

# Public Document Pack

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4 January 2019

## **Environment, Communities and Fire Select Committee**

A meeting of the committee will be held at **10.30 am** on **Monday, 14 January 2019** at **County Hall, Chichester**.

**Tony Kershaw**  
Director of Law and Assurance

**Item no's: 1 to 6 on the agenda will be available to view live via the Internet at this address:**

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### **Agenda**

#### **Part I**

- 10.30 am    1.    **Declarations of Interest**
- Members and officers must declare any pecuniary or personal interest in any business on the agenda. They should also make declarations at any stage such an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt please contact Democratic Services before the meeting.
2.    **Part I Minutes of the 6 December 2018 meeting** (Pages 9 - 16)
- The Committee is asked to agree the Part I minutes of the meeting held on 6 December 2018 – attached (cream paper).
3.    **Urgent Matters**
- Items not on the agenda which the Chairman of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances, including cases where the Committee needs to be informed of budgetary or performance issues affecting matters within its terms of reference, which have emerged since the publication of the agenda.
4.    **Part II Matters**

Members are asked at this stage if they wish the meeting to consider bringing into Part I any Part II items on the agenda.

5. **Responses to Recommendations** (Pages 17 - 22)

The Committee is asked to note the Cabinet Member's responses to the Committee's recommendations.

**a) Procurement of a Highways Maintenance Contract**

The Committee is asked to note the Cabinet Member's Response to the Committee's Recommendations on the Procurement of a Highways Maintenance Contract – attached.

**b) Gatwick Airport Draft Masterplan 2018**

The Committee is asked to note the Cabinet Member's Response to the Committee's Recommendations on the Gatwick Airport Draft Masterplan 2018 – attached.

**c) On-Street Parking to Support Traffic Management**

The Committee is asked to note the Cabinet Member's Response to the Committee's Recommendations on the On-Street Parking to Support Traffic Management – attached.

10.45 am 6. **Operations and Public Protection Savings Proposals**  
(Pages 23 - 34)

Report by Executive Director Communities and Public Protection – attached.

This report sets out proposals for achieving the portfolio savings target for 2019/20.

The Committee is asked to scrutinise the proposals.

11.45 am 7. **Savings Proposals - Reduction to the Community Initiative Fund** (Pages 35 - 40)

Report by Director of Law and Assurance – attached.

It is proposed that the budget for the Council's Community Initiative Fund (CIF) be reduced from £280,000 per year to £140,000 per year from April 2019.

The Cabinet Member is asked to consider reducing the CIF budget to £140,000, on a basis of £2,000 per member of the Council, from April 2019.

12.30 pm 8. **Requests for Call-in**

The Environment, Communities and Fire Select Committee Business Planning Group received a request to call-in the proposed decision by the Cabinet Member for Highways and

Infrastructure concerning the Bus Strategy 2018-2026 and Financial Changes to the Non-Commercial Bus Network HI23 (18/19) – decision published on the Executive Decision Database on 19 December 2018 and in the Members’ Information Service 19 December 2018. The BPG declined the request.

The BPG also received a request for call-in of the proposed decision by the Cabinet Member for Highways and Infrastructure concerning the Interim Highway Maintenance Term Contract HI21(18/19) – decision published on the Executive Decision Database on 18 December 2018 and in the Members’ Information Service 19 December 2018. The BPG declined the request.

Two further requests for call-in of the proposed decisions by the Cabinet Member for Environment concerning Revisions to Recycling Credit Payments (ENV11 18.19) and by the Cabinet Member for Highways and Infrastructure concerning Highways Maintenance Term Contract Procurement (HI22 18.19) were accepted by the BPG and will be heard in item no’s 12 and 13.

9. **Forward Plan of Key Decisions** (Pages 41 - 54)

Extract from the Forward Plan dated 2 January 2019 – attached.

An extract from any Forward Plan published between the date of despatch of the agenda and the date of the meeting will be tabled at the meeting.

The Committee is asked to consider whether it wishes to enquire into any of the forthcoming decisions within its portfolio.

10. **Possible Items for Future Scrutiny**

Members to mention any items which they believe to be of relevance to the business of the Select Committee, and suitable for scrutiny, e.g. raised with them by constituents arising from central government initiatives etc.

If any member puts forward such an item, the Committee’s role at this meeting is just to assess, briefly, whether to refer the matter to its Business Planning Group (BPG) to consider in detail.

11. **Date of Next Meeting**

The next meeting of the Committee will be held on 13 March 2019 at 10.30 am at County Hall, Chichester. Probable agenda items include:

- Highway and Transport Improvement Schemes

- Road Safety - Safer Sussex Roads Partnership
- Community Hubs
- Updated guidance on parking in new developments
- Velo South
- Major Events Protocol
- People Culture Strategy
- Economy Growth Plan - Action Plans

Any member wishing to place an item on the agenda for the meeting must notify the Director of Law and Assurance by 1 March 2019.

### **The Committee will break**

- 1.00 pm      12.      **Call-in: Revisions to Recycling Credit Payments - ENV11 18.19** (Pages 55 - 68)

The Environment, Community and Fire Select Committee Business Planning Group has agreed to call in the proposed decision by the Cabinet Member for Environment concerning Revisions to Recycling Credit Payments – decision published on the Executive Decision Database on 14 December 2018 and in the Members’ Information Service on 19 December 2018 ENV11 18.19.

The decision report asked the Cabinet Member for Environment to agree that:

- 1) The County Council formally notifies all of the County’s District and Borough Councils of the termination of the current Memorandum of Understanding (MoU) funding arrangement.
- 2) The County Council adopts a calculation for payments to be made to waste collection authorities of £61.12 per tonne for the financial year commencing 1 April 2019.
- 3) The Director of Energy Waste and Environment is authorised to work with District and Borough partners on an alternative approach to any payments related to improved recycling performance from 2020/21. This to take into account:- (a) Changes in producer responsibility funding for household recycling collection and processing signalled in the Government’s Resources and Waste Strategy; (b) Any proposals that emerge from discussing performance improvements with the D&B partners; and (c) Overall affordability, given the County Council’s projected financial position.
- 4) Authority is delegated to the Director of Law and Assurance to settle arrangements for the removal of references to the MoU in the Materials Resource Management Contract and the Recycling and Waste Handling Contract.

**a)** Decision report by Executive Director of Economy, Infrastructure and Environment and Director of Energy, Waste and Environment – attached.

The call-in was initiated by Chris Oxlade, supported by Sue Mullins, Brenda Smith, Brian Quinn, Daniel Purchase, James Walsh and Kate O’Kelly. The decision has not previously been previewed by the Environment, Communities and Fire Select Committee

**b)** Call-in request – attached.

Chris Oxlade has been invited to outline the reasons for the call-in request to the Committee.

Ms Deborah Urquhart (Cabinet Member for Environment) has been invited to address the Committee and answer questions.

Lee Harris, Executive Director, Economy, Infrastructure and Environment will also be in attendance

2.00 pm

13.

**Call-in: Highways Maintenance Term Contract (HMC) Procurement - HI22 18.19 and Highways Maintenance Term Contract - Options Appraisal** (Pages 69 - 116)

The Environment, Community and Fire Select Committee Business Planning Group has agreed to call in the proposed decision by the Cabinet Member for Highways and Transport concerning the HMC Term Contract Procurement – decision published on the Executive Decision Database on 18 December 2018 and in the Member’s Information Service on 19 December 2018 HI22 18.19

The decision report asked the Cabinet Member for Highways and Infrastructure to agree:

The commencement of a procurement process to procure a Highways Maintenance Term Contract, or set of contracts, to commence on expiry of the interim contract (with any required extensions); and

To delegate authority to the Director of Highways and Transport to finalise the terms of and award the Highway Maintenance Term Contract, or set of contracts at the conclusion of the procurement process, and to extend if appropriate in accordance with the County Council’s Standing Orders on Procurement and Contracts.

**a)** Decision report by Executive Director of Economy, Infrastructure and Environment and Director of Highways and Transport – attached.

The call-in was initiated by Sue Mullins, supported by Brenda

Smith, Chris Oxlade and Brian Quinn.

**b) Call-in request – attached.**

Sue Mullins has been invited to outline the reasons for the call-in request to the Committee.

Mr Elkins (Cabinet Member for Highways and infrastructure) has been invited to address the Committee and answer questions.

Lee Harris, Executive Director, Economy, Infrastructure and Environment will also be in attendance

**c) Highways Maintenance Contract Procurement Options Appraisal Summary and update**

Report by Executive Director Economy Infrastructure and Environment and Director of Highways and Transport – attached.

This report sets out the various options being considered for future service delivery. The first part of the Highways Maintenance Contract procurement process is to narrow down the available options, and to identify a preferred option, using an options appraisal. The report is to update Committee on progress with the new procurement, and to support preview of the preferred option, identified through the initial options appraisal.

The Committee is asked to consider the suggested scope and timing of the procurement process.

**Part II**

14. **Exclusion of Press and Public**

The Committee is asked to consider in respect of the following item whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated against the item and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

3.00 pm 15. **Part II Minutes of 6 December 2018 meeting** (Pages 117 - 120)

The Committee is asked to agree the Part II minutes of the meeting held on 6 December 2018 – attached.

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

**To all members of the Environment, Communities and Fire Select Committee**

### **Webcasting**

Please note: this meeting may be filmed for live or subsequent broadcast via the County Council's website on the internet - at the start of the meeting the Chairman will confirm if all or part of the meeting is to be filmed. The images and sound recording may be used for training purposes by the Council.

Generally the public gallery is not filmed. However, by entering the meeting room and using the public seating area you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

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## **Environment, Communities and Fire Select Committee**

6 December 2018 – At a meeting of the Environment, Communities and Fire Select Committee held at 10.30 am at County Hall, Chichester.

Present: Mr Barrett-Miles (Chairman)

Mr S J Oakley	Mrs Bridges, left at	Mr McDonald
Mr Baldwin	2.35pm	Mr Oppler, left at 2.15pm
Lt Col Barton, left at	Mrs Brunsdon	
2.55pm	Mr Jones	

Apologies were received from Mr Patel, Mr Purchase and Mrs Purnell

Also in attendance: Mr Elkins and Ms Goldsmith

### **Part I**

#### **42. Declarations of Interest**

42.1 In accordance with the Code of Conduct, the following personal interests were declared in relation to:

- Mr Baldwin as a member of the Task and Finish Group (TFG) in relation to Bus Strategy 2018-2026 and Financial Changes to the Non-Commercial Bus Network

#### **43. Minutes of the 14 November meeting**

43.1 Resolved – that the minutes of the Environment, Communities and Fire Select Committee held on 14 November 2018 be approved as a correct record, and that they be signed by the Chairman.

#### **44. Cabinet Member Response to the Committee's Recommendations on the Littlehampton to Bognor Regis Cycle Path (NCN2) - Lessons Learnt**

44.1 The Committee noted the Cabinet Member's Response to the Committee's Recommendations on the Littlehampton to Bognor Regis Cycle Path (NCN2) – Lessons Learnt

#### **45. Gatwick Airport Draft Master Plan 2018**

45.1 The Committee considered a report by Executive Director Economy, Infrastructure and Environment (copy appended to signed minutes).

45.2 Mike Elkington, Head of Planning Services and Lee Harris, Executive Director Economy, Infrastructure and Environment introduced the report which outlined the County Council's draft response to the Gatwick Airport Ltd (GAL) Masterplan consultation.

45.3 *The Cabinet Member for Highways and Infrastructure recognised that GAL hadn't provided a comprehensive amount of detail for the consultation, but that he was open to listening to members and their views before finalising the County Council's response.*

45.4 Brenda Smith, Local Member for Langley Green and Ifield East, was invited to address the Committee. Key points were:

- She believed the initial draft Masterplan was a second runway by stealth.  
Her main concerns were over the impact and effect of airport growth on the immediate surrounding areas affecting Crawley residents particularly in the Langley Green area.
- She felt that although GAL had acknowledged that road improvements would be needed they had provided no detail in the proposals on how to manage greater vehicle movements and deal with higher volumes of traffic in the surrounding areas, potentially leading to West Sussex residents bearing the costs of any road damage and improvements needed .
- She also highlighted the effect of increased noise and subsequent sleep deprivation of those living in affected areas and noted there was little to address the effect that an increase in passenger numbers would have. She believed that if the extension happened it would be disastrous for the neighbourhood and asked the County Council to oppose anything that would lead to a second runway.

45.5 Mr Elkington advised that GAL had said they would carry out a full transport assessment to determine the wider impact of the Existing Standby Runway scenario and that the County Council would need to work with them to address these issues. GAL would also need to do a full environmental assessment of the impact of noise, including on health.

45.6 The Committee made comments including those that follow. It:

- Suggested that even though economic growth was good for West Sussex, it should not be encouraged at the expense of either residents or the environment. Concerns were raised that further expansion could lead to overall economic dominance in the area by the airport and suppress other economic activity. It could also constrain future growth for housing, transport and commercial development that would better benefit residents. It was highlighted that the County Council needed to adopt a neutral position, but to make a strong point that any adverse impacts would need mitigating and that the response also needed a description of the environmental and social impacts
- Raised concerns over the safeguarding of land surrounding the airport especially given the amount of local development planned and suggested the County Council enter into a new legal agreement to seek reassurances over any future construction of a new runway. There were also suggestions that the land could alternatively be used for affordable housing or business and commercial purposes.

However it was agreed that the proposal to work with GAL over land safeguarding was a sound one. Mr Elkington advised that safeguarding land would only be determined by the government and the local plan process would take into account any areas affected. Mr Harris added that GAL had stated that it doesn't intend to develop a new runway south of the existing one and that the draft response doesn't support an additional runway. The purpose of safeguarding land protected the area for the future and that the County Council needed to work with GAL and the other local authorities to determine the boundaries.

- Raised concerns over surface access to the airport and the amount of infrastructure required, including the need for additional junctions on the M23 motorway and the existing rail capacity in the region, especially on the Brighton rail mainline, considered already full to capacity.
- Raised concerns over the noise implications for residents brought about by increased air traffic and significant growth of cargo movements. Also highlighted the need for increased passenger facilities at the airport and the likelihood of additional pressure on local authorities to provide housing in the surrounding areas.

45.7 Mr Harris noted that there was a lack of detail in the draft Masterplan and that GAL had signalled a change of policy around the emergency runway. His view was that it was important to signal to GAL what information was needed if the proposals were to be taken forward. Although it was recognised that GAL was a commercial company seeking to grow, there were a significant number of environmental downsides so a balance needed to be sought. The County Council would seek to work with GAL over the safeguarding land issue.

*45.8 Mr Elkins added that an agreement with GAL would be beneficial and bring about more certainty.*

*45.9 Ms Goldsmith, Leader, advised that the government would look to the County Council to give comment on any agreement for further development.*

45.10 Resolved – That the Committee:

- 1) Supports a neutral but firm response on the Gatwick Masterplan, to include a 1 page summary of the County Council's position and areas of concern as an appendix.
- 2) With specific regard to the Safeguarded Additional Runway scenario, raised concerns but remained neutral, recognising it was a government decision.
- 3) Supports pursuing a new legal agreement with GAL to prevent construction of a new runway to the South of the airport, to be brought back to the Committee when a position is determined.

#### **46. On-Street Parking to Support Traffic Management**

46.1 The Committee considered a report by Executive Director Economy, Infrastructure and Environment and Director of Highways and Transport (copy appended to signed minutes).

46.2 Andy Ekinsmyth, Head of Transport and Countryside and Miles Davy, Parking Manager introduced the report which outlined the proposals for a strategic parking management plan programme to implement on-street parking controls following proposals arising from the programme of Road Space Audit's (RSA's), to be progressively rolled out around the County. Key points were:

- The decision to consult upon or formally advertise RSA parking management proposals would be taken by the Director for Highways and Transport, following consideration from the relevant County Local Committee (CLC).
- The decision to implement RSA parking management plans, subsequent changes to parking arrangements and charging structures would be taken by the Cabinet Member for Highways and Infrastructure.

46.3 The Committee made comments including those that follow. It:

- Welcomed and supported the principal of the RSA's, but believed the current CLC decision making process worked well and that previous proposals for a change of scheme had been abandoned due to lack of support.
- Raised concerns over the accountability and process of the new proposals if the decision making power was given to senior officers and the Cabinet Member for Highways and Transport, believing it would erode local democracy and the relationship between local members and their residents.
- Raised concerns the proposals were a charter for sweeping controlled parking and that costs could be imposed on motorists in towns with no checks or balances, in particular forcing those struggling with finances off the road.

46.4 Mr Jones made the following proposal, seconded by Mr Oppler which the Committee considered: -

46.5 That the Committee, while supporting the continuation of the Road Space Audits to identify parking problems across West Sussex, believes the current CLC arrangements for creating Controlled Parking Zones (CPZ's) are sufficient and the recommendations are not supported.

46.6 A vote was held and the proposal was carried

46.7 Resolved – That the Committee, while supporting the continuation of the Road Space Audits to identify parking problems across West Sussex,

believes the current CLC arrangements for creating Controlled Parking Zones (CPZ's) are sufficient and the recommendations are not supported.

#### **47. Forward Plan of Key Decisions**

47.1 The Committee considered the Forward Plan dated 23 November (copy appended to signed minutes).

47.2 Resolved – That the Forward Plan be noted.

#### **48. Date of Next Meeting**

48. The Committee noted that its next scheduled meeting will take place on 14 January 2019 at 10.30am at County Hall, Chichester.

#### **49. Bus Strategy 2018-2026 and Financial Changes to the Non-Commercial Bus Network**

49.1 The Committee considered a report by Executive Director Economy, Infrastructure and Environment and Director of Highways and Transport (copy appended to signed minutes).

49.2 Bill Leath, Transport Bureau Manager and Andy Ekinsmyth, Head of Transport and Countryside introduced the report which presented the final draft of the West Sussex Bus Strategy 2018-2026 together with recommended changes to financial support to the non-commercial bus network. Key points were:

- The introduction of the Bus Services Act 2017, gave the County Council an opportunity to look at alternative ways to engage and work with bus companies.
- A Passenger Transport Executive Task and Finish Group (TFG) was set up to review the various bus services and a draft strategy was brought to the Committee in June 2018 at the same time as a public consultation took place. The strategy was then redrafted after the TFG took on board all comments. Smart technology, ticketing and other areas to improve bus companies' commercial fares were also reviewed by the TFG.

