amey Service Delivery Agreement. Cabinet decided that the Council should commence a procurement process to put in place new contracts for these services at the earliest practical opportunity. It was agreed that this should be done alongside other opportunities identified through the root and branch programme. It was also decided that the current contractual arrangement with Amey is not extended except where required to support the procurement timetable.

Recommendation(s)

THAT:

- (a) the contents of this report be noted; and**
- (b) Members comment and identify objectives be taken into consideration during the proposed re-procurement of services currently provided through the Amey Service Delivery Partnership.**

Key Points Summary

- This report describes the approach being taken to the Streetscene review. In particular the re-procurement of services currently delivered by Amey and the market consultations which will also provide information to assist with consideration of options for the Housing, Economic and Regulatory Services review.
- The principle focus of the Streetscene review has been to examine the future commissioning arrangements for services that are within the scope of the current partnership with Amey. This

delivers a wide range of services which includes highways, parks, public rights of way, building services, technical consultancy, as well as a range of ancillary services such as catering and printing.

- A procurement exercise is planned to put in place new arrangements when the current contract comes to an end in September 2013. The first stage of procurement involves a consultation with the market, members, and others which will be used to help shape the procurement.
- Opportunities for cooperation with other authorities both during the procurement and through the life of the future contracts are being explored.
- The views of Overview and Scrutiny are sought to help inform the Streetscene review and decision making in relation to the approach to procurement.

Alternative Options

- 1 None

Reasons for Recommendations

- 2 To inform Members of the approach being taken in relation to services within scope of the Streetscene Root and Branch review and seek contributions to help improve the process for re-procurement of services currently provided through the Amey Service Delivery Partnership.

Introduction and Background

- 3 The Streetscene Root and Branch review is one of four first phase reviews being undertaken as part of the overall programme. This programme of reviews is intended to be a fundamental re-think about which services should be commissioned to meet the needs and priorities of Herefordshire's local communities. The scope of the Streetscene Root and Branch review is as follows:
 - Roads and paths construction and maintenance
 - Street cleaning, lighting, amenities
 - Links with regeneration , LTP etc.
 - Public sector property holdings, including locality asset plans
- 4 The review brings together a number of related "in flight" projects and service improvement initiatives including:
 - *Strategic partnership review* – reviewing our partnership with Amey
 - *World class highways* – regional initiative lead by Herefordshire to examine in detail how highways services are currently delivered and identify improvements to help the service better meet local aspirations
 - *Asset Management and Property Services review* – review of Herefordshire's Property Services following previous Shared Services Cabinet decision to strategically commission the service
 - *Public convenience review* – detailed review of service delivery to explore opportunities for savings and greater community involvement



- 5 The principle focus of the streetscene review has been to examine the future commissioning arrangements for services that are within the scope of the current partnership with Amey. This delivers a wide range of services which includes highways, parks, public rights of way, building services, technical consultancy, as well as a range of ancillary services such as catering and printing.
- 6 The contracts for these services were originally agreed in 2003 and are now coming to the end of their ten-year term. Members will be aware that on the 12th July 2012, Cabinet agreed to begin the process to re-procure the services currently provided through the Amey partnership.
- 7 A major procurement exercise is being developed to take place over the next 12 months which will result in new contracts for these services. It is worth noting that, until the new contracts are in place, it is business as usual, with Amey maintaining responsibility for delivering the full range of services throughout the procurement process. We are continuing to work closely with Amey to take forward improvements and ensure a smooth transition.
- 8 Market consultations for the streetscene and the housing, economic, and regulatory services (HERS) reviews are being carried out in parallel.
- 9 A further report on the whole first phase of the Root and Branch programme is due to be considered by a future meeting of Overview and Scrutiny and this report is intended to give a brief update in relation to Streetscene and provide an early opportunity for Members to comment on the strategic procurement exercise and highlight any aspirations for changes or improvements to services.
- 10 As part of ensuring wider engagement in the review, a workshop for Members who have registered a particular interest in the Streetscene review has been arranged for the morning of the 21st September to review the findings of the World Class Highways project and consider in more detail the approach to the re-procurement of the Amey contract with a particular focus on the highway aspects of the service.

Key Considerations

- 11 The scope of services included in the Cabinet decision in July is broad. Services within scope of the Streetscene review together with other services from related phase one root and branch reviews represent an annual spend of approximately £40m. The approach to the current market consultation for this wide range of services has been carefully designed to:
 - a. Prioritise market engagement for those services that require re-procurement, i.e. services currently delivered by Amey
 - b. Understand what the market can, and cannot, offer and the pros and cons of developing a relationship with the private sector across all services in scope
 - c. Explore the potential for innovative solutions that could be put in place in cooperation with the private sector e.g. capital investment, local delivery of services
 - d. Understand how to get the maximum benefits from working with the private sector. This information will be fed into the root and branch reviews to support option development and appraisal
 - e. Engage with potential suppliers to develop their interest in any future procurement initiated by the council
 - f. Understand how best to improve the way that we work with, and support the development of, the local supply chain

- 12 The services in scope of the market consultation have been divided into four groupings (packages included in Appendix A) to help structure the conversation with potential suppliers:
 - a. Public realm services – these services include highways and related services. They are the services that are expected to be part of the replacement highways contract. The intention is to explore the possibility of putting in place a more focussed approach to highways delivery.
 - b. Regeneration services – the aim of this package is to help us better understand how to structure services related to economic regeneration (including asset management and property services) in order to rationalise the public sector estate and maximise the revenue and other benefits of these services
 - c. Community services – these services are part of the housing, economic, and regulatory services (HERS) root and branch review. They are services that are currently within Herefordshire, and have traditionally been delivered in-house by local authorities. Recently, however, a market has started to develop where these services are delivered in partnership with private sector organisations. The aim with these services will be to understand what benefits could be gained from working with a partner and whether such a partnership should be a simple outsourcing arrangement or whether a partner would be willing to work with the council to restructure and commercialise these services. Feedback will be used to inform decisions in relation to the HERS Root and Branch review.
 - d. Ancillary services – these are services that have been identified as likely to be attractive to the wider supply chain. The intention is to increase the competition for these services, encouraging participation by the local supply chain

- 13 A prior information notice (PIN) was published in the official journal of the European Union (OJEU) on 25th August. This announced Herefordshire Council's intention to consider a procurement of the services listed in Appendix A and marked the start of market consultations. The consultation will continue until the end of September and will inform the

procurement strategy.

