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**Democratic Services**  
Westfields, Middlewich Road  
Sandbach, Cheshire  
CW11 1HZ

Tel: 01270 686465  
email: [katie.smith@cheshireeast.gov.uk](mailto:katie.smith@cheshireeast.gov.uk)

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Dear Councillor

**ENVIRONMENT AND PROSPERITY SCRUTINY COMMITTEE - MONDAY, 1ST  
OCTOBER, 2012, IN THE COMMITTEE SUITE, WESTFIELDS, SANDBACH**

I am now able to enclose, for consideration at next Monday, 1st October, 2012 meeting of the Environment and Prosperity Scrutiny Committee, the following report that was unavailable when the agenda was printed.

**Call-in of Key Decision CE12/13-18 Inclusion of Streetscape and  
Parking Maintenance Activities Within the Highway Services Contract  
- Appendix 3, Response to Call In**

Yours sincerely

Katie Smith  
Scrutiny Officer

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## **CHESHIRE EAST COUNCIL**

### **Response to Call-In (Decision CE12/13)**

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<b>Date of Meeting:</b>	1 October 2012
<b>Report of:</b>	Head of Highways and Transport.
<b>Title:</b>	Delivery of Streetscape and Parking Maintenance Activities.
<b>Portfolio Holder:</b>	Cllr Rod Menlove

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#### **1.0 Background**

- 1.1 Over the last few months, work has been undertaken to determine the potential benefits and opportunities that could be realised from the delivery of services associated with Grounds Maintenance (in parks and open spaces), Street Cleansing and Car Park maintenance/management activities being delivered by Ringway Jacobs as part of the integrated Highways contract.
- 1.2 The transfer has the potential to realise immediate savings in excess of £50,000 on existing annual revenue budgets within Grounds Maintenance and Street Cleansing, rising to a value of circa £450,000 after the first full year of operation, without any reduction in existing service standards and any compromise on ongoing initiatives such as devolution of services and the objectives of the Localism Act 2011. The arrangement will remain flexible enough to accommodate any future requirements associated with transferring services to Town and Parish Councils in accordance with the trial projects that have been undertaken recently and any future variations.
- 1.3 Car Park maintenance/management will become fully integrated within the highway asset base, allowing a more efficient operating model to be developed that will generate further significant savings and over the course of the first full year of operation, will see a reduction in running costs.
- 1.4 A report was presented to Cabinet on 17<sup>th</sup> September 2012, with the following resolutions made:
1. That, subject to no challenge being received during the Voluntary Ex-ante Transparency Notice period commonly referred to as the VEAT notice, approval be given to extending the scope of the Highways Services Contract to include Streetscape and Parking Maintenance activities as outlined in 10.2 and 10.6 of the report.
  2. That approval be given to the publication of a procurement VEAT Notice

3. That approval be given to the development of a detailed activity programme that will engage with elected members, existing employees and their Trade Union representatives, with a view to achieving a commencement date of 1 January 2013 for the new service delivery arrangements.
  4. That it be noted that extending the scope of the Highways Services Contract will trigger the automatic application of the TUPE Regulations which will affect a transfer of a number of existing Council employees within the Streetscape, Parking and Fleet Services to Ringway Jacobs.
- 1.5 The resolutions made have subsequently been challenged and called-in on the following grounds:
- Professional advice was not taken from officers or not duly considered
  - The decision was taken in the absence of adequate evidence
  - There was inadequate consultation relating to the decision
  - Viable alternatives were not considered

## **2.0 Next Steps**

- 2.1 An item has been added to the Environmental and Prosperity Scrutiny Committee arranged for 1<sup>st</sup> October 2013.
- 2.2 During the call-in procedure, discussions will generally be focussed around the grounds for call-in with the responses to each item as follows:

### **Professional advice was not taken from officers or not duly considered**

Indicative discussions have been held with key staff over a variety of options available to the Council that will maintain existing service provision whilst delivering future savings.

The Council has now conducted a number of strategic procurement exercises with the most recent for similar activities being the “integrated Highways Services Contract” awarded to Ringway Jacobs in October 2012. Typically, contracts of this size can take up to two years to procure.

Discussions were held with key staff from within the Service and also guidance secured from support services (internal and external) on the opportunities to incorporate the Streetscape and Parking activities into the existing contract. The existing contract already has a number of defined benefits identified. By utilising this arrangement the Council will secure immediate savings whilst avoiding excessive procurement costs.

The first step in the process will be to follow the VEAT Notice arrangements to advertise the proposed changes.

**The decision was taken in the absence of adequate evidence**

The evidence for the decision was based upon:

- Speed of delivery – if this could be added to the existing Contract in place with Ringway Jacobs then the project could be delivered quickly with clearly defined savings being generated and significant savings in resources/financial investment associated with procurement and contract mobilisation issues.
- The contract developed for the Highways Contract is clearly defined with “one-off” transitional and ongoing “year-on-year” savings included, all of which are linked to a performance framework of achievements.

**There was inadequate consultation relating to the decision**

It was always envisaged that if approved to proceed, the first step in the process would be to issue the VEAT notice. Following publication, a detailed engagement programme would be established via the Environment and Prosperity Policy Board along with a number of engagement events with all Council Members. Ringway Jacobs have extensive experience of managing similar projects and more importantly they have specific experience of working closely with Cheshire East Members. The change in scope process adopted by Ringway Jacobs will make adequate provision for member engagement/consultation in advance of any change in scope being agreed. Additionally,

**Viable alternatives were not considered**

A number of options were considered all of which would take a considerable amount of time and resources to secure. By adopting the change in scope option, the Council can achieve the following:

- Implement in advance of the 2013/14 financial year;
- save significant amounts of money on procurement costs;
- deliver immediate savings in accordance with existing commitments secured through the Highways Contract; &
- Allow the Council to continue with its devolution programme.

**3.0 Reasons for Proposed Action**

- 3.1 Due to the ever increasing financial pressures that the Council is facing, new and innovative ways of service delivery are required that will allow the Council to achieve “more for less”, ensuring that existing service provision continues to the same high standards as delivered previously whilst being sustainable in future years.

Name: Kevin Melling  
Designation: Head of Highways and Transport  
Tel No: 01270 686 083  
Email: [Kevin.melling@Cheshireeast.gov.uk](mailto:Kevin.melling@Cheshireeast.gov.uk)