49.3 *The Cabinet Member for Highways and Infrastructure welcomed members' views on the strategy. He advised that it was important the County Council had a strategy that would deliver residents' requirements and include a funding framework and infrastructure that would assist bus services in the county. He highlighted the need to give guidance to partners and for the strategy to be commercially viable.*

49.4 The Committee made comments including those that follow. It:

- Raised concerns that the reduction or withdrawal of certain bus routes would impact the elderly, isolated and less well-off who depended on them as a lifeline out of their community; noting that the consultation responses had shown there was a great deal of human impact to the implementation.

- Sought reassurance from the Cabinet Member for Highways and Infrastructure that subsidies for registered disabled people would not be withdrawn. The Cabinet Member for Highways and Infrastructure advised that these subsidies would not be withdrawn.
- Questioned whether it was correct that as expressed by the South Downs National Park (SDNP) that the County Council had a duty to maintain the level of bus services within the park's boundaries. Mr Leath advised legal advice would need to be sought and then an answer could be provided to the Committee.
- Requested to see the listed criteria that had been provided as guidance to the TFG.

49.5 Mr Jones made the following proposal, seconded by Mrs Brunsdon which the Committee considered: -

49.6 That the Committee supports the principles of the draft Bus Strategy and notes the methodology adopted by the TFG and that the methodology applied only managed to identify around 50% of the savings the Cabinet Member was seeking to find.

49.7 A vote was held and the proposal was carried

49.8 Resolved – That the Committee:

- 1) Supports the principles of the draft Bus Strategy and notes the methodology adopted by the TFG and that the methodology applied only managed to identify around 50% of the savings the Cabinet Member was seeking to find.
- 2) Supports the recommendations of the TFG.

## **50. Exclusion of Press and Public**

Resolved - That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

## **51. Bus Strategy 2018-2026 and Financial Changes to the Non-Commercial Bus Network**

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Committee further discussed the Bus Strategy 2018-2026 and members gave comment.

The meeting ended at 3.15 pm

Chairman

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**Roger Elkins**

Cabinet Member for Highways and  
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Mr Andrew Barrett-Miles  
Chairman  
Environment, Community & Fire Select Committee

3 January 2019

Dear Mr Barrett-Miles

**Environment, Communities and Fire Select Committee – Procurement of a new Highways Maintenance Contract**

At its meeting on 6 December 2018, the Committee:

- 1) Requested that when information becomes available on the previous procurement it be made publically available.
- 2) Requested scrutiny of the options appraisal report
- 3) Agreed to work with Highways senior officers to develop a scrutiny programme for the new procurement.

I agree to:

- 1) Update the Committee on the legal outcome of the previous procurement once the information is available and is in the public domain.
- 2) Provide a copy of the options appraisal report for scrutiny once it has been finalised (scheduled to be considered by ECFSC on 14 January)
- 3) Support the Committee's recommendation to work with senior highways officers to develop a scrutiny programme for the new procurement; the scrutiny programme will be developed when the new procurement option has been agreed. The governance arrangements in the procurement project plan will include milestones for engaging with ECFSC.

Yours sincerely

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Roger Elkins  
Cabinet Member for Highways and Infrastructure

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**Roger Elkins**  
Cabinet Member for Highways and  
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**west  
sussex  
county  
council**

Mr Andrew Barrett-Miles  
Chairman  
Environment, Community & Fire Select Committee

3 January 2019

Dear Mr Barrett-Miles

**Environment, Communities and Fire Select Committee – Consultation  
Response to Gatwick Airport Draft Masterplan 2018**

At its meeting on 6 December 2018, the Committee:

- 1) Supported a neutral but firm response on the Gatwick Masterplan, to include a 1 page summary of the County Council's position and areas of concern as an appendix.
- 2) With specific regard to the Safeguarded Additional Runway scenario, raised concerns but remained neutral, recognising it was a government decision.
- 3) Supported pursuing a new legal agreement with GAL to prevent construction of a new runway to the South of the airport, to be brought back to the Committee when a position is determined.

I would like to thank the Select Committee for its consideration of the suggested response to the consultation on the draft new Gatwick Master Plan.

I note that the Committee supported a neutral but firm response to the consultation. As was discussed by the Committee and debated by Full Council on 14 December 2018, I agree that the County Council should neither support nor object to the Existing Standby Runway Scenario but reserve its position at this stage given the lack of detail about the potential impacts and mitigation.

The Committee also discussed the Safeguarded Additional Runway to the South Scenario and it was also debated on 14 December 2018. On this matter, I also agree with both the Select Committee and Full Council that this authority should neither support nor object but reserve its position at this stage.

I do consider that there are some aspects of the draft Master Plan that can be supported by the County Council at this stage, one of which is GAL's plan for the next five years subject to the necessary supporting infrastructure being put in place. Also, I consider that the County Council can support, in principle, the Existing Main Runway Scenario for the period 2018-2032, subject to GAL identifying and funding the infrastructure that is required to support its delivery.

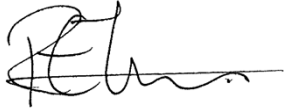
I welcome the Committee's support for the County Council seeking to enter into a new legal agreement with GAL that prevents the construction of an additional

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operational runway to the south for a minimum of 15 years. As requested, I will update the Committee 'as and when' progress has been made on this matter.

Lastly, I note and agree with the recommendation that there should be a one page summary of the County Council's position with areas of concern as an appendix.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Elkins', with a long horizontal flourish extending to the right.

Roger Elkins  
Cabinet Member for Highways and Infrastructure

**Roger Elkins**  
Cabinet Member for Highways and  
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Mr Andrew Barrett-Miles  
Chairman  
Environment, Community & Fire Select Committee

3 January 2019

Dear Mr Barrett-Miles

**Environment, Communities and Fire Select Committee – On-Street  
Parking to Support Traffic Management**

At its meeting on 6 December 2018, the Committee considered that, while supporting the continuation of the Road Space Audits to identify parking problems across West Sussex, the current CLC arrangements for creating Controlled Parking Zones (CPZ's) were sufficient and the recommendations were not supported.

I thank members for their input at December's Select Committee meeting. I wrote to all members on 20 December, after having taken all factors and representations into account, and made my formal decision on 21 December.

Yours sincerely

A handwritten signature in black ink, appearing to be 'R Elkins', written over a horizontal line.

Roger Elkins  
Cabinet Member for Highways and Infrastructure

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<b>Environment, Communities and Fire Select Committee</b>
<b>14 January 2019</b>
<b>Proposed Savings for Fire Service Operations and Public Protection for 2019/20</b>
<b>Report by Executive Director Communities and Public Protection and Director of Operations and Director of Public Protection</b>

**Summary**

It is proposed to save £600,000 from Fire Service Operations budget in 2019/20 and £100,000 from the Public Protection budget to contribute to the West Sussex County Council (WSCC) savings requirements £145m by 2021.

The proposals will be subject to staff consultation from 13<sup>th</sup> December 2018. Following the close of consultation on 25<sup>th</sup> January 2019 a final decision will be made by the Executive Director of Communities and Public Protection on the impacts, outcomes and whether to proceed with the current or modified proposals following consultation with staff and representative bodies.

If approved any service changes would be implemented by June 2019.

**Focus for Scrutiny**

- (1) The Committee is asked to consider the proposals and their potential impact, in the light of the evidence, and the other options considered.

**Proposal**

**1. Background and Context**

In order to achieve the savings required by the County Council each of the Directorates has been asked to review their spending and identify areas where potential savings can be made. The Operations and Public Protection directorate has reviewed the services that are delivered and the supporting functions and have developed a set of proposals to deliver savings in 2019/20.

**2. Proposal**

- 2.1 Proposed reduction in Intervention and Prevention activities saving £400,000. Details are in paragraph 4 below.
- 2.2 Proposed review and restructure of the Technical Rescue Unit saving £200,000. Details are in paragraph 4 below.
- 2.3 Restructure of Resilience and Emergencies Team saving £100,000

### **3. Resources**

- 3.1 The savings will require resources to plan, coordinate and deliver the action plans through an agreed period and will be managed through the Fire and Rescue Service savings board which is part of the Customer Centred Value for Money Board. This is one of the four boards that support the delivery of the Fire & Rescue Service's Integrated Risk Management Plan.

### **Factors taken into account**

#### **4. Issues for consideration by the Select Committee**

- 4.1 The Committees views on the possible outcomes from the proposals:

#### **Operations**

The Intervention and Prevention team deliver a wide range of preventative and educational activity in addition to supporting emergency response crews in the delivery of prevention activity. Whilst the team members have specialisms, almost all contribute to most of the activities. This means that the removal of even a small number of posts impacts on a number of the items delivered.

- Restructure of Intervention and Prevention team:
- An assessment of the team's delivery has focused on maintaining the key elements that contribute to the Fire Prevention agenda. These include Safe and Well checks to those most vulnerable, ensuring that Safeguarding is managed appropriately and delivering the Firewise scheme that undertakes interventions that address fire-setting behaviours amongst children and young people.

This would result in the following reduction in delivery:

- Cessation of FireBreak courses
  - Cessation of Safe Drive Stay Alive courses
  - Reduction in Schools education visits
  - Cessation of working with local cadets
  - Cessation of working with National Citizens Service
  - Cessation of electric blanket testing
- 
- The Technical Rescue Unit is a team of 12 firefighters who provide a specialist rescue capability for West Sussex. The team are funded in part by central government as part of the national Urban Search and Rescue (USAR) capability. West Sussex supplements the grant to ensure that the team are able to respond to incidents in West Sussex even if a deployment out of county is required. In addition to the USAR capability the time provide additional skills and equipment for rescue from height, water rescue and animal rescue.



- Restructure of Technical Rescue Unit:
- The terms, conditions and operational model of the team will be reviewed to ensure. This may result in a reduction in the delivery of some specialist capability.

### **Public Protection**

The Resilience and Emergencies Team deliver a range of preventative activity to support our communities. Whilst the team members have specialisms in business continuity and emergency planning all contribute to the prevention activities. This means that the removal of even a small number of posts impacts on a number of the items that can be delivered.

This would result in the following reduction in delivery:

- Reduction in the number of posts in the Resilience and Emergencies Team. This would result in the following reduction in delivery:
- Removal of 'Duke of Cornwall' courses
- Removal of 'What If' community resilience training to parishes
- Reduction in assistance to WSCC Directorates in terms of business continuity plan preparations
- Reduction in assistance to the Sussex Resilience Forum

A reduction in posts will mean a reduction in activity and therefore a reduction in the revenue spending budget which with areas of efficiencies in training and information technology goes towards the proposal saving of £100k.

## **5 Consultation**

- 5.1 Initial communications with staff and representative bodies has taken place. Informal staff consultation has begun 13<sup>th</sup> December and formal will commence on 7<sup>th</sup> January. Consultation to close 25<sup>th</sup> January 2019.
- 5.2 Debate and discussion at Environment, Communities and Fire Services Select Committee 6<sup>th</sup> December 2018. The meeting will be webcast.

## **6 Risk Management Implications**

- 6.1 Reduction of discretionary services to residents. Following risk analysis we will remain able to deliver our statutory duties to a reasonable and safe level.

## **7 Other Options Considered**

- 7.1 The decision to propose these savings was based upon an assessment of the Fire & Rescue portfolio and the planned reviews within the Integrated Risk Management Plan. This considered the following functions and ruled them out for any reductions in this round:

- a. Emergency response: There is a planned review of the emergency response standard commencing early 2019. This will enable the Fire Authority to articulate any proposed change to the current standard with the associated assessment of the resources required to deliver that standard.
- b. Business Fire Safety: Following the Grenfell Tower disaster there has been a significant additional workload placed on the Fire Safety enforcement team and it is not appropriate to consider any reduction in the team at this time.
- c. Collaboration/Partnerships: The improvement of existing and development of new collaborative opportunities will continue and is expected to yield efficiencies. To date the efficiencies gained have already been accounted for and there are none available to consider for this period.

#### Prevention and Intervention

- d. Alternative funding/Sponsorship: The Service is aware that other Fire Services have achieved significant levels of sponsorship for prevention activities such as Safe Drive, Stay Alive. This is being actively pursued by the County Council commercial team.

#### Technical Rescue Unit

Alternative funding: Discussions are ongoing with a number of partners to assess the potential to sell the technical expertise of the TRU in order to generate income. This may necessitate maintaining the team numbers to reflect the increased demand.

### **8 Equality Duty**

- 8.1 The equality impact risk assessment has been carried out for each area, there are no negative impacts indicated.

### **9 Social Value**

- 9.1 In terms of environmental sustainability the reduction of activity will mean a reduction in the environmental impact of operations.

### **10 Crime and Disorder Implications**

- 10.1 There are no implications identified.

### **11. Human Rights Implications**

- 11.1 There are no implications identified

**Nicola Bulbeck**  
Executive Director  
Communities and Public Protection

**Gavin Watts**

Director of Operations and Chief Fire Officer

**Neil Stocker**

Director of Public Protection and Deputy Chief Fire Officer

**Contact:** Neil Stocker: 07734126786

**Appendices:**

Appendix A: Responses to Questions Arising from the Proposals

**Background Papers:** None

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Responses to Questions Arising from the Proposals

- What are the full year savings as a result of these changes for 2021/22?

*Savings figures quoted are not a half year representation as this two month period reflects potential contractual changes. Savings totals if proposals are taken forward are £600k for Fire and Rescue and £100,000 for the Resilience and Emergencies Team.*

- What is the cost of that resources required to implement the proposals and from where this resource will be found?

*Resources used to deliver savings are directed from within teams across FRS, WSCC HR and finance and form part of business as usual.*

- Regarding the resilience and emergencies team, what is the current staff complement?

*8 full time equivalents.*

- What does the Duke of Cornwall course do? How many people have benefitted from it to date/annually? What are the implications of the withdrawal of this facility?

*The course works with the four key educational stages in educating young people to be safe and to be able to assist before, during and after a crisis. The Awards were developed to give young people in the UK the first opportunity to learn what to do in an emergency situation. As well as teaching them to protect themselves, the process makes them think about how to prepare their families and vulnerable people in their local community. Awards delivered directly by RET are approx. 500 over the last three years. We are aware that a number of scout groups and schools have Awards programmed for 2019/20 and we will deliver these.*

- How many Parishes have benefitted/taken advantage of support to deliver the 'What if' community resilience training? Has there been an assessment of the additional costs to the County Council in the event of an emergency in a Parish has not adopted community resilience plans?

*To date 17 parishes have completed the training and received their community resilience equipment. 3 Parishes are partway through their training, a further 7 Parishes have booked training and we are awaiting confirmation from a further 17 Parishes. It is difficult to ascribe a quantifiable cost. However, experience in other parts of the country has shown a reduced demand for Local Authority support, both during and in the recovery phase of emergency situation.*

- Has any equipment that forms part of the 'What if' campaign offer already been purchased, but will not now be used?

*There will be no surplus equipment from the previous funding from Defra as community tools have already been distributed to those Parishes with confirmed and awaited training delivery dates.*

- Will the 'Identifying and supporting the vulnerable members of the community to ensure they are prepared for emergencies such as power failure, loss of communications and reduced mobility, reducing the impacts of severe weather albeit hot or cold' aspect of the "What If" campaign cease?

*This support will continue but without the support of the parishes already engaged and the planned support in the future, we will be reliant on data from other forms of local authority and utility providers regarding vulnerable people. This is not always easy to access or as readily available, especially out of hours, but we will work with partners to improve this wherever possible.*

- What is the likely cost implication to other areas of the County Council in preparing business continuity plans?

*There are no expenditure costs associated with this proposal. Indirect costs will be items such as receiving suitable training, the production, promotion and implementation of plans and the continuing review and maintenance staff skills monitoring and adapting Business Continuity plans in changing circumstances.*

- How will assistance to the Sussex Resilience Forum be reduced (and the associated officer resource)? Are any other partners planning to reduce their support?

*WSFRS through RET support the collaborative working of the SRF corporately and collaboratively on a number of capability work streams, e.g. Sussex Community Resilience Partnership, training and exercising, mass fatalities, public welfare. RET also contribute to all remaining capability work streams. A reduction in RET resources would require an assessment of the key work streams directly or indirectly supported in the future. RET also endeavour to support training and exercising events to ensure current planning and training requirements remain relevant. This greatly assists in the review of WSCC internal resilience plans as part of the corporate response and recovery planning arrangements and to meet National Occupational Resilience standards. We are not in a position to comment on the continuing resource commitments of partner agencies to the SRF. It is worth noting that an additional capability work stream has been added to the SRF to prepare for the impacts of an "agreement or No Deal" Brexit.*

- Given savings for this team total £100,000, is it the case that that any cut over £70,000 would mean that the Council would not be able to fulfil all of its statutory functions under the Civil Contingencies Act?

*This is not the case. The council will remain able to deliver its statutory functions.*

- Regarding the proposed reduction of Intervention and Prevention activities in order to achieve a saving of £400k, can information be provided regarding the current staff complement, and a breakdown of the proposed staffing implications and more details about the aspects of service delivery that will be affected?

*This will be made available following staff consultation*

- How many people have benefitted from Firebreak courses annually over the past 10 years? Has a risk assessment been conducted in relation to those young people who will no longer be able to benefit from the courses in future?

*1299 young people have attended Firebreak courses over the last ten years. There is no specific risk assessment regarding those who do not attend the course. The courses are oversubscribed and there are always young people who have been identified as likely to benefit attending who are unable to attend due to capacity.*

- How many people have benefitted from Safe Drive to Stay Alive courses annually over the past 10 years? Has a risk assessment been undertaken in relation to those young people who will no longer be able to benefit from the courses in future, and an assessment of the number of potential accidents avoided as a result of the thousands of young people who have previously attended the courses?

*101,200 young people have been Safe Drive Stay Alive in the last 10 years. Whilst this is an impressive number there are always numbers of college age young people who do not see the show as their school/college does not send students. It is not possible to predict or establish the impact in specifics; There is no evidence or proven data. However, we have academic evaluations that indicate the positive impact that SDSA has on some attendees.*

- How many people have benefitted from school education visits annually over the past 10 years? How it is proposed these will be reduced?

*Schools Visits, including Junior Citizens 190,710: Operational crews will continue with school visits subject to the caveat that this will not cover areas where the fire cover is provided by On-call firefighters. Where*

*possible and where capacity allows, some of these visits will be picked up by the Prevention team.*

- How many people have benefitted from the Cadet programme over the past 10 years? Given the current recruitment drive, what is the rationale for withdrawing support in preparing young students for a role in the Fire Service.

*334 young people have attended a WSFRS cadet scheme in the last ten years. WSFRS have not run a cadet corps for a number of years due to resourcing issues but last year started a new scheme in conjunction with the MET college in Worthing. As part of the Uniformed Services Diploma, the MET college is the first FE college to offer a Fire & Rescue cadetship. Whilst this has produced prospective firefighter recruits, this is not the primary reason for the delivery of the course. The course prepares students for a career in the armed forces or emergency services whilst also equipping them with a wide range of life skills.*

- How many people have benefitted from the National Citizen Service arrangements run by West Sussex since the scheme began? To what extent will there be equitable opportunities for young people across the County given that Arun and Chichester in particular will be affected by these proposals?

*900 young people have attended the National Citizen Service programme.*

- What was the number of electric blankets tested on an annual basis for the last 10 years, the number of faulty blankets identified and taken out of circulation as a result of the testing, the number of lives known to have been lost due to a faulty electric blanket in (a) West Sussex and (b) England over the past 10 years?

*Blankets tested 1786, failed 603.*

*The last national survey on fire deaths linked to electric blankets was undertaken in 1999 and suggested that fire blankets were the cause of 19 deaths in 1996. In West Sussex there has been one incident within the last ten years where a fire blanket was part of the cause of a fire fatality which had other contributory behavioural factors.*

- Will the Firewise initiative continue (whereby fire advisors visit schools, homes or other establishments to address fire-setting behaviour amongst children and young people given that without help and guidance such behaviour can escalate and lead to more serious consequences)?

*I confirm FireWise will continue and is not subject to these proposals.*



- Regarding the proposed reduction of the Technical and Rescue Unit in order to achieve a saving of £200k, what is the current staff complement? Do the members of the TRU form part of the wider whole time fire service complement? What are the implications for the emergency response as a result of these proposals? Furthermore please provide full details about the specialist capability that will be lost as a result of this proposal along with details of the risk analysis conducted to enable you to be satisfied that WSFRS remains able to deliver its statutory duties given the loss of this capability.

*Current FTE = 12: The TRU are part of the Fire Service, however, they are specialists in technical rescue and do not undertake a firefighting role. The review of TRU is ongoing and is focussing on the working practices of the team, including the allowances provided. The intention of the review is to maintain the capabilities as they currently are, i.e. providing a 24 hour technical response, potentially with fewer staff. The work to understand the impacts of reducing staff numbers and the effect on capabilities is ongoing and is being done in consultation with the team.*

- With reference to consultation with staff and representative bodies, could a summary of the initial responses received in respect of the proposal be provided (including any representations by the FBU)? Was any consultation with those in receipt of the current services undertaken, such as: Schools (Firebreak, safe drive to stay alive, educational visits, NCS) and Northbrook College (Cadet course) and previous customers of the electric blanket testing and other elderly groups and forums, voluntary groups participating in the Duke of Cornwall courses, Parish Councils (What if campaign), Sussex Police and other partners of the Sussex Resilience Forum, partners and organisations that currently work alongside the types of emergencies that would benefit from the specialist support delivered by the TRU?

*The only consultation that has currently been undertaken has been with the teams affected and the representative bodies as we develop the proposals. As there is a genuine intent to work with those who deliver these services it would not be appropriate to determine the final outcome before and without carefully considering the consultation results from the teams.*

- Are you satisfied you can deliver your statutory duties to a reasonable and safe level – can you provide full details of this analysis in relation to each of the savings proposals?.

*The services under consideration are discretionary. The removal or reduction of these services does not impact on the delivery of the statutory services.*

- If the equality impact risk assessment identifies no negative impacts identified, can this be demonstrated?

*These assessments have been provided and have not identified any negative impacts with relation to protected characteristics.*

- A number of fire stations have recently had new noticeboards put in place (presumably ahead of the HMI inspection). Please confirm how many stations have had these installed, the cost of purchasing and installing them and which budget that came out of.

*All stations have been provided with new notice boards as part of the plan to improve communications. Whilst the Service uses electronic communications for most issues there is value in providing hard copy information for staff, notably at the On-call stations where the time staff are present at the station is limited. This has been in place since the Summer of 2017 and was not linked to the HMI inspection. The costs per board were £500 including fitting.*

- Do the proposals weaken the “strength in depth” of our reserve capacity for frontline services?

A number of the posts being removed are uniformed firefighter posts. When possible, these individuals support crewing on fire engines.

<b>Environment, Communities and Fire Select Committee</b>
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<b>14 January 2019</b>
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<b>Reduction to the Community Initiative Fund Budget</b>
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<b>Report by the Director of Law and Assurance</b>
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<b>Summary</b>
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A proposal has been published for a Cabinet Member decision in January to reduce from £280,000 per year to £140,000 per year the budget for the Council's Community Initiative Fund. If implemented, this would be effective (CIF) from April 2019. CIF is the local grant funding arrangement provided by the County Council and allocated by County Local Committees to support local community projects across West Sussex. The total annual budget available to CIF is currently based on £4,000 per each of the 70 members of the Council. The proposal would change this to £2,000 per member.

**The focus for scrutiny**

The Committee is asked to consider the proposal and identify any comments or recommendations it wishes to make to the Cabinet Member for Safer, Stronger Communities as part of the decision-making process.

**Proposal**

**1. Background and Context**

- 1.1 The County Council has been awarding community grants through a Community Initiative Fund (CIF) since 2006, supporting community groups and organisations across West Sussex with the aim of enhancing the delivery of the Council's priorities through enabling communities to help themselves. CIF has a budget of £280,000, based on £4,000 per member, which is pooled on a County Local Committee (CLC) basis. This budget has been reduced over time, most recently in 2016 when the decision was taken to reduce it from £6,000 to £4,000 per member.
- 1.2 Since April 2018 CIF has been allocated by CLCs through a crowdfunding model called 'the West Sussex Crowd'. This has enabled funding from other sources to be pledged to local projects and causes. By early January 2019, over £190,000 had been pledged, £118,000 of which has come from external funding sources. The ability to leverage such external funding, combined with the fact that the CIF budget is usually underspent each year, has led to the development of this proposal to reduce the CIF budget as part of the Council's overall savings programme. Whilst this will inevitably impact on the Council's ability to provide direct financial support to local good causes and community projects, CIF is not being removed completely and the potential to draw in more funding through the crowdfunding approach is being realised.

- 1.3 A review of the crowdfunding approach is due to be carried in April, a year after its implementation, and will be reported to this Committee. This will assess how well the process is working, any lessons learned and changes to be made. It will also involve consultation with all members, CLCs voluntary and community sector organisations. However, it is not possible to delay reducing the CIF budget until this review is completed, as the Council faces significant financial challenges and savings need to be delivered for the 2019/20 Budget. The review of crowdfunding will assess the impact of any agreed reductions to CIF. In addition, there is due to be a review of CLCs by Governance Committee in the summer, which will also be considering the wider community development role of the Council, to include how best to enable and foster effective community resilience.

## **2. Proposal**

- 2.1 To support the Council's savings programme, it is proposed that the CIF budget be reduced by 50% from 2019/20, to a total of £140,000, based on £2,000 per member of the Council. This will continue to be allocated through County Local Committees using the West Sussex Crowd.
- 2.2 Whilst CIF supports local projects across West Sussex and is valued by both members and communities, the Council faces difficult financial challenges and savings need to be found across all Council budgets. The financial data set out in **Appendix A** shows that the West Sussex Crowd is already generating additional external funding for community initiatives. There should be potential to increase the amount of this even further, given that the crowdfunding approach has only been in place since April 2018. A review of the West Sussex Crowd will be carried out in spring 2019, and opportunities to develop this approach further and generate more community investment will be explored through this.
- 2.3 Appendix A also shows that CIF is regularly underspent (£34,000 in 2016/17 and £23,000 in 2017/18). As at early January 2019, only £86,000 of the CIF budget for 2018/19 had been allocated. Data on how CIF is allocated and the types of projects supported is also set out in Appendix A.
- 2.4 The fact that the CIF budget is usually underspent each year, combined with the external funding generated by the West Sussex Crowd, suggests that the impact of the proposed budget reduction can be minimised. However, it is recognised that this will reduce the amount of funding the Council can provide to support community initiatives – and that it is a challenging time for the voluntary and community sector in terms of the wider funding available. A review by the Council's Governance Committee of CLCs later this year will include consideration of the Council's wider community development role. Opportunities to develop different ways of generating support for community initiatives will be explored as part of this.

## **3. Resources**

- 3.1 A 50% reduction to the CIF budget will deliver a saving of £140,000 from 2019/20, as part of the Council's overall savings programme.

- 3.2 The current CIF budget (2018/19) is £280,000 per year, based on an allocation of £4,000 per member. CIF underspends have in recent years been transferred into the next year's budget, with £23,000 transferred into the Fund for 2018/19. In addition, £50,000 transferred from the former Members' Big Society Fund in 2018/19. This additional funding will not continue in future years, and any underspend this year will not be rolled-over. This means there may be some in-year savings to be delivered from the total budget available of £353,000, depending on the final allocation of CIF through CLC meetings in February and March 2019.

## **Factors taken into account**

### **4. Issues for consideration by the Select Committee**

#### 4.1 Issues members may wish to explore include:

- The impact CIF has on community resilience and wellbeing and the delivery of the Council's priorities – and how any reduction in the total grant available will affect this.
- CIF allocation patterns and the implications for CLCs of any reduction in CIF.
- Whether the protocol for allocation of CIF may need to be reviewed in light of any reductions to the budget, to ensure the remaining funding is targeted at projects that will have the biggest impact for the community.
- The scope of the review planned for the crowdfunding approach, due to be carried out from April 2019 (and to be reported to this Committee).
- Feedback from members (to be provided at Appendix B)
- The implications for the Council's finances if this proposed saving isn't delivered, and any alternative savings options that should be considered.

### **5. Consultation**

- 5.1 All members of the Council have been invited by the Cabinet Member for Safer, Stronger Communities to comment on this proposal. Responses received will be collated and summarised and provided to the Committee at **Appendix B**. CIF applicants and local voluntary and community sector organisations have not been consulted; it is unlikely that they would support any reduction in this funding stream. However these will be consulted as part of the review of the West Sussex Crowd later this year.

### **6. Risk Management Implications**

- 6.1 A reduction in the CIF budget will impact on the number and range of local causes that the Council is able to support. This may lead to reputational risk to the Council in terms of the impact on the ability of organisations to deliver local projects and initiatives. However, a review of CLCs is planned for summer 2019, and this will include consideration of the Council's approaches to community development and will explore opportunities to support community resilience in different ways. A review of the West Sussex Crowd in spring 2019 will also consider ways to generate further external funding through this platform.

- 6.2 Any failure to deliver the proposed reduction in CIF will have an impact on the Council's overall savings programme, requiring alternative savings to be found from other budgets.

## **7. Other Options Considered**

- 7.1 Consideration was given to removing CIF altogether, delivering a saving of £280,000. However, this would mean the loss of all grant funding provided by the Council and consequently the opportunity to provide any financial support to local causes and projects. It would potentially undermine the role of CLCs and the role local members play in their communities. In addition, the Council is currently ten months into a three-year contract with a company (Spacehive) to deliver the crowdfunding approach. It would be difficult to maintain this approach without any CIF budget. It was therefore considered that a 50% reduction in CIF was the preferred option.
- 7.2 Another option would be to reduce CIF by less than 50%, but this would not deliver the necessary savings to support the Council's overall savings target.

## **8. Equality Duty**

- 8.1 Under the Equality Act, the Council has a 'public sector equality duty'. It must have and show how it has due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and people who do not share it. The need for an Equality Impact Report has been assessed. Whilst CIF may be used to benefit people with protected characteristics, it is a universal grant that any group can apply for and is used to support a range of community-based projects and initiatives. Reduction in this Fund will have the same impact on those who have a protected characteristic as those who do not. It is therefore not considered that a report on impact for equality purposes is needed.
- 8.2 The proposal is not to remove CIF altogether, so there will still be the potential to use the Fund to support groups and projects that may be working to help eliminate discrimination and advance equality of opportunity.

## **9. Social Value**

- 9.1 Grant funding helps voluntary and community groups to contribute to the social, economic and environmental wellbeing of their communities.

## **10. Crime and Disorder Implications**

- 10.1 There are no Crime and Disorder Act implications associated with this proposal.

## **11. Human Rights Implications**

- 11.1 There are no known Human Rights implications associated with this proposal.

**Tony Kershaw**

Director of Law and Assurance

**Contact:** Nick Burrell, Senior Advisor Democratic Services,  
[nick.burrell@westsussex.gov.uk](mailto:nick.burrell@westsussex.gov.uk) or tel: 033022 23881

**Appendices**

- Appendix A: Data on CIF allocations – To Follow
- Appendix B: Feedback from members on the proposal – To Follow

**Background Papers**

None

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# Forward Plan of Key Decisions

## Explanatory Note

The County Council must give at least 28 days' notice of all key decisions to be taken by members or officers. The Forward Plan includes all key decisions and the expected month for the decision to be taken over a four-month period. Decisions are categorised in the Forward Plan according to the [West Sussex Plan](#) priorities of:

- Best Start in Life
- A Prosperous Place
- A Safe, Strong and Sustainable Place
- Independence in Later Life
- A Council that Works for the Community

The Forward Plan is updated regularly and key decisions can be taken daily. Published decisions are available via this [link](#). The Forward Plan is available on the County Council's website [www.westsussex.gov.uk](http://www.westsussex.gov.uk) and from Democratic Services, County Hall, West Street, Chichester, PO19 1RQ, all Help Points and the main libraries in Bognor Regis, Crawley, Haywards Heath, Horsham and Worthing.

**Key decisions** are those which:

- Involve expenditure or savings of £500,000 or more (except decisions in connection with treasury management); and/or
- Will have a significant effect on communities in two or more electoral divisions in terms of how services are provided.

The following information is provided for each entry in the Forward Plan:

<b>Decision</b>	The title of the decision, a brief summary and proposed recommendation(s)
<b>Decision By</b>	Who will take the decision
<b>West Sussex Plan priority</b>	See above for the five priorities contained in the West Sussex Plan
<b>Date added to Forward Plan</b>	The date the proposed decision was added to the Forward Plan
<b>Decision Month</b>	The decision will be taken on any working day in the month stated
<b>Consultation/ Representations</b>	Means of consultation/names of consultees and/or dates of Select Committee meetings and how to make representations on the decision and by when
<b>Background Documents</b>	What documents relating to the proposed decision are available (via links on the website version of the Forward Plan). Hard copies of background documents are available on request from the decision contact.
<b>Author</b>	The contact details of the decision report author
<b>Contact</b>	Who in Democratic Services you can contact about the entry

For questions about the Forward Plan contact Helena Cox on 033022 22533, email [helena.cox@westsussex.gov.uk](mailto:helena.cox@westsussex.gov.uk).

**Published: 2 January 2019**

## A Prosperous Place

### Cabinet Member for Highways and Infrastructure

#### Gatwick Airport Draft Master Plan 2018: Approval of Consultation Response

Gatwick Airport Limited (GAL) has revised the non-statutory Gatwick Airport Master Plan, setting out its vision about how the airport can meet growing demand for air travel and deliver global connections into the early 2030s. The draft of the new Master Plan was published for comment on 18 October 2018 for 12 weeks until 10 January 2019.

The new Master Plan, which will replace the current 2012 Master Plan, explains how Gatwick would develop and grow, balancing economic growth and environmental impact. It sets out the plan for the next five years together with three growth scenarios looking 5-15 years ahead to 2032. The scenarios, which could be taken forward separately or in combination, are: increase capacity using the existing main runway; bring the existing standby (or emergency) runway into routine use alongside the main runway; and continue to safeguard land for an additional runway to the south (while not actively pursuing one at this stage).

GAL considers that the proposals are in line with the Government's policy for making best use of existing runways and that it will deliver highly-productive, incremental new capacity with minimal environmental impact, to complement expansion schemes at other airports across the South East (including a third runway at Heathrow).

The draft Master Plan also contains environmental information as well as information on economic and employment strategies and community engagement strategies. A number of questions have been posed by GAL as part of the consultation.

The Cabinet Member for Highways and Infrastructure will be asked to approve the County Council's formal response to the consultation.

<b>Decision By</b>	Mr Elkins - Cabinet Member for Highways and Infrastructure
<b>West Sussex Plan priority</b>	A Prosperous Place
<b>Date added to Forward Plan</b>	1 November 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	Internal with officers and members. Environment, Communities and Fire Select Committee on 6 December 2018  Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Mike Elkington Tel: 033 022 26463

<b>Contact</b>	Judith Shore Tel: 033 022 26052
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**Leader**

<b>Burgess Hill Growth Programme - Approval of Place and Connectivity Programme Funding Agreement</b>	
<p>The Mid Sussex Growth Deal, WSCC working in partnership with Mid Sussex District Council, identifies a set of priorities for economic growth in the area. The Coast to Capital Local Enterprise Partnership (LEP) has approved an allocation of £10.9m of Local Growth Funding to support the delivery of growth in the area based on a business case that promotes the delivery of a Place and Connectivity Programme. A programme of measures has been prepared that meet the aspirations identified in the business case and was approved by the LEP Investment Committee in December 2018. This programme of measures requires a funding agreement to be completed to support subsequent delivery of schemes and drawdown of the Local Growth Funding allocated by the LEP.</p> <p>The Leader will therefore be asked to agree the funding and resourcing arrangements to support the completion of a Funding Agreement with the LEP and subsequent delivery of the projects identified in the Burgess Hill Growth Programme – Place and Connectivity programme.</p>	
<b>Decision By</b>	Ms Goldsmith - Leader
<b>West Sussex Plan priority</b>	A Prosperous Place
<b>Date added to Forward Plan</b>	21 December 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	Local Members  Representations can be made concerning this proposed decision to the Leader, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Duncan Barratt Tel: 033 022 23875
<b>Contact</b>	Katherine De La Mora Tel: 0330 022 22535

**Cabinet Member for Highways and Infrastructure**

<b>A29 Realignment Scheme</b>
<p>The proposed A29 Realignment Scheme would deliver a ~4km bypass to the east of Eastergate, Westergate and Woodgate villages. The new road alignment would provide the highway infrastructure needed to mitigate the impacts of planned strategic development of 30ha of employment land and 3,720 new homes in the</p>

area. Along with alleviating problems of traffic congestion along the existing A29, notably at the Woodgate level crossing which causes delays on a key access route to Bognor Regis.

To date, West Sussex County Council has commissioned the consultants WSP to carry out a Route Option Review of the A29 Realignment Scheme, develop the preliminary design and Full Business Case (FBC). The previously submitted Strategic Outline Business Case to the Coast to Capital Local Enterprise Partnership (LEP) allocated in principle £13m of Local Growth fund to the scheme, subject to submission and approval of a FBC.

The Cabinet Member will be recommended to approve that the FBC is submitted to Coast to Capital LEP, commence public consultation in spring 2019 and commence the procurement process to select a contractor for the next stage of the project.

<b>Decision By</b>	Mr Elkins - Cabinet Member for Highways and Infrastructure
<b>West Sussex Plan priority</b>	A Prosperous Place
<b>Date added to Forward Plan</b>	16 October 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	<p>Consultation with internal departments and external stakeholders. Full public consultation in spring 2019</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
<b>Background Documents</b> (via website)	None
<b>Author</b>	Elaine Martin Tel: 033 022 24105
<b>Contact</b>	Judith Shore Tel: 033 022 26052

**Cabinet Member for Highways and Infrastructure**

**Strategic Transport Investment Programme (2018/2019)**

In July 2013, the Council established a Strategic Transport Investment Programme (STIP) to identify and develop strategic (i.e. larger than local) transport schemes that are needed to support sustainable economic growth in the county. A long list of potential schemes was identified at that time, largely building on technical work to prepare local plans and these schemes were prioritised.

The STIP has been reviewed periodically since 2013 and consideration is again being given to adding new priorities for investment and also removing schemes that are no longer considered to be priorities. Consultation has taken place with elected members and other stakeholders who were invited to put forward suggestions to inform the review. As the majority of funding for strategic transport projects will be subject to

scheme appraisal in line with Department for Transport guidance, any new potential priorities will be appraised using a similar standardised approach.

The Cabinet Member for Highways and Infrastructure will be provided with an update on progress with current priorities and recommended to approve a revised Strategic Transport Investment Programme list of priorities, including the need for feasibility work on schemes in 2019/20.

<b>Decision By</b>	Mr Elkins - Cabinet Member for Highways and Infrastructure
<b>West Sussex Plan priority</b>	A Prosperous Place
<b>Date added to Forward Plan</b>	7 August 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	Local Members, Local Planning Authorities and other key stakeholders were invited to put forward suggestions  Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Paul Eagle Tel: 033 022 25298
<b>Contact</b>	Judith Shore Tel: 033 022 26052

### Director of Highways and Transport

#### Broadbridge Heath Major Highway Improvement Scheme

The Newbridge and Farthings Hill junction improvements form part of the West of Horsham transport improvement package funded through developer Section 106. The improvements include alterations to the layouts of the junctions, new connector road (Newbridge) new pedestrian and cycle facilities and new traffic signal crossing provision.

In May 2018, the Cabinet Member for Highways and Infrastructure approved ([www2.westsussex.gov.uk](http://www2.westsussex.gov.uk)) the commencement of the tender process to secure a Build Contractor and delegated authority to the Director of Highways & Transport to appoint the services of a Build Contractor following the tender process.

At the conclusion of the tender process, the Director for Highways and Transport will be asked to appoint a contractor from the WSCC Framework Lot 1 to undertake the construction of the Broadbridge Heath Major Highway Improvement Scheme.

## Agenda Item 9

<b>Decision By</b>	- Director of Highways and Transport
<b>West Sussex Plan priority</b>	A Prosperous Place
<b>Date added to Forward Plan</b>	4 December 2018
<b>Decision Month</b>	February 2019
<b>Consultation/ Representations</b>	Executive Director Economy, Infrastructure and Environment Director of Law and Assurance Director of Finance Performance and Procurement  Representations concerning this proposed decision can be made to the Director for Highways and Transport, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Stephen Reed Tel: 033 022 27328
<b>Contact</b>	Judith Shore Tel: 033 022 26052

### **Cabinet Member for Highways and Infrastructure**

#### **Highways and Infrastructure 2019/20 Forward Works Programmes and Annual Delivery Programme**

The Highway Infrastructure Asset Management Policy and Strategy communicates West Sussex County Council's approach to highways infrastructure asset management, setting out the decision making framework for the maintenance of the roads in West Sussex. Corporate processes are also in place for the identification, assessment, and prioritisation of local and community highway and transport improvements. The rolling Forward Programmes for Highway Maintenance, Local Transport Improvement Programme (LTIP), and Community Highway Schemes (CHS) identify and prioritise future maintenance and improvement needs across the County Council's highway asset groups. These forward programmes inform the future Annual Delivery Programmes.

The Highway Maintenance, LTIP and CHS Forward Programmes provide robust and reliable information to identify the future maintenance need, or transport infrastructure improvements to be carried out within the next three to five years. The programmes are used to support forward financial planning and communicate the anticipated planned maintenance and transport improvements to elected members, County Local Committees, local West Sussex businesses and residents.

The Annual Delivery Programme is developed and prepared from the integration of the Forward Programmes each year during autumn for approval in advance of the start of the new financial year. It prioritises maintenance and improvement schemes taking into account available funding for delivery and the relative need.

The Cabinet Member for Highways and Infrastructure will be asked to approve the 2019/20 Annual Delivery Programme acknowledging the prioritisation set out in the Forward Programmes.

<b>Decision By</b>	Mr Elkins - Cabinet Member for Highways and Infrastructure
<b>West Sussex Plan priority</b>	A Prosperous Place
<b>Date added to Forward Plan</b>	14 December 2018
<b>Decision Month</b>	February 2019
<b>Consultation/ Representations</b>	<p>The County Local Committees will be informed and asked to note schemes in their specific areas (anticipated during the February/March 2019 round of meetings).</p> <p>Internal consultation in development of the draft Forward Works Programmes and Annual Delivery Plan including asset owners and programme leads within the Highways and Transport service. The draft Forward Works Programmes will be presented to the Highways and Transport Capital Hub for review.</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
<b>Background Documents</b> (via website)	None
<b>Author</b>	Rowan Sheppard Tel: 033 022 23627
<b>Contact</b>	Judith Shore Tel: 033 022 26052

### **Cabinet Member for Highways and Infrastructure**

<b>Guidance on Parking in New Developments</b>	
<p>The Council provides guidance on parking in new residential and commercial developments to inform the determination of planning applications by Local Planning Authorities (LPA). It addresses the amount of car and cycle parking that is expected to be provided and includes advice to developers and the LPAs on the highway impacts of parking provision in new developments.</p> <p>The current guidance was last reviewed in 2010 (residential), and 2003 (commercial). There is a need to review the current guidance to ensure it is fit for purpose, up to date and consistent with current national planning policy and guidance. A review of the current guidance has been undertaken in consultation with the LPAs to provide an updated evidence base and recommendations on which the new guidance will be based.</p> <p>The Cabinet Member for Highways and Infrastructure will receive a report on the review of current guidance and be asked to approve the Council's updated Guidance on Parking in New Developments.</p>	
<b>Decision By</b>	Mr Elkins - Cabinet Member for Highways and Infrastructure
<b>West Sussex Plan priority</b>	A Prosperous Place

<b>Date added to Forward Plan</b>	7 August 2018
<b>Decision Month</b>	March 2019
<b>Consultation/ Representations</b>	Local Planning Authorities in West Sussex  Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Paul Eagle Tel: 033 022 25298
<b>Contact</b>	Judith Shore Tel: 033 022 26052

## A Strong, Safe and Sustainable Place

### **Cabinet Member for Safer, Stronger Communities**

<b>Community Hubs</b>
<p>The County Council continues to explore opportunities for maximising the strengths of the County’s communities and to make the most effective use of the spaces in our communities where services are provided.</p> <p>In Worthing over the last few months the views of residents and service users have been sought on ideas for remodelling the main library building and the services available within it. This is to include the transfer of services currently provided at the children and family centre. These proposals have received very positive support and are now ready to be described in more detail in order to secure the full engagement of members, residents and service users in the delivery of this project.</p> <p>The Cabinet Member will take a decision on the timing and form of the implementation of a plan to remodel Worthing library and for it to incorporate the services currently provided in the Worthing children and family centre and to become a more flexible and adaptable community hub.</p> <p>This project will also be used to help inform and support longer term plans to consider options for similar remodelling of County Council facilities and service buildings, focusing on libraries, children and family centres and other community based buildings to consider whether they can provide similar benefits as ‘community hubs’, whilst maximising the most effective use of the County Council estate.</p> <p>The strategy that will develop would recognise the critical role played by libraries and children and family centres in local areas in providing information, places to connect people, support for residents in need and in building community resilience and capacity. The aim would also be to increase community engagement through redesigning these services with the communities who use them and incorporating space for community led activities and for partners to deliver their services locally.</p> <p>By bringing local services together and using council buildings more flexibly and effectively we should also realise financial benefits whilst improving our offer to local</p>



communities and protect these important services for the future of West Sussex.	
<b>Decision By</b>	Ms Kennard - Cabinet Member for Safer, Stronger Communities
<b>West Sussex Plan priority</b>	A Safe, Strong and Sustainable Place
<b>Date added to Forward Plan</b>	1 November 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	Representations concerning the proposed decision can be made to the Cabinet Member for Safer, Stronger, Communities by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	
<b>Author</b>	Rachel North Tel: 033 022 22681
<b>Contact</b>	Erica Keegan Tel: 033 022 26050

### **Cabinet Member for Safer, Stronger Communities**

<b>Contract arrangements for Voluntary Sector Infrastructure (VCSI)</b>	
<p>The Cabinet Member is asked to agree to the commencement of a procurement process to secure a contract relating to the provision of Voluntary Sector Infrastructure Support (VCSI) services in West Sussex from Spring 2019.</p> <p>The County Council will procure a new VCSI service from the 'VCSI Alliance', which is made up of the locally commissioned VCSI organisations, and will also continue to work in partnership with District &amp; Borough partner-funders to support VCSI in West Sussex.</p> <p>The proposal is for contracts to run for two years with the possibility of a further two years extension. The total value of these contracts is approximately £200,000 per annum.</p> <p>The Cabinet Member is asked to agree to the commencement of a procurement process starting in January 2019 to secure a contract relating to the provision of Voluntary Sector Infrastructure Support (VCSI) services from Spring 2019 for a period of 2+1+1 years and to delegate the awarding of the contract and the decision about a future extension of the contract to the Executive Director, Communities &amp; Public Protection.</p>	
<b>Decision By</b>	Ms Kennard - Cabinet Member for Safer, Stronger Communities
<b>West Sussex Plan priority</b>	A Strong Safe Sustainable Place
<b>Date added to Forward Plan</b>	23 November 2018
<b>Decision Month</b>	January 2019

<b>Consultation/ Representations</b>	District and Borough Councils  Representations concerning this proposed decision can be made to the Cabinet Member for Safer Stronger Communities via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Seth Gottesman Tel: 033 022 28706
<b>Contact</b>	Erica Keegan Tel: 033 022 26050

### **Cabinet Member for Safer, Stronger Communities**

<b>Future Mobilisation Arrangements for West Sussex Fire and Rescue Service</b>	
<p>The Fire and Rescue Services Act 2004 requires the County Council to make arrangements for dealing with calls for help and for summoning personnel to attend incidents. That service for West Sussex is currently provided by East Sussex Fire and Rescue Service under an agreement pursuant to Section 16 of the Act. In August 2018 the County Council gave 18 months' notice to withdraw from the current arrangement. Since that time officers have undertaken a full review of the current call handling and mobilising arrangements and requirements and have considered a range of options for the future of the service. It remains an option to enter into arrangements with another Fire Authority for the discharge of the duties under the Act.</p> <p>Due to the need for planning, preparation and transition arrangements it is proposed that the County Council determines its future plans for arrangements to provide call handling and mobilisation to enable a successful move from current service arrangements.</p> <p>Consequent on a full options appraisal the Cabinet Member will be asked to approve the future mobilisation arrangements for the West Sussex Fire and Rescue Service.</p>	
<b>Decision By</b>	Ms Kennard - Cabinet Member for Safer, Stronger Communities
<b>West Sussex Plan priority</b>	A Safe, Strong and Sustainable Place
<b>Date added to Forward Plan</b>	14 December 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	Representations concerning this proposed decision can be made to the Cabinet Member for Safer, Stronger Communities, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None

<b>Author</b>	Jon Lacey Tel: 033 022 25057
<b>Contact</b>	Erica Keegan Tel: 033 022 26050

### Cabinet Member for Environment

<b>Halewick Lane Energy Storage Project</b>	
<p>The project forms part of the agreed objectives of the Your Energy Sussex (YES) partnership by increasing and enabling the expansion of renewable energy generation in the county as well as developing the low carbon economy and reducing CO<sub>2</sub> emissions. It also supports the outcomes identified in the approved <a href="#">Energy Strategy</a>. The project will also facilitate a much needed re-development of the site, with the existing buildings being demolished and the site fully secured. The site has in recent years suffered problems with safety, break-ins and vandalism.</p> <p>Since 1 April 2014 the YES team has been working to develop a significant pipeline of energy related projects including:</p> <ul style="list-style-type: none"> <li>• The imminent completion of Westhampnett solar farm with 4 mega-watts of energy storage on site,</li> <li>• Development of Tangmere Solar farm, which is now complete,</li> <li>• Installation of commercial scale PV (photovoltaic) systems on schools and third party roofs including at Goodwood Aerodrome,</li> <li>• PV systems for 225 houses owned by Crawley Borough Council, and</li> <li>• For Adur &amp; Worthing councils, installation of gas central heating systems in houses served by a newly installed gas main.</li> </ul> <p>Generation of income for all the energy schemes will be achieved through the Council's energy purchaser (N-Power) selling power on its behalf, maximising the income opportunities available as an energy generator. The dual expansion of solar generation and stand-alone battery storage is a key part of the YES energy project pipeline, with solar farms and battery storage continuing to represent a relatively low risk investment for capital.</p> <p>The Cabinet Member will be asked to approve the development of the previous Sompting Waste Destructor site (Halewick Lane, Sompting) into a battery storage facility.</p>	
<b>Decision By</b>	Mrs Urquhart - Cabinet Member for Environment
<b>West Sussex Plan priority</b>	A Strong, Safe and Sustainable Place
<b>Date added to Forward Plan</b>	14 August 2018
<b>Decision Month</b>	March 2019
<b>Consultation/ Representations</b>	<p>Member for Sompting and North Lancing, Sompting Parish Council, District councillors, resident engagement session planned for North Lancing and surrounding area, South Downs National Park Authority</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member Environment, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>

<b>Background Documents</b> (via website)	Full planning documentation (when submitted - October 2018)
<b>Author</b>	Tom Coates Tel: 033 022 26458
<b>Contact</b>	Judith Shore Tel: 033 022 26052

## A Council that works for the Community

### Cabinet

<b>Approval of the County Council's Revenue Budget 2019/20 and Capital Programme 2019/20 to 2023/24</b>	
<p>The Budget report details the County Council's revenue budget, the level of council tax proposed for 2019/20, the nature of its expenditure, income and savings for a balanced budget. It will also outline the County Council's Capital Programme to cover the five year period 2019/20 to 2023/24, which will update the programme previously agreed by County Council.</p> <p>Cabinet will be asked to endorse the Revenue Budget and Capital Programme for approval at County Council on 15 February 2019.</p>	
<b>Decision By</b>	Mr Marshall, Mr Elkins, Mrs Urquhart, Ms Goldsmith, Mr Burrett, Mr Hunt, Mrs Jupp, Ms Kennard, Mr Lanzer - Cabinet
<b>West Sussex Plan priority</b>	A Council that Works for the Community
<b>Date added to Forward Plan</b>	12 November 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	<p>Performance and Finance Select Committee 17 January 2019 All Member Session – 9 January 2019</p> <p>Representations concerning this proposed decision can be made to the Cabinet, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
<b>Background Documents</b> (via website)	Previous County Council Budget Books
<b>Author</b>	Steve Harrison Tel: 033 022 23391
<b>Contact</b>	Katherine De La Mora Tel: 033 022 22535

**Cabinet Member for Safer, Stronger Communities**

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### Community Initiative Fund (CIF)

It is proposed that the budget for the Council's Community Initiative Fund (CIF) be reduced from £280,000 per year to £140,000 per year from April 2019. CIF is the local grant funding arrangement provided by the County Council and allocated by County Local Committees (CLCs) to support local community projects across West Sussex. The total annual budget available to CIF based on £4,000 per each of the 70 members of the Council.

Since April 2018 CIF has been allocated through a crowdfunding model called 'the West Sussex Crowd'. This enables funding from other sources to be pledged to local projects and causes. The introduction of this model has led to a much lower call on the CIF budget as pledges from other sources have grown. A full review of the impact of the use of crowdfunding is due to be carried out and reported to the Environment, Communities and Fire Select Committee in March 2019, but experience to date shows that additional external funding is being secured through the model and are expected to increase.

In addition the CIF budget is usually underspent each year (£33,000 in 2016/17, £23,000 in 2017/18), and so this provides further assurance that the current CIF level can be reduced without significant impact on support for community projects.

The Council has significant financial challenges to meet by 2022/23 and savings in the CIF budget will help contribute to its overall savings programme.

The Cabinet Member is asked to consider reducing the CIF budget to £140,000, on a basis of £2,000 per member of the Council, from April 2019.

<b>Decision By</b>	Ms Kennard - Cabinet Member for Safer, Stronger Communities
<b>West Sussex Plan priority</b>	A Council that Works for the Community
<b>Date added to Forward Plan</b>	17 December 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	<p>All members of the Council have been invited to comment on the proposal.</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Safer, Stronger Communities, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
<b>Background Documents</b> (via website)	None
<b>Author</b>	Nick Burrell Tel: 033 022 23881
<b>Contact</b>	Erica Keegan Tel: 033 022 26050

## Strategic Budget Options 2019/20

## Agenda Item 9

As part of the County Council's budget process 2019/20 and in light of current financial challenges, Cabinet Members will be asked to determine various portfolio budget proposals as set out below.

### **Cabinet Member for Safer, Stronger Communities**

#### **Proposed Savings from the Communities and Public Protection budget for 2019/2020**

There are proposed Savings from the Communities and Public Protection budget for 2019/2020 from the areas of Operations and Public Protection.

The Operations Directorate and Public Protection Directorate have looked at areas in which to make further reductions in costs as part of the County Council's budget planning process. The proposals include the cessation of some discretionary initiatives and changes to the operating model of service delivery in Operations and Public Protection.

The key decision on whether to accept the proposed changes to Operations and Public Protection budgets will take place in January after Cabinet Board on 22 January 2019 and this will be previewed by the Environment Communities and Fire Select Committee at its meeting on 14 January 2019, at which time the Committee will be presented with detailed information on what is being proposed.

<b>Decision By</b>	Ms Kennard - Cabinet Member for Safer, Stronger Communities
<b>West Sussex Plan priority</b>	Strategic Budget Options 2019/2020
<b>Date added to Forward Plan</b>	21 December 2018
<b>Decision Month</b>	January 2019
<b>Consultation/ Representations</b>	Representations concerning this proposed decision can be made to the Cabinet Member for Safer Stronger Communities, via the officer contact, by the beginning of the month in which the decision is due to be taken.
<b>Background Documents</b> (via website)	None
<b>Author</b>	Gavin Watts Tel: 033 022 25538
<b>Contact</b>	Erica Keegan Tel: 033 022 26050

<b>Cabinet Member for Environment</b>	<b>Ref No: ENV11 (18.19)</b>
<b>December 2018</b>	<b>Key Decision: Yes</b>
<b>Revisions to Recycling Credit Payments</b>	<b>Part I</b>
<b>Report by Executive Director of Economy, Infrastructure and Environment and Director of Energy, Waste and Environment</b>	<b>Electoral Divisions: All</b>
<p><b>Summary</b></p> <p>This report proposes to terminate the current Memorandum of Understanding (MoU) which settles the funding arrangement with West Sussex Districts and Boroughs (D&amp;Bs) for recycling credits and to adopt a new approach from 1st April 2019 for up to one year. The future arrangements for incentivising improved recycling levels will be developed during that year with Districts and Boroughs.</p> <p>The County Council has no duty to pay any form of recycling credit for material delivered directly or indirectly to the Material Recycling Facility (MRF). Nevertheless the County Council proposes to continue to make payments to the Districts and Boroughs in 2019/20 based on a benchmark calculation per tonne of recyclate collected to enable the transition to the future scheme.</p> <p>The mechanism and funding arrangements from 2020/21 will be determined at a future date and will be informed by:</p> <ul style="list-style-type: none"> <li>• Changes in producer responsibility funding for household recycling collection and processing signalled in the Government's Resources and Waste Strategy (expected by the end of the year);</li> <li>• Any proposals that emerge and can be agreed from discussing performance improvements with the D&amp;B partners; and</li> <li>• Overall affordability, given the County Council's projected financial position.</li> </ul> <p>The County Council intends to fund the baseline waste partnership support and joint projects in 2019/20. Future partnership project arrangements will be considered as part of the above review and will need to be fairly shared.</p> <p>Although it has no direct impact on the County Council's contractual arrangements, the Memorandum of Understanding is referred to in both of the major contracts for waste services and these will need to be amended or removed.</p>	
<p><b>West Sussex Plan: Policy Impact and Context</b></p> <p>This decision would support the objective of reducing waste to landfill by encouraging the District and Borough Councils to focus on and support the County Council to improve waste diversion from disposal and improve recycling levels.</p>	
<p><b>Financial Impact</b></p>	

The financial impact for the County Council in 2019/20 would be a saving of c£1m, based on the total amount paid to the District and Borough Councils in 2017/18. The actual saving versus this year's spending will depend on the tonnages of material collected by the District and Borough Councils and the value of recycle.

### **Recommendations**

It is recommended that:

(1) The County Council formally notifies all of the County's District and Borough Councils of the termination of the current Memorandum of Understanding (MoU) funding arrangement.

(2) The County Council adopts a calculation for payments to be made to waste collection authorities of £61.12 per tonne for the financial year commencing 1<sup>st</sup> April 2019.

(2) The Director of Energy Waste and Environment is authorised to work with District and Borough partners on an alternative approach to any payments related to improved recycling performance from 2020/21. This to take into account:-

- (a) Changes in producer responsibility funding for household recycling collection and processing signalled in the Government's Resources and Waste Strategy;
- (b) Any proposals that emerge from discussing performance improvements with the D&B partners; and
- (c) Overall affordability, given the County Council's projected financial position.

(3) Authority is delegated to the Director of Law and Assurance to settle arrangements for the removal of references to the MoU in the Materials Resource Management Contract and the Recycling and Waste Handling Contract.

### **PROPOSAL**

#### **1. Background and Context**

1.1 The Environmental Protection Act 1990 introduced the concept of Waste Disposal Authorities (WDAs) incentivising Waste Collection Authorities (WCAs) to increase recycling, thereby diverting material which could otherwise be recycled from landfill and producing a net saving.

1.2 In 2006 the Government encouraged local authorities to come to their own arrangements but set out a calculation method in the Environmental Protection (Waste Recycling) Payments (England) Regulations 2006. This would apply if no such agreement was reached or in place. At 2019/20 levels this would amount to £61.12 per tonne.

1.3 A local scheme was agreed by the West Sussex Waste Partnership (WSWP) around 10 years ago. In other counties the scheme tends to involve either the WDA paying for the infrastructure to allow WCAs to deposit material in



lieu of any recycling credit (e.g. Hampshire, Lancashire, Leicestershire), or a continuing system which paid on a per tonne basis at, or around, the level stipulated in the above regulations (e.g. Somerset, Gloucestershire). In West Sussex the agreement involved both these elements which represents a more generous arrangement than the Regulations require.

- 1.4 Legal advice taken by the County Council has confirmed that the County Council, having provided the MRF / Transfer Stations for D&Bs to deliver to, has no duty to provide payment to support the cost to the collection authorities of collecting that recyclate. The principal purpose of recycling credits payable to waste collection authorities is to compensate them for costs they incur which reduce the expenditure of the waste disposal authority. The payments should therefore lead to improved recycling levels as the expenditure should be aimed at meeting costs which achieve that aim.
- 1.5 While the current scheme may have driven improved performance initially, performance overall, and on a council by council basis, is poor compared to comparator authorities as shown in table 1 below (residual waste being the waste not recycle or reused). A principal purpose of the MoU arrangements was to drive improved performance. However performance (with the recent exception of Horsham who would be least impacted by the proposal) has stagnated in recent years. At a countywide level the high level of financial support has had no discernible significant impact on performance over a long period. Therefore the enhanced level of payment through the current MoU cannot be justified.

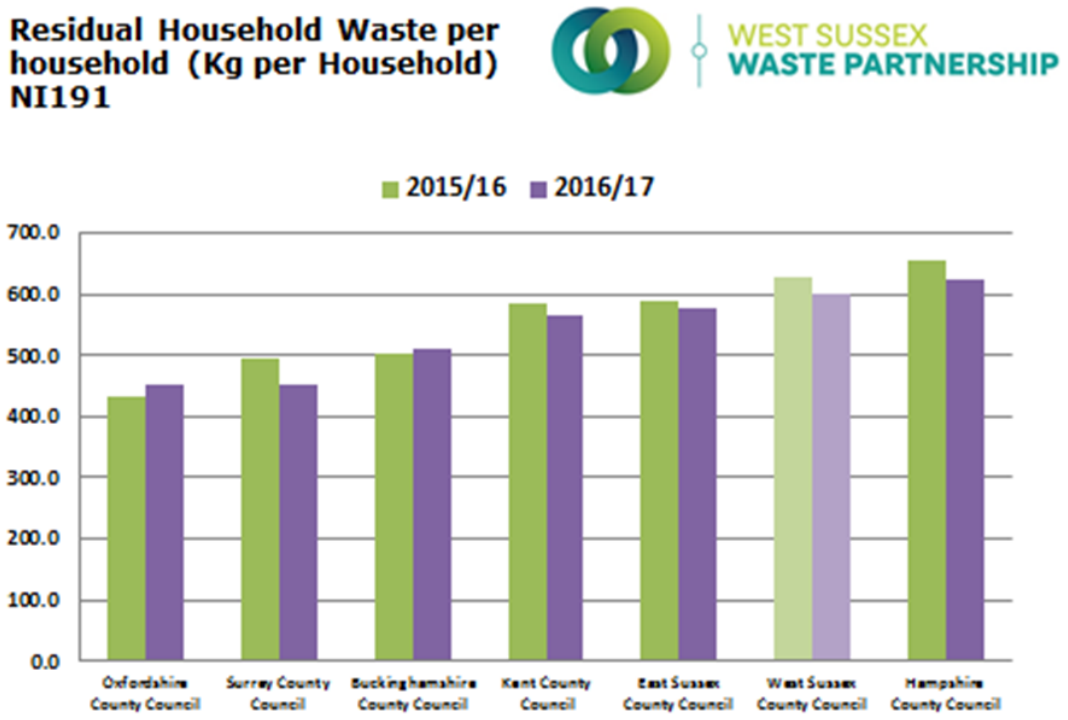
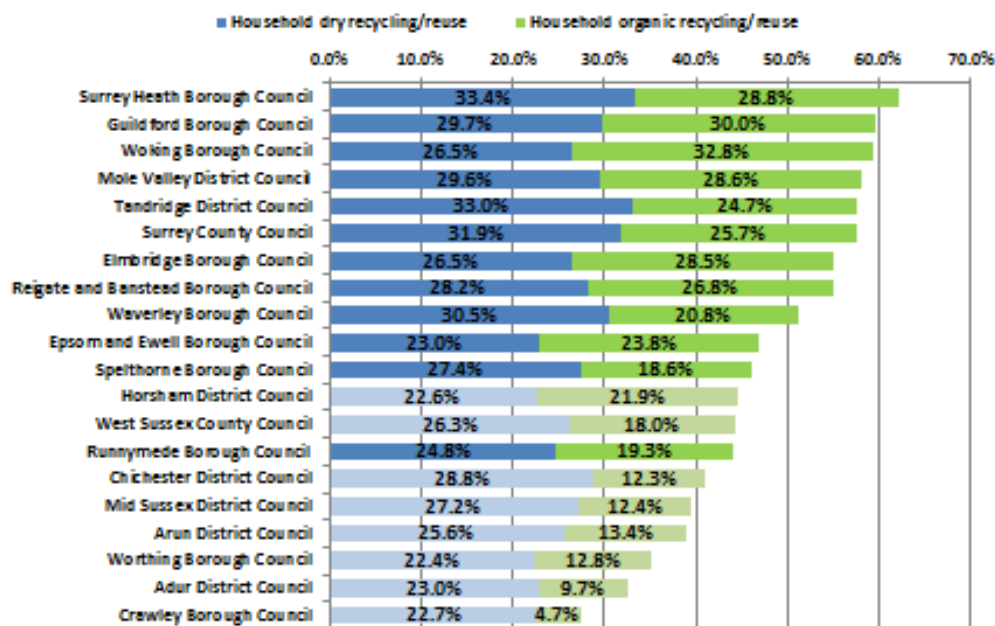


Table 2 below shows how WSCC compares to Surrey local authorities. Surrey is used as comparator as they are a neighbouring county and although they are demographically on average a more affluent county it is striking that all bar one of the Surrey District and Borough (D&B) Councils perform better than all bar one of the West Sussex D&Bs and in many cases markedly so.

**2016/17 Overall Recycling Rate  
NI192**



**2. Proposal Details**

- 2.1 This proposal is intended to reset the baseline on which any payments to Districts and Boroughs are calculated pending the settling of a new funding formula to support improved performance outcomes across West Sussex.
- 2.2 It is proposed that the County Council withdraws from the current Memorandum of Understanding (MoU) funding arrangement and, from 1<sup>st</sup> April 2019, adopts a Recycling Credit level calculation method based on a published benchmark method in the Environmental Protection (Waste Recycling) Payments (England) Regulations 2006 for one year.
- 2.3 A new and much more straightforward MoU is in the course of drafting by the WSWP partners and should take over from the one year arrangement if this met the objectives of improving overall performance and optimising spend.
- 2.4 When first settled the terms of the Council’s two major waste contracts (residual and recycling) each included references to the inter-authority MoU. These references have no material relevance for the operation of these two contracts and were included for information only. It is proposed that all references to the MoU are deleted from the two principal contracts by agreement through a Deed of Variation or such other form as the providers are content with. It is not proposed that references to proposed arrangements be included in the contracts.
- 2.5 The proposal would deliver an estimated saving of c£1m versus the figure for the last full year available (2017/18) and adjusted for the 3% uplift in recycling credit value applicable from April 2019. The actual level of this

saving will be dependent on tonnages collected and recycle prices. One impact of the change is that the County Council will take more risk on the value of recycle sold on our behalf by Viridor under the contract. Currently any shortfall or increase in budgeted income is shared with the District and Borough Councils. As the proposal adopts a different baseline tonnage calculation it will not include the current agreement for shared risk in terms of income. Under the new arrangements any variations in income levels would fall entirely to the County Council.

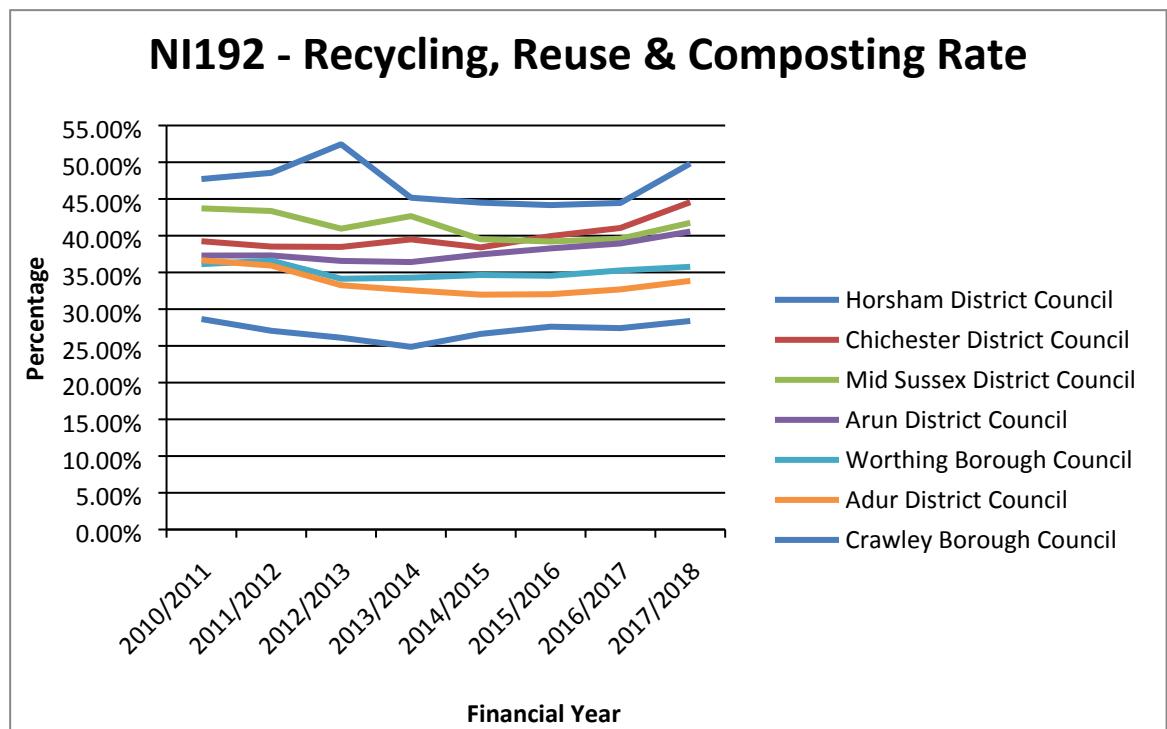
- 2.6 Under the proposal the Council intends to fund the baseline WSWP partnership support and core joint projects in 2019/20 in order not to lose the benefit of these to the whole partnership. Future partnership project arrangements will be considered as part of the above review and must be fairly shared.

## **FACTORS TAKEN INTO ACCOUNT**

### **3. Policy landscape**

- 3.1. There has been considerable policy movement at Government level in the last few months. This has largely been linked with the adoption of the EU Circular Economy Package which contains ambitious targets to recycle more (55% by 2025 and 65% by 2035 with a requirement in the package to collect biowaste (interpreted to mean food waste) separately by 31<sup>st</sup> December 2023). A new UK Resources and Waste Strategy is expected by the end of the year which may clarify the implications for transposition into UK law.
- 3.2. The County Council Welcomes recent policy developments and discussion with several D&B partners about potential changes to collection arrangements to improve performance and food waste/absorbent hygiene product trials.
- 3.3. If we do not move to a new service model there is no real prospect of improving performance across West Sussex to meet the expected challenging recycling targets. Improved recycling has both carbon and landfill reduction benefits and would contribute to driving down the total system cost to West Sussex council tax payers.
- 3.4. There is renewed public interest in recycling as a result of significant levels of media items relating to global pollution levels and specific examples such as Blue Planet and Sky Ocean Rescue's #PassOnPlastic campaign.
- 3.5. There is no evidence that funding through the current support mechanism is being used by D&B partners to invest in improved recycling performance through system. Recent overall recycling rate improvements in West Sussex have largely been due to diversion of more material from household waste Recycling Sites. The graph below illustrates that D&B annual average recycling rates in the period up to 2016/17 did not vary greatly from 2010/11 with no sustained "step changes" which would be indicative of innovation. Improvement in 2017/18 coincided with WSCC arranging for D&B street sweepings to be recycled / composted which required no investment from the

other partners. Horsham introduced their new Alternate Weekly Collection based service from February 2018.



**4. Consultation**

- 4.1 The potential for the County Council to revert to the statutory Recycling Credit level calculation method stipulated Environmental Protection (Waste Recycling) Payments (England) Regulations 2006 was raised with the West Sussex Waste Partnership in the spring of 2018. Debate was largely around the timing and whether there would be a new agreement in place before withdrawing from the MoU.
- 4.2 In view of the potential for encouraging the separate collection of food waste and absorbent hygiene products the need for tangible outcomes from the Council’s financial support to the collection authorities and the need for certainty over the County Council’s budget position, the proposal was discussed and supported at a briefing of Cabinet Members.
- 4.3 Key officers at District and Borough Council partners were sent a position paper in July 2018 outlining the County Council’s rationale and intent to introduce a revised recycling credit level calculation method from April 2019.
- 4.4 The West Sussex Chief Executive Board (formal meetings of the County Council and District and Borough Council chief executives) was briefed on this proposal on 25<sup>th</sup> July 2018 in order to alert and allow our District and Borough Council partners to include this in their Medium Term Financial Strategy (MTFS) planning assumptions.
- 4.5 The County Council’s position was outlined prior to and discussed at a meeting of the leaders of the County Council and all of the District and

Borough Councils on 23<sup>rd</sup> November 2018. It was agreed to discuss future strategy for collection and disposal early in 2019.

- 4.6 Officer representatives from the D&Bs have, at their suggestion, been invited to join a partnership working group to look at a new local performance mechanism that could be agreed between the partners in due course. The principal shared objective is to develop new fair scheme that rewards performance and optimises system costs. If agreed by all partners, this could in due course supersede the proposal recommended here.

## 5. Financial (revenue and capital) and Resource Implications

### 5.1 Revenue consequences of proposal for the County Council

	Current Year 2018/19 £m	Year 2 2019/20 £m	Year 3 2020/21 £m	Year 4 2021/22 £m
Revenue budget	£5.6m	£5.6m	£4.6m	£4.6m
Change due to proposal	0	(£1.0m)	TBC	TBC
Remaining budget	0	£4.6m	TBC	TBC

Additional implications in relation to the use of income from sold recycle are covered under the risk management section in 6.4 and 6.5 below.

### 5.2 Revenue consequences to District and Borough Councils based on 2017/18 payments and tonnages

**Table 3: Impact of changes on each District and Borough Council**

	Household Allocation <sup>1</sup>	Performance Allocation <sup>2</sup>	Total	Proposal	Variance
	£m	£m	£m	£m	£m
Adur & Worthing	£0.77	£0.25	£1.018	£0.880	-0.138
Arun	£0.73	£0.26	£0.989	£0.882	-0.107
Chichester	£0.56	£0.29	£0.854	£0.770	-0.084
Crawley	£0.44	£0.23	£0.669	£0.458	-0.211
Horsham	£0.60	£0.28	£0.887	£0.821	-0.066
Mid Sussex	£0.62	£0.29	£0.909	£0.813	-0.096
Total Payments	£3.73	£1.60	£5.326	£4.624	-0.702
Waste Minimisation etc Projects and Initiatives			£0.331	£0.000	-0.331
<b>Total Budget</b>			<b>£5.657</b>	<b>£4.624</b>	<b>-1.033</b>

<sup>1</sup>The Household allocation is based on the number of properties in each District or Borough.

<sup>2</sup>The performance allocation is calculated as recycle tonnages per household for the previous year.

There are no capital implications.

## **6. Human Resources, IT and Assets Impact**

There are no known human resources, IT and / or asset implications for WSCC or any raised by the D&B partners.

## **7. Legal Implications**

- 7.1 The potential legal implications fall into two broad categories: (1) the relationship between the County Council and the District and Borough Council partners; and (2) the contractual obligations of the County Council to the principal contractors in the Materials Resource Management Contract (MRMC) and the Recycling and Waste Handling Contract (RWHC).
- 7.2 All iterations of the MoU are explicitly non-binding. It is therefore both lawful and reasonable for the County Council to withdraw from and effectively bring to an end the MoU. In any event the County Council has given the collection authorities ample notice of its proposed course of action. A new, much more simple, MoU is being drafted with input from the Strategic Waste Officers Group (SWOG).
- 7.3 Legal advice taken by the County Council has confirmed that there is no duty in law to pay any form of recycling credit for material delivered directly or indirectly to the MRF where costs incurred by the collection authorities do not save costs to be met by the disposal authority.
- 7.4 The new funding arrangement and the new MoU would not *require* the District and Borough Councils to do anything different in terms of existing operational or administrative practices that could impact on the County Council's obligations under the MRMC or RWHC. No additional burdens therefore are to be carried by the collection authorities.
- 7.5 The potential impact on the County Council's obligations under the principal contracts is that both contracts have a version of the MoU appended to them for reference. It is proposed that we seek to remove these by Deed of Variation. It is unlikely either contractor would object as both expressed reservations about including them in the first place.

## **8. Risk Assessment Implications and Mitigations**

- 8.1 There are no new corporate risks. The following service risks are identified:
- 8.2 Legal challenge by the District and Borough Councils – As outlined above all iterations of the MoU are explicitly non-binding and the legal position is clear

in that the County Council is not obliged to provide any level of contribution. The County Council is willing to work on a new local formula that reflects improved performance.

- 8.3 As there are no operational changes proposed, the District and Borough Councils would continue to have free access to Ford MRF under this revised proposal. The County Council could protect itself from any proposal to use an alternative outlet by exercising its statutory powers to direct a Waste Collection Authority to a designated point. But it is not considered necessary to do so at this point.
- 8.4 Income risk - This proposal transfers all the (upside and downside) income risk to the County Council. In the past 2 years the total levels of recyclate income have exceeded the modelled expectation by £0.5m (2016/17) and £0.4m (2017/18). This was shared 75:25 in favour of the District and Borough Councils. Under the proposed arrangements this would have been fully retained by the County Council. Currently any shortfall against modelled expectations would largely impact on the District and Borough Councils (75%) but the proposed model would fully expose the County Council to the volatility of the recyclate market.
- 8.5 Under the current arrangement the value of credits that is paid to the D&B's is calculated using base funding and currently around £2m of income from sale of recyclate. If the value of the income falls then the proportion of payments to the collection authorities funded from income reduces. Where income is greater than the base sum above then additional funds are paid to the collection authorities. Under the proposed arrangements because the rate paid to the Districts would be linked to the amount recycled and not linked to the amount received in income, any shortfall or growth in income would be met by or due to the County Council. Income levels are expected to show a small reduction.

## **9. Other Options Considered**

- 9.1 Do not adjust the mechanism until after District and Borough Council partners have committed to a new service model and a revised funding mechanism has been agreed. This is not recommended on the basis that actual, rather than promised, innovation and improved performance should be incentivised. The beneficial outcomes would therefore be delayed.
- 9.2 Withdraw all current credits and rely on the infrastructure investment the County Council has and continues to make. At least two other County Councils have successfully adopted this approach. This is not recommended at this point as it would be counter-productive to the overall strategy and desire to work progressively with the District and Borough Councils. However the County Council will need to consider overall affordability, given WSCC's projected financial position.
- 9.3 Reduce funding by some other amount other than the regulatory prescribed methodology proposed. As the County Council is not obliged to pay any amount, it could choose to decouple payments from the regulatory benchmark. This has not been adopted as the proposal in order to identify a rational and clear baseline for the payments and to provide a level of funding

and financial certainty during the development of and transition to a new regime.

- 9.4 Most costs of the waste service are demand led and we have little control over the amount of waste generated. The Director of Energy, Waste and Environment and the Waste Team continue to look at other ways of reducing the cost of the service through contract reviews which would not impact on the public as service users or the WCAs. There would be the associated formal contractual implications which would require a longer lead-in period.

**10. Equality and Human Rights Assessment**

There are no known equality and Human Rights Act implications.

**11. Social Value and Sustainability Assessment**

There are no known social value implications. In terms of sustainability there should be no impact on waste diversion or recycling rates in the short term. In the long term we are aiming to improve performance and carbon balance due to improved recycling and reduced waste diversion.

**12. Crime and Disorder Reduction Assessment**

There are no known Crime and Disorder Act implications.

**Contact Officer:** Steve Read, Director of Energy, Waste and Environment  
Tel: 0330 222 4037

**Appendices**

None

**Background papers**

None



## **Request to call-in the decision on Recycling Credits Revisions to Recycling Credit Payments ENV11 18.19**

We are extremely concerned about the Decision by the Cabinet Member for the Environment, that sets out to change the system for recycling credits, which amounts to a very significant cut to the payments to district and borough councils for recycling. The credits scheme has been in place for some years and has helped district and borough councils afford, and improve, its recycling services. Across the county, the scheme has contributed to a rise in recycling rates.

The payments made to Districts and Boroughs are based upon a combination of

- 1) The receipts from the sale of recycled material
- 2) Recycling Credit Payments correctly utilising the net disposal cost formula given that the net disposal cost is known and has been applied in calculating recycling credit payments for over 10 years.

The change being made by the Cabinet Member's decision is for West Sussex County Council, with effect from April 1<sup>st</sup> 2019, to:

- 1) Retain all of the receipts from the sale of recycled material
- 2) Utilise the national minimum standard as the basis for calculating the national Recycling Credit Payments (this being £61.12 per tonne in 2019/20) compared to the current calculation of £67.46 per tonne (current year)

These changes are being made despite the current Memorandum of Understanding between the County Council and all District and Borough Council's which has been entered into in good faith and adopted by all District & Borough Council's until the end of the financial year 2019/20.

The County Council claim that this would incentivise Districts and Borough Council's to improve recycling performance, which in turn saves WSCC money in waste disposal.

In our view, the proposals are unjust and ill-conceived because:

- 1) They do not honour the Memorandum of Understanding which has been entered into in good faith by all District and Borough Council's and in many regards has formed the basis upon which collection authorities have developed their approach to refuse and recycling collection within their local authority area

- 2) They do not honour or reflect the agreed waste hierarchy of reduce, reuse, recycle. This agreed hierarchy would suggest any changes to the payment mechanism should incentivise collection authorities to reduce refuse (kg per person or per household) over and above increasing the proportion of recycling relative to refuse. Reducing refuse at source would financially benefit the County Council, however the incentives suggested place greater emphasis on increasing recycling.
- 3) They take no account of the long lead in times required to make any changes to collection methods, particularly in districts and boroughs where the service is delivered by a third party contractor.
- 4) They incorrectly apply the statutory minimum payment which should only be utilised where the actual net disposal cost cannot be calculated. As the net disposal cost has been calculated and applied for over 10 years, it is this formula which should be used if the Environmental Protection Act guidelines are to be applied correctly. On this basis, there may well be a case that the WSCC proposal does not correctly apply the 2006 regulations and could be open to challenge, and this needs further member scrutiny.
- 5) It would appear that the calculation of tonnage incorrectly omits some materials and therefore the calculation is wrong and undervalues the recycling credit as per the 2006 Environmental Protection Act regulations.
- 6) They unfairly and disproportionately impact upon more urban authorities where it is widely recognised that recycling rates are lower (from a combination of smaller gardens and from commonly lower recycling rates seen from residents in communal blocks).

Furthermore, for example in Crawley the average base council household banding is C compared to the average base in other local areas. This means it is much more difficult for Crawley Borough Council to charge residents more for recycling services compared to some other District and Borough Councils. In addition, Crawley is a challenging environment for recycling due to its higher number of multi-occupancy residences, flats and apartments. Other Districts and Boroughs in West Sussex may also struggle, for similar reasons.

While the background report to the decision refers to "Consultation", it is evident from that same report that there has been a total failure by the county council to take notice of the responses it received from councils, including no real member involvement, either at portfolio holder level or with county councillors.

While discussions may have taken place at Chief Executive level, and at Head of Service level, the county council's plans have been met with solid objections throughout that dialogue. So it is not good enough for the

county council to respond that all parties have been told and are apparently expecting that the proposal will be implemented.

The response from the county council has been wholly unsatisfactory and has been little more than responding that the District and Borough officers are ignorant to these complexities, the county council has not been engaging and did not appear to be interested in the views of collection local authorities

Whilst WSCC need to make savings and we accept their financial challenges, this council must do things correctly and not rail road things through, which this decision would do.

Across West Sussex, the loss to the collection authorities in 2019/20 will amount to £1.2m.

The call-in request is made because the issue has not been scrutinised by the Select Committee, and the decision does not provide sufficient evidence to demonstrate that our concerns, and those of the Districts and Boroughs who the county council are supposed to be working in partnership, have been fully addressed, or indeed even initially listened to in any way.

The decision also does not clarify whether the county council's interpretation of the legislation is being correctly applied, and for the reasons set out above, there is significant doubt that it has been accurately applied, and that a call in would help clarify and confirm to members whether the Environmental Protection Act regulations have been applied correctly.

If implemented, we are concerned that this change will lead to a reduction in recycling rates in Crawley and other areas of West Sussex, so this matter should receive proper scrutiny by the Select Committee.

**This call in request is supported by the following members:**

**Chris Oxlade** (leading the call in),  
**Sue Mullins,**  
**Brenda Smith,**  
**Brian Quinn,**  
**Dan Purchase,**  
**James Walsh,**  
**Kate O'Kelly.**

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<b>Mr Roger Elkins, Cabinet Member for Highways and Infrastructure</b>	<b>Ref No: HI22 18.19</b>
<b>December 2018</b>	<b>Key Decision: Yes</b>
<b>Highway Maintenance Term Contract Procurement</b>	<b>Part I or Part II: Part I</b>
<b>Report by Executive Director Economy, Infrastructure and Environment and Director of Highways and Transport</b>	<b>Electoral Division(s): All</b>
<p><b>Summary</b></p> <p>The Highways Term Maintenance Contract is used to deliver a range of statutory highways maintenance services. There is currently no long term contract in place. To address the absence of that contract an interim contract commenced on 1st July 2018 with an initial term of three months and an option to extend, subject to governance controls, to a maximum period of twelve months (therefore terminating on 30th June 2019).</p> <p>A new contractual arrangement is required to commence on expiry of the current contract. Arrangements will be put in place, which are subject to a separate key decision, to extend the current arrangements for service delivery to enable the procurement process for the longer term service solution. This is to ensure that the statutory services are provided whilst ensuring sufficient time for an effective new procurement.</p> <p>The length and scope of the new contract or set of contracts, and the detailed terms, will be developed once the procurement is underway. Input from Legal, Procurement and Finance is being sought to help make the final plans for the procurement route and contract model.</p>	
<p><b>West Sussex Plan: Policy Impact and Context</b></p> <p>The proposal supports the prosperous place priority in the West Sussex Plan. The new procurement will facilitate maintenance of the highway network. A well maintained highway helps to support local businesses and communities by ensuring safe, reliable, and consistent journey times.</p>	
<p><b>Financial Impact</b></p> <p>The new contract landscape will be designed with sufficient flexibility to contain expenditure within projected budgets.</p>	
<p><b>Recommendations</b></p> <p>That the Cabinet Member for Highways and Infrastructure approves;</p> <ol style="list-style-type: none"> <li>1) The commencement of a procurement process to procure a Highways Maintenance Term Contract, or set of contracts, to commence on expiry of the interim contract (with any required extensions); and</li> <li>2) To delegate authority to the Director of Highways and Transport to finalise the terms of and award the Highway Maintenance Term Contract, or set of contracts at the conclusion of the procurement process, and to extend if appropriate in accordance with the County Council's Standing Orders on</li> </ol>	

## **PROPOSAL**

### **1. Background and Context**

- 1.1. The principal contract for the delivery of statutory highways maintenance services expired on 30<sup>th</sup> June 2018. Whilst a full procurement process for a new contract was undertaken it was not successful and, for legal and technical reasons the decision was taken to abandon that procurement process. The service provider under the previous contract was Balfour Beatty Living Places. The current Highway Maintenance Term Contract (HMTC) is an interim contract delivered by Balfour Beatty Living Places (BBLP). The interim contract commenced 1<sup>st</sup> July 2018 for an initial period of 3 months. An extension has been agreed and the contract is now due to expire on 31<sup>st</sup> March 2019. A further extension is currently available to 30<sup>th</sup> June 2019. The incumbent was selected in order to maintain continuity and avoid unnecessary service disruption.
- 1.2. Approval is now being sought from the Cabinet Member for Highways and Infrastructure for the County Council to procure and enter into a new HMTC, or set of contracts, to commence on 1st April 2020.
- 1.3. The current contract includes all aspects of highway maintenance with the exception of Public Rights of Way (PROW), Street Lighting, and Traffic Signals which have separate contracts. There will be an opportunity to review these separate contractual arrangements and, where there is added value, include provisions to incorporate some of these service areas into the new contractual landscape. It is unlikely to include the Street Lighting service however, since this is part of a 25 year, PFI contract.
- 1.4. An options appraisal has been commissioned from an external specialist consultant, which outlines the broad approach to delivering a new term maintenance contract within the current national highways maintenance landscape. A project plan is being produced and updated as the project is advanced in line with the principles of the Prince2 project management methodology.
- 1.5. The options appraisal will be fully developed, and when complete will outline how the new contract will be constructed, and how the available options will be distilled to achieve a single procurement model.
- 1.6. The new contract(s) will reflect changes to the legislative framework, current best practice, and industry standard documentation.
- 1.7. A Full Business Case will be developed before the formal procurement stage commences. The procurement will be designed to comply with Standing Orders on Procurement and Contracts, the Public Contracts Regulations 2015, and the County Council's internal systems and processes for commissioning and procurement.
- 1.8. Primary drivers for the new contract are customer service, financial savings, efficiency and continuous improvement, integrated service delivery, flexibility

of the contract model, and achieving the most economically advantageous offering for the County Council.

## **2. Proposal Details**

- 1.9. It is proposed to procure a new HMTc, or set of contracts, for an initial period of five to seven years. It is anticipated that contract extensions will be available, subject to performance, to a maximum contract length of ten years. The arrangement of the contract landscape, including the recommended length of the contract(s), is subject to the recommendations of an options appraisal, which has been commissioned with an independent specialist consultant. Final decisions regarding the arrangement of the contract landscape will be made by the highways team and Project Board, with input from legal, procurement and finance.

## **FACTORS TAKEN INTO ACCOUNT**

### **3. Consultation**

- 1.10. The industry sector has been consulted, through a soft market testing questionnaire, which has informed development of the options appraisal. Further market engagement is planned to help shape the detail of the new contract landscape.
- 1.11. A Local Government Association peer review has previously been held, the findings have been reported, and this project will address the suggestions made by the peer review.
- 1.12. Visits to other local authorities have taken place, to explore the advantages and disadvantages of various procurement models for a new contract landscape, and to identify contemporary best practice.
- 1.13. The procurement will be available to be scrutinised by Environment, Communities and Fire Select Committee.
- 1.14. Ultimately the procurement will be signed off by the Cabinet Member for Highways and Infrastructure supported by a Project Board, which will include the Executive Director for Economy Infrastructure and Environment, the Director of Highways and Transport and the Section 151 Officer.
- 1.15. Governance arrangements will be established (Appendix A), to initiate good levels of engagement and accountability, and a communication plan will be developed to ensure good communication as the project evolves.

### **4. Financial and Resource Implications**

- 1.16. Core average annual expenditure through the HMTc from financial years 2016/17 to 2018/19 is in the region of £10million revenue and £20million capital. Further expenditure has also come through exceptional or one off funding streams, for example the Better Roads Programme.

	2016/17	2017/18	2018/19
	£m	£m	£m
Revenue Works Contract Spend Estimate	12.2	8.8	8.3
Capital Contract Spend Estimate	15.9	20.3	22.3
	<b>15.9</b>	<b>20.3</b>	<b>22.3</b>

1.17. The new contract, or set of contracts, will contribute towards savings of £1.5m in the highways maintenance budget by 2020/21.

## **5. Legal Implications**

1.18. Input from Legal, Procurement and Finance is being sought to help make the final plans for the procurement route and contract model.

## **6. Risk Assessment Implications and Mitigations**

6.1 The risk of not authorising the procurement of a new HMTC, or set of contracts, is that the County Council's statutory duty to maintain the public highway will not be met.

6.2 This project will apply techniques and strategies to manage and mitigate risk. The status of current identified risks will be summarised in a risk register, where they remain until the risk has either been removed entirely, or moderated to an acceptable level through mitigating action. The risk register will be a live document which will be regularly updated and reviewed in line with industry best practice and the County Council's risk management processes and governance arrangements.

## **7. Other Options Considered**

1.19. As the current maintenance contract approaches expiry, a new arrangement for the delivery of this statutory function is required. However, a number of procurement models and other options are available, and these will be fully explored in the development of the options appraisal. The initial options are currently a choice between two options, which are a single provider HMTC, and a multiple provider model. These options will be further distilled as the project matures.

## **8. Equality and Human Rights Assessment**

1.20. The public sector equality duty will apply to the delivery of the services which fall within the contract, and the terms of the contract will ensure that they enable the County Council to fulfil its obligations through the delivery of the contract, and provide sufficient assurance that the duty will be complied with. The proposal has no implications under the Human Rights Act 1998.



**9. Social Value and Sustainability Assessment**

- 1.21. The new HMTc, or set of contracts, will be designed to provide added social value. This reflects the County Council's duty under the Public Services (Social Value) Act 2012. The design of the contract landscape will consider the wider social, environmental and economic benefits, which are set out in the County Council's 2015 Sustainability Strategy. The new contract arrangement will also include a commitment to the West Sussex Community Covenant.

**10. Crime and Disorder Reduction Assessment**

- 1.22. There are no foreseeable crime and disorder implications to this proposal.

**Lee Harris**  
Executive Director  
Economy, Infrastructure  
and Environment

**Matt Davey**  
Director  
Highways and Transport

**Contact Officer:**

Chris Barrett, Contract Lead Professional, 03302226707

**Appendices**

Appendix A – Governance Arrangements

**Background papers**

None

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**CALL IN REQUEST BY SUE MULLINS OF THE LABOUR GROUP:**

**EXECUTIVE DECISION HI22 18.19 – HIGHWAY MAINTENANCE TERM CONTRACT PROCUREMENT**

**Reasons for the Call-in request:**

The likely value of the proposed new contract arrangements will see the Council commit to new contract arrangements for up to the next 10 years to a value of between £50m - £70m, a vast amount of money. Given that the previous procurement process led to a legal challenge there is a need for members to be wholly satisfied that this is the most appropriate arrangement for the County Council.

We consider the publication of this proposed decision to be premature as it is being published before the Environment, Communities and Fire Select Committee has had an opportunity to scrutinise the full options appraisal (planned for 14 January 2019). Publishing this proposal now limits the options to either a single provider HMTC or a multiple provider model, despite the fact that a number of procurement models and other options are available.

**Outcome sought:**

For the decision process to be halted to enable members of the Environment, Communities and Fire Select Committee to scrutinise the proposals. When that opportunity arises, the following information should be provided:

- The views of the LGA peer review in respect of these procurement arrangements;
- A summary of contemporary best practice based on visits to local authorities;
- A clear indication as to how up to £1.5m savings by 2020/21 will be realised;
- The extent to which social value will be added through the proposed arrangements, and
- Why the insourcing option does not appear to have been adequately investigated, or then seriously considered, when it has surely been a credible option, given the previous procurement failure.

**This call-in request is supported by:**

**Sue Mullins**

Agenda Item 13  
B

**Brenda Smith**

**Chris Oxlade**

**Brian Quinn**

**Environment, Communities and Fire Select Committee****14 January 2019****Highway Maintenance Contract Procurement  
Options Appraisal Summary and Update****Report by Executive Director Economy Infrastructure and  
Environment and Director of Highways and Transport****Summary**

The Highways Term Maintenance Contract is used to deliver a range of statutory highway maintenance services. There is currently no long-term contract in place and so arrangements have been made, through a recent key decision, to extend the current provisions for service delivery. This is to ensure sufficient time for an effective new procurement process whilst safeguarding statutory service provision.

Provision has also been made through a separate key decision to commence procurement of a new highway maintenance contract, or set of contracts, and input from Legal, Procurement and Finance is being sought to help make the final plans for the procurement route and contract model.

The length and scope of the new contract or set of contracts, and the detailed terms, will be fully developed once the procurement is underway. The first part of the procurement process is to narrow down the available options, and to identify a preferred option, using an options appraisal.

**The focus for scrutiny**

This report is to update Committee on progress with the new procurement, and to set out the preferred options, identified through the initial options appraisal. The Committee is asked to consider the suggested scope and timing of the procurement process.

## **Proposal**

### **1. Background and Context**

- 1.1 The Cabinet Member for Highways and Transport has been asked to approve a request for the County Council to procure and enter into a new term maintenance contract (TMC), or set of contracts, to commence when the current contract expires in accordance with the Council's Standing Orders on Procurement and Contracts.
- 1.2 This report is to update Committee on progress with the new procurement, to set out the preferred options identified through the initial options appraisal, and to outline expected next steps.

### **2. Proposal**

- 2.1 It is proposed to procure a new term maintenance contract, or set of contracts, for an initial period of five to seven years. It is anticipated that contract extensions will be available, subject to performance, to a maximum contract length of ten years.
- 2.2 Primary drivers for the new contract are customer service, financial savings, efficiency and continuous improvement, integrated service delivery, flexibility of the contract model, and achieving the most economically advantageous offering for the County Council. Resource implications and value for money attached to the different available options will be developed as the project advances.
- 2.3 The arrangement of the contract landscape, including the recommended length of the contract(s), is subject to the recommendations of an options appraisal, which has been commissioned with an independent specialist consultant. Final decisions regarding the arrangement of the contract landscape will be made by the highways team with input from legal, procurement and finance colleagues.

### **3. Options Appraisal**

- 3.1 A detailed appraisal of contract models and procurement options has been undertaken by an independent specialist consultant. To ensure an objective assessment, the options appraisal has used multiple sources, including for example agreed council objectives, commercial considerations, staff workshops and market insight.
- 3.2 Recognised industry standard contracting models have been used as the basis of the options appraisal, which are generally aligned with guidance published by Department for Transport, and the Highways Maintenance Efficiency Programme procurement toolkit. These are well established contracting models, widely used by other local authorities, and are supported and understood by the industry. Funding from Department for Transport is now aligned to support, at least in part, authorities that promote standardised delivery models.

- 3.3 Ten delivery model options were assessed against an agreed set of suitability drivers (Appendix A). The drivers were derived from a number of Highways and Transport work stream areas including the Service Improvement Programme, Business Plan, Experiential Place Statements, Asset Management Plan and previous contract objectives.
- 3.4 Primary service areas (Appendix B) were included in the initial review of the contract model options with secondary considerations being analysed against shortlisted options later in the appraisal.
- 3.5 A number of more detailed objectives were further developed and linked to the H&T Strategic and Service Delivery Objectives which ultimately flow through from 'The West Sussex Plan' in the form of themes (Appendix C). These objectives will be used as part of the procurement model and will be used to establish the new contract performance framework. This ensures continuity from the options appraisal throughout the entire contract lifecycle.
- 3.6 Market insight was obtained through two primary methods; informal industry discussions and a questionnaire. Financial insight was obtained by using anonymised financial data from across a range of contract types and included, for example, typical overhead and fee charges.
- 3.7 Initial procurement considerations within the options appraisal include the likely procurement strategy, routes to market, timescales, form of contract, and the scope and agility of various procurement routes.
- 3.8 Once the contract model options appraisal was completed, and shortlisting finalised against the suitability drivers, six potential contract options emerged as follows:
- a) Single supplier commissioning model
  - b) Single supplier traditional TMC
  - c) Mixed economy single provider frameworks
  - d) Mixed economy multiple provider frameworks
  - e) In-house with top up delivery
  - f) In-house delivery
- 3.9 These options were then further appraised and objectively scored against the Council's objectives. It is recognised that several of the options are closely aligned and broadly similar and these options may be distilled down to:
- Single supplier
  - Framework
  - In-house
- 3.10 Further factors were then considered, including client contract management maturity, time to market, Highways and Transport (H&T) concerns and pressures, financial appraisal, affordability test, value for money and savings opportunities.

- 3.11 After detailed analysis the options appraisal recommends the Mixed Economy Single Supplier Framework as the preferred option. In plain English this may best be described as a multiple provider contract landscape set around a core Term Maintenance Contract.
- 3.12 Next steps are to complete a full business case for the preferred option and to develop a procurement strategy to deliver the required contract landscape.

#### **4. Resources**

- 3.13 Core average annual expenditure through the Highway Maintenance Term Contract from financial years 2016/17 to 2018/19 is in the region of £10million revenue and £20million capital. Further expenditure has also come through exceptional or one-off funding streams, for example the Better Roads Programme.

	2016/17	2017/18	2018/19
	£m	£m	£m
Revenue Contract Spend Estimate	12.2	8.8	8.3
Capital Contract Spend Estimate	15.9	20.3	22.3
	<b>28.1</b>	<b>29.1</b>	<b>30.6</b>

- 3.14 The new contract, or set of contracts, will contribute towards savings of £1.5m in the highways maintenance budget by 2020/21.
- 3.15 The new contract landscape will be designed with sufficient flexibility to contain expenditure within projected budgets.

#### **Factors taken into account**

##### **5. Issues for consideration by the Select Committee**

- 5.1 The Committee is asked to consider the scope and timing of their scrutiny of the procurement process.

##### **6. Consultation**

- 6.1 The industry sector has been consulted, through a soft market testing questionnaire, which has informed development of the options appraisal. Further market engagement is planned to help shape the detail of the new contract landscape.
- 6.2 Visits to other local authorities have taken place, to explore the advantages and disadvantages of various procurement models for a new contract landscape, and to identify contemporary best practice.



- 6.3 Governance arrangements will be established (Appendix D) to initiate good levels of engagement and accountability, a communication plan will be developed to ensure good communication as the project evolves, and an initial timeline for the procurement has been produced (Appendix E).
- 6.4 Ultimately the procurement will be signed off by the Cabinet Member for Highways and Infrastructure acting through a Project Board, which will include the Executive Director for Economy Infrastructure and Environment, the Director of Highways and Transport and the Section 151 Officer.
- 6.5 The procurement will be available to be scrutinised by Environment, Communities and Fire Select Committee.

## **7. Risk Management Implications**

- 7.1 The risk of not completing the procurement of a new Highway Maintenance Term Contract, or set of contracts, is that the County Council's statutory duty to maintain the public highway will not be met.
- 7.2 This project will apply techniques and strategies to manage and mitigate risk. The status of current identified risks will be summarised in a risk register, where they remain until the risk has either been removed entirely, or moderated to an acceptable level through mitigating action. The risk register will be a live document which will be regularly updated and reviewed in line with industry best practice and the County Council's risk management processes and governance arrangements.

## **8. Other Options Considered**

- 8.1 As the current maintenance contract approaches expiry there is little option but to enter into a new arrangement for delivery of this statutory function. However, a number of procurement models and other options are available, and these will be fully explored in the development of the options identified through the options appraisal. A copy of the options appraisal is attached (Appendix F).

## **9. Equality Duty**

- 9.1 An Equality Impact Report (EIR) is not required because this report is dealing with procedural matters only. The public sector equality duty will apply to the delivery of the services which fall within the contract, and the terms of the contract will ensure that they enable the Council to fulfil its obligations through the delivery of the contract, and provide sufficient assurance that the duty will be complied with.

## **10. Social Value**

- 10.1 The new Highway Maintenance Term Contract, or set of contracts, will be designed to provide added social value. This reflects the County Council's duty under the Public Services (Social Value) Act 2012. The design of the contract landscape will consider the wider social, environmental and economic benefits, which are set out in the County Council's 2015 Sustainability Strategy. The new contract arrangement will also include a commitment to the West Sussex Community Covenant.

## **11. Crime and Disorder Implications**

- 11.1 There are no foreseeable crime and disorder implications to this proposal.

## **12. Human Rights Implications**

- 12.1 The proposal has no implications under the Human Rights Act 1998.

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Economy, Infrastructure  
and Environment

**Matt Davey**  
Director  
Highways and Transport

### **Contact Officer:**

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## **Appendices**

Appendix A – Suitability Driver Analysis

Appendix B – Primary and Secondary Service Considerations

Appendix C – Highways and Transport Themes

Appendix D – Governance Arrangements

Appendix E – Initial Timeline (Draft)

Appendix F – Options Appraisal

## **Background papers**

Key Decision Report: Highway Maintenance Term Contract Procurement  
HI21(18/19)

Key Decision Report: Interim Highway Maintenance Term Contract  
HI22(18/19)

APPENDIX A - Contract Model Appraisal against Suitability Drivers

Assessment Matrix

West Sussex County Council DELIVERY MODEL OPTIONS		Suitability						Further Detailed Appraisal required		
		Objectives	Time	Affordability	People	Political	Future Application			
Provider(s)		Does this option satisfy the WSCC objectives that have been identified and agreed to be achieved within this Procurement?	Does this option fit with and suit the existing planned WSCC timeline of Summer 2019 for delivery of this Procurement?	Does the likely cost of this option fit with the existing planned WSCC budget for service delivery?	Does WSCC have the resources, capabilities, knowledge and experience to manage this option model?	How well does this option satisfy the needs and expectations of WSCC members, stakeholders and customers ?	Would the Contract Model be appropriate for a future West Sussex ?			
Single	Private Finance	Single	Unlikely due to reduced ownership and decision making	No not sufficient time required for Lenders and due diligence	No as expensive and lack of budget certainty	Yes as existing staff would transfer and small client team would be retained	No as limited ability to influence and determine budget allocation	No as would need to run for a significant period of time ie 25yrs to be effective	No	1
Single	JV / Managing Agent	Single	Removes control from WSCC and still reliant on wide Supply Chain with significant up-front charges	Yes but requires significant supply chain engagement and clear structure and financing	Unlikely to deliver short term benefits and requires complete organisational realignment	Staff would transfer across to MA, or into individual contracts. Needs a smaller Client team	Additional layer of control and management reducing ability to influence and easily change service requirements	could drive down supply chain costs and scope wide enough to include other contracts and services - ie Waste / Environmental	No	2
Single	Single Supplier Commissioning Model	Single	Yes but reservations around this is not the norm for WSCC	Yes but would require a shorter Mobilisation period 3-months	Yes but requires significant re-modelling to ensure costs, overhead and fee are more transparent	Requires full review of Client / Commissioning structure to provide the right level of assurance	Reasonably well but requires longer term contract period for commitment	Yes could be added to and delivery future significant efficiencies	Maybe	4
Single	Single Supplier Traditional TMC Contract	Single	Yes	Yes	Maybe not but would need detailed review of individual service areas	Yes but with changes and in-house delivery for Design Services and Transport	Reasonable but only for service areas that are a natural fit with market supply - ie small works and maintenance	Yes could be added to and also novated to future Unitary bodies	Yes	5
Multi	Mixed Economy Single Provider Frameworks	Multi	Yes	Yes. Could be phased with simpler service areas tendered immediately	Yes although contract packages would need to be sizeable to achieve value in OH and Fee	Yes. Suitable and additional contract management resources may be required	May suffer from lack of identity and numerous providers unless community is established	Yes but may need to limit how many lots each organisation can secure, so it doesn't become a single supplier TMC	Yes	5
Multi	Mixed Economy Multiple Provider Frameworks	Multi	Yes but reliant on strong Client team to ensure standards and consistency	Yes but would need to run parallel "Lots" as part of any procurement	Yes but with changes to service scope and keep separate delivery of Professional Services	Yes. Suitable and additional contract management resources may be required	May suffer from lack of identity and numerous providers unless community is established	Yes could be shorter term to allow new market entrants and ideas to come forward on a regular basis	Yes	5
Multi	In House - with Top-Up delivery	Self + Multi	Yes as standards and delivery performance set by WSCC as key provider and suppliers on call-off arrangement	Yes but would be significant risk given skills required to be recruited	No. Medium Term Financial Plan unlikely to realise any savings due to significant set-up costs	No. Existing staff have limited experience of managing works + framework contracts and may need to upskill / recruit external capability	Yes. But only applies for certain services and may not support savings MTFP challenges	Possibly ok as it provides greater control initially over service policy and budget allocation	Maybe	4
Self	In House	Self	Would deliver immediate control, and short term savings excluding Pension liability	Requires planning and TUPE of staff possibly recruitment so 2yr to deliver is tight	Significant Pension liability and set-up costs for systems etc	Staff could be TUPE'd across but some skills could be lost and require market supplement	Initial goodwill and localism but not able to radically commercialise and offer savings in future years and would soon lose support	Allows services to be re-offered to market at later stage and provides broad service scope	Maybe	3
Self	TECKAL Public Provider Model	Self	Reduced option for localism and communities as commercial entity will have different drivers than in-house option	May be difficult to secure Legal entities within a 2yr period and systems, governance and liabilities	Investment and capitalisation of costs could be removed off-balance sheet so provides immediate benefit	Employment liabilities sit with in-House Company, including Pension transfer	Challenging Liabilities and ownership including split party Board membership and definition around liabilities	Provides future options to go to market, but often limited innovation, lack of productivity and commercialisation	No	1
Self +	Regional Frameworks inc Southern (SE7) and HE	Self + Multi	Unlikely due to heavy reliance on others	Yes and could easily be co-opted onto Frameworks	Costs have been well market tested but not focused around LA delivery	Significant cost of re-deployment and or in-housing / TUPE liability which HE and providers unlikely to accept	Unlikely to work as control is limited and contracts retained by other public bodies	Yes as would be call-off arrangement so ultimate budget and scope flexibility	No	2

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## Service Scope

The following primary service areas are included in the initial review of Contract Model options, with secondary considerations discussed against shortlisted options in Chapter 6:

### Primary considerations

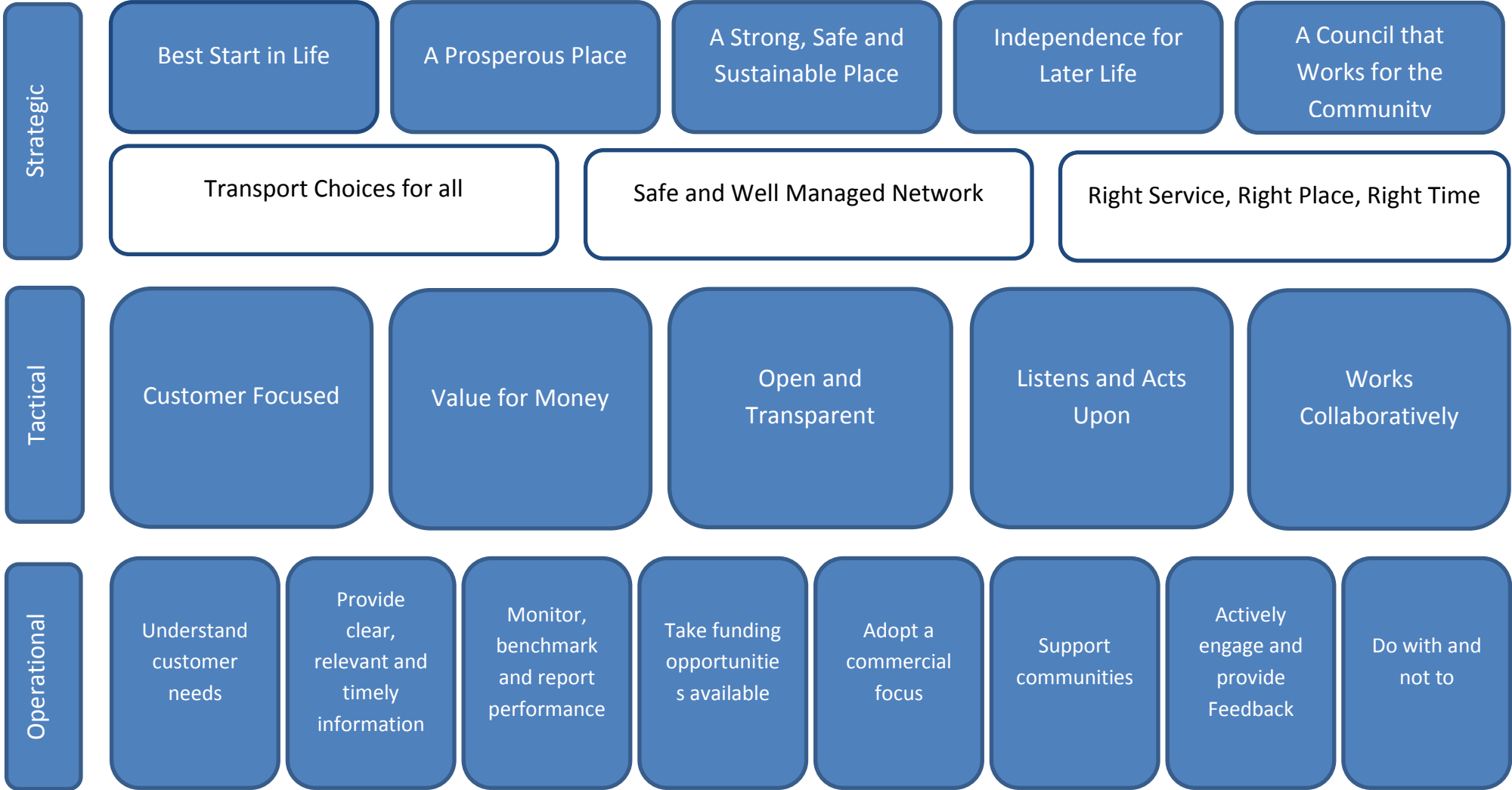
- Reactive Response, Highway Inspections and Condition Surveys
- Winter Service
- Drainage Cleansing (Gullies, Pipework, Chambers and Culverts)
- Routine Maintenance of Structures
- Arboricultural Work, Hedge Trimming, Weed Spraying and Grass Cutting
- Carriageway Resurfacing, Reconstruction, Patching, In-situ recycling, High-Friction and Re-texturing, In-situ recycling, Surface Dressing and micro-surfacing and surface treatments
- Footway reconstruction and micro-surfacing
- Cycleways, Bridleways and Public Rights of Way
- Drainage repairs, schemes and programmes
- Traffic Signs and Carriageway Markings
- Structures Repair and Programmed works
- Mechanical and Electrical
- Safety Fencing and Pedestrian Guardrails
- Capital Infrastructure Minor Improvement Schemes
- Specialist services (e.g. stone masonry)

### Secondary considerations

- Capital Major Works design, build and delivery
- Asset Management systems and surveys
- Professional Services (Design, Management and Supervision)
- Customer Communications and Control Room
- Highway Operations
- Highway Network Management
- Streetworks Management and Coordination
- Green and Red Claims Management
- Countryside Management

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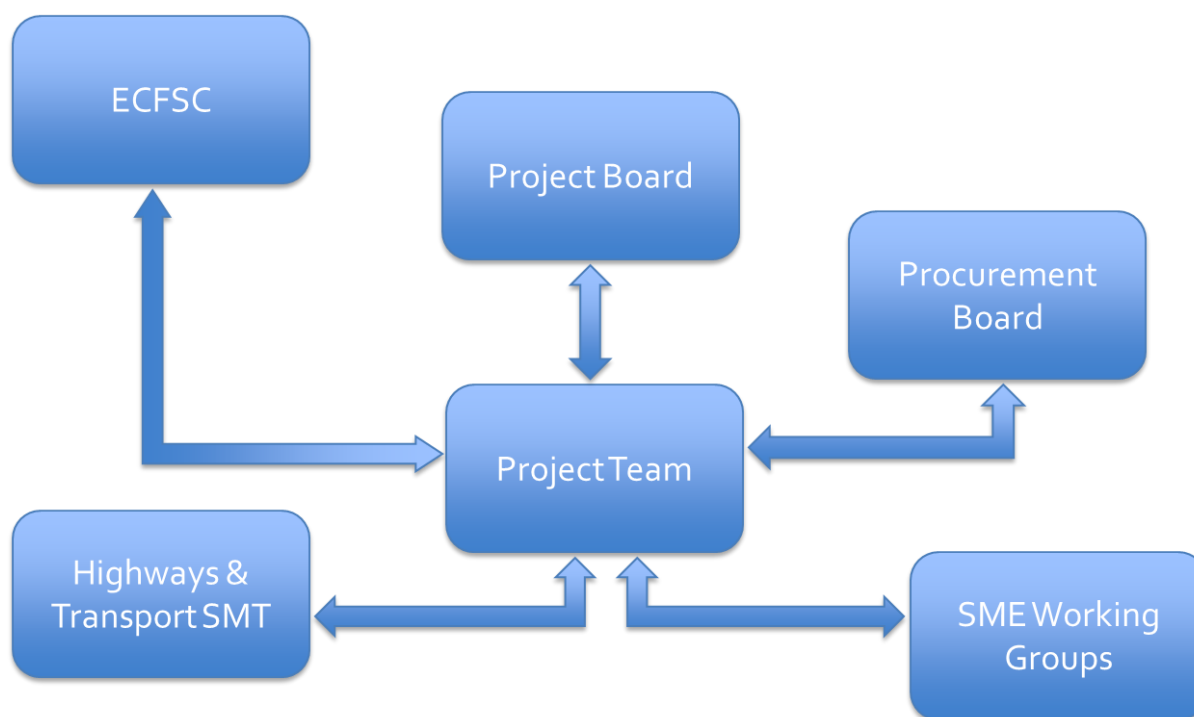
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## **Appendix D – Governance Arrangements**

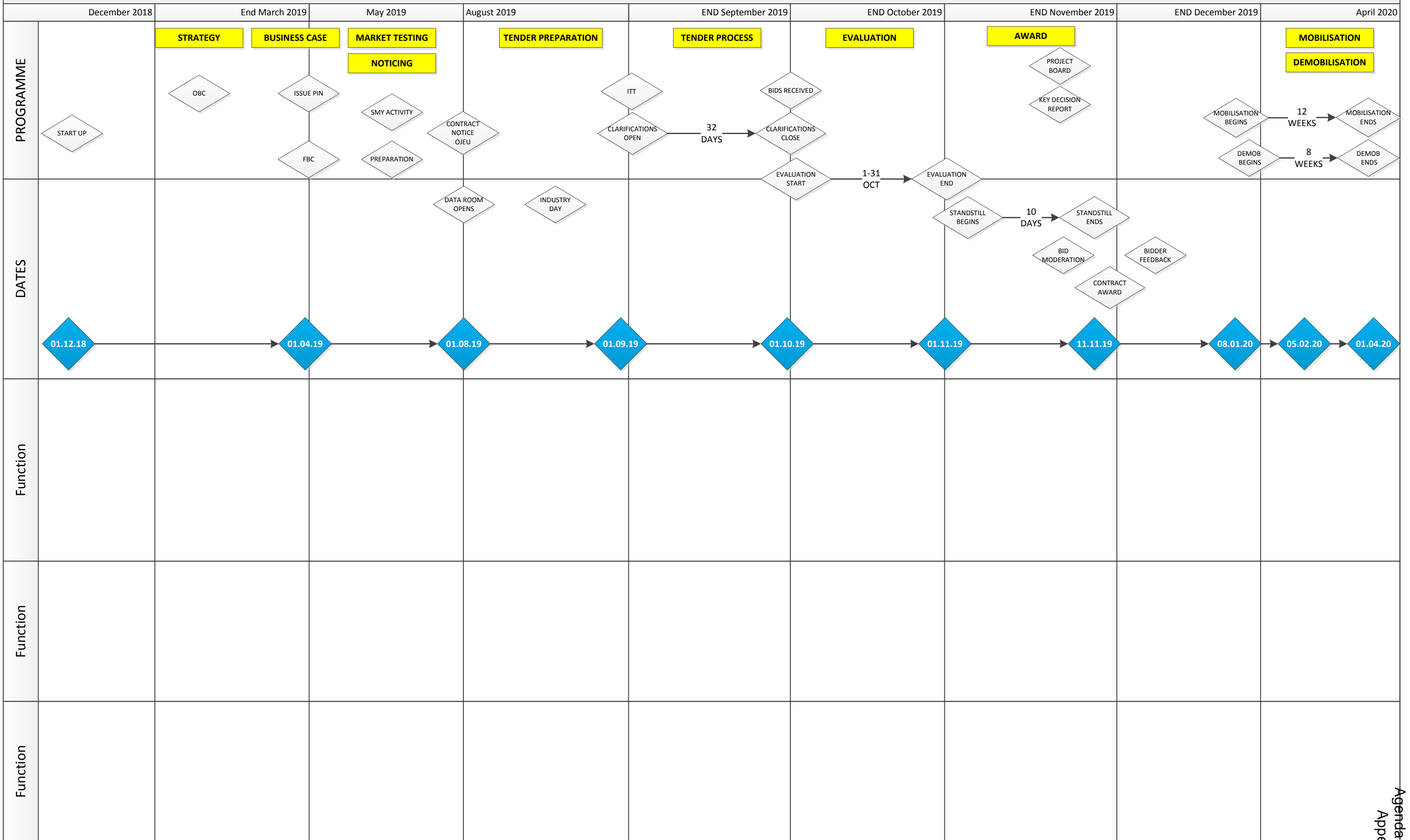


<b>Group</b>	<b>Members</b>	<b>Description</b>	<b>Meeting interval</b>
Project Board	Cabinet Member (H&I) Executive Director (EIE) Director Highways & Transport Section 151 Officer	Corporate Leadership Team level board responsible for ensuring the procurement is aligned with corporate objectives.	Quarterly
Project Team	Director of Highways & Transport, Contract Lead Commercial Lead. Input from Legal, Procurement, Finance, Audit and Highways and Transport SMT.	Responsible for the co-ordination and delivery of the project. The Project Manager role in this group will manage the working groups and be the link to the Project Board.	Monthly
Subject Matter Expert Working Groups	Subject matter experts (SME) will be drawn into the project as the project progresses.	It's envisaged that there will be several working groups established to develop identified areas of the project.	Monthly
Highways and Transport SMT	Director of Highways & Transport Service Managers/Group Managers	SMT will act as the project sponsors and the Project Manager will keep SMT updated with progress, issues and risks.	Fortnightly
ECFSC	The procurement will be regularly scrutinised by Environment, Communities and Fire Select Committee	To provide scrutiny of the procurement as the project progresses.	As and when required
Procurement Board	Procurement Board Members	The Procurement Board will be regularly updated with progress on this procurement.	As and when required.

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# H&T Contract Procurement 2020 TIMELINE

v0.1 last updated 5.12.2018



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# HIGHWAYS CONTRACT OPTIONS APPRAISAL REPORT

Highways & Transport Services Contracting Landscape

November 2018 FINAL v0.3



## West Sussex County Council Highways & Transport Services Contract Landscape

### Options Appraisal Report

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## Abbreviations, Common Terms and Definitions

H&TS	Highways and Transport Services
NEC	New Engineering Contract – <i>Industry standard contracting form</i>
OAR	Options Appraisal Report
SCAPE	Public Sector Procurement Frameworks Organisation
SMT	H&TS Senior Management Team – <i>these are Matt Davey’s immediate reports</i>
TMC	Term Maintenance Contract
WLT	Wider Leadership Team – <i>Service Leads, Senior staff and Senior Users</i>
WSCC	West Sussex County Council

Contract Model Options	Contract options that have been appriased
Option2View	A4 summary page for each Contract Option
Options Appraisal	Objectively scored assessment of each Contract Option



## 1 Introduction

### 1.1 Context

West Sussex County Council (WSSCC) have in recent years, successfully delivered contracts that have supported the Council to lower the cost of services and helped to maintain good service standards. The Council must remain focused on being efficient and agile against a backdrop of revenue (and capital) spending pressure. There is also further demand to deliver devolved services for local Communities and to transform service team operation against this changing environment. Highways & Transport Services (H&TS) manages several service-based contracts with 3<sup>rd</sup> party suppliers. The Highways Term Maintenance Contract (TMC) is currently delivered by Balfour Beatty and was subject to a re-procurement in 2017/18. A Legal challenge resulted in the procurement being abandoned and the existing Balfour Beatty contract extended to April 2019 to enable future options to be considered.

### 1.2 Purpose of the Options Appraisal

This report provides a detailed appraisal of possible contract models and Procurement considerations that the Council may wish to consider. The report seeks to recommend a preferred model, following shortlisting of 3 to 5 contract model options, providing rationale on rejected options and recommending future business case work that should be undertaken once the preferred model is agreed. The report does not provide details of proposed Project Governance or Benefits Realisation, as these would be considered as part of any future Full Business Case.

To provide an objective assessment, the Options Appraisal has considered different information sources; such as key objectives, commercial considerations, workshops with Leadership staff and market insight. Recognised industry standard contracting models have been used as the basis for this appraisal, which is generally in-line with guidance published by DfT (and HMEP – Procurement Toolkit). These are well established contracting models, supported and understood by the Industry and used by other Local Authorities. Indeed, funding from DfT is now aligned to support Authorities that promote a standardised delivery approach.

### 1.3 Service Challenges and Current Pressures

#### Budget and Affordability

Like many Councils, a further significant level of savings are likely to be required during 19/20 and 20/21; some of which is likely to be burdened on H&TS. With a considerably pared back service, standards and investment decision making will need to be considered, possibly resulting in services being reduced, or stopped. Additionally, the £2M savings target carried over from 2017/18 will need to be delivered. Against this backdrop, any future contract needs to be sufficiently agile to allow services to be descoped and standards changed without commercial disputes.

#### Abandoned Procurement Legal Challenge

The abandonment of the recent procurement has been decided in order to establish a clear basis from which to procure a future service. The claim lodged in relation to the original procurement remains live however and its outcome uncertain. Therefore, any new procurement arrangement needs to be carefully considered in respect of this claim, as it develops and is kept under review.

### 1.4 National Contracting Picture

#### 1.4.1 Highway Authority Contracting Trends

There is a marked change in the way that Authorities are procuring term highway contracts which is evident in the contracts below, with Authorities looking for greater value for money and National contracting organisations diversifying their market solutions. This shift has undoubtedly been influenced by market instability, such as the likes of the Carillion collapse, and there remains ongoing concern that this could be just the tip of the iceberg.

Authority	Contract Type	Details
BANES	TMC & Frameworks	Traditional TMC and top-up contracts
Northumberland	Framework	TMC, Surfacing and Minor Works Frameworks
Gloucestershire	TMC & Framework	Traditional TMC and Surfacing Frameworks
Lincolnshire CC	Alliancing	Mixed delivery Alliancing model
Liverpool CC	Framework	Traditional TMC, Surfacing and Minor Works
Telford & Wrekin	Single Supplier	TMC +
Wokingham DC	Single Supplier	Traditional TMC only
Hertfordshire CC	Integrated	Extension of existing Integrated contract
Suffolk CC	Teckal hybrid	TMC Teckal with Top-Up Frameworks
Manchester CC	Framework	4-year TMC Surfacing and patching framework

#### 1.4.2 Regional Delivery

DfT are actively promoting regional collaboration and rewarding Authorities who achieve this shared service approach. Good market examples are the Midland Highways Alliance which is entering its third generation contracting

model, using multi-provider frameworks across a range of service requirements. This move away from single supplier long term contracts is happening but will take time. WSCC