- 14 To support the PIN an information page has been set up on the Council's internet, which includes an on-line questionnaire for interested organisations to complete, as well as a form to request an appointment to discuss the opportunities in more detail with officers. A press release has also been issued jointly with the Chamber of Commerce to generate wider awareness and encourage participation from local suppliers.
- 15 Due to anticipated demand, the consultation has been phased, with Highways and HERS being prioritised during September and Ancillary Services (such as catering; couriers; printing) will follow from October onwards.
- 16 The discussions with potential private sector partners will inform both the outcome of the HERS review and the approach to procurement. We will examine how services can be packaged to widen competition and ensure that the services commissioned best meet the needs of the people of Herefordshire, deliver value for money and support the local economy.
- 17 The consultation also seeks views from potential suppliers regarding innovative forms of service delivery. This could include:
 - a. An investment programme to improve the condition of the highways thereby reducing the long term requirement for revenue spending on routine maintenance, and
 - b. The ways in which any new arrangements can support the council's localities working and localisation agenda

Conclusion

- 18 A range of important local services provided by the Council are within the scope of this review. Over recent years, Members, stakeholders and customers have provided considerable feedback regarding these services and this has been used to help develop the approach outlined above. Engagement will continue throughout the procurement process to help ensure a successful outcome for Herefordshire. However, at this early stage in the process, Members of the committee are invited to provide comments and suggestions regarding objectives and issues that they would wish to see taken into consideration.

Community Impact

- 19 The Streetscene review covers a range of services, including Highways, which affect the quality of the local environment. The re-procurement of these services presents opportunities to support the local economy and ensure service delivery is tailored to meet the needs of localities.

Equality and Human Rights

- 20 This proposal will pay due regard to our public sector equality duty. An equality impact assessment will be carried out on the proposed solutions.

Financial Implications

- 21 The Council spends in the region of £40 million per annum on services within the scope of the market consultations. The procurement process outlined above will explore the best ways to ensure value for money and deliver financial savings. The intelligence gathered will inform the development of options for the root and branch reviews.

Legal Implications

- 22 Legal Services are providing advice in relation to the procurement exercise to ensure compliance with current contractual commitments and European procurement rules. Legal Services have been involved throughout the process so far and are aware of current risks and issues.

Risk Management

- 23 A detailed risk register is in place to identify and manage the risks associated with the delivery of this project. Key risks relate to the commercial procurement, service continuity and quality. Mitigation measures have been identified to manage risks associated with the project. Legal, financial and procurement resources and expertise has been identified to support the project team.

Consultees

- 24 The first stage of this procurement exercise includes extensive consultations involving the market: both national organisations and, in conjunction with the Chamber of Commerce and others, local organisations; Members, and via, for example, the Quality of Life Survey, service users.

Appendices

- 25 Appendix A: Services as listed in the PIN

Background Papers

- None identified.

Services as listed in the PIN

PACKAGE A: PUBLIC REALM SERVICES

1. Highways Management Services;
2. Highways Maintenance and Improvement works;
3. Traffic Control Systems Maintenance;
4. Street Lighting;
5. Street Cleaning;
6. Public Rights Of Way;
7. Parks & Open Spaces; (some elements may also be included within Package D)
8. Land Drainage;
9. Local Flood Risk Management; and
10. Associated Professional Services

PACKAGE B: REGENERATION SERVICES

11. Economic Development
12. Regeneration Programmes
13. Sustainable Communities Service
14. Sustainability Management Service
15. Asset Management and Property Services
16. Associated Professional Services
17. Energy and Utilities Management Services
18. Building Services (some elements may also be included within Package D)
19. Parking Services
 - a. Car Parking and Traffic Management
 - b. Street Parking Enforcement
 - c. Shopmobility Services

PACKAGE C: COMMUNITY SERVICES

20. Housing Services
 - a. Housing needs & development
 - b. Private sector housing
 - c. Home improvement agency
 - d. Homelessness and housing advice services
21. Planning Services
 - a. Planning – development management
 - b. Planning – forward/strategic planning
 - c. Planning – conservation
 - d. Planning – archaeology
 - e. Building control

22. Environmental Health Services

- a. Environmental health - environmental protection
- b. Environmental health – air pollution inc. Industrial permitting service; air quality
- c. Environmental health - private water supplies service
- d. Environmental health - contaminated land service
- e. Closed landfill site management
- f. Environmental health - commercial

23. Associated Professional Services

24. Bereavement Services

25. Licensing Services

26. Trading Standards Services

27. Markets, Fairs and Street Trading Services

28. Community Protection Services

29. Travellers' Services

30. Animal health and Welfare

PACKAGE D: ANCILLARY SERVICES

31. Courier Service

32. Pest Control Services

33. Fleet Management

34. Building Cleaning (some elements may also be included within Package B)

35. Catering

36. Print

37. Building Services (some elements may also be included within Package B)

38. Parks & Open Spaces (some elements may also be included within Package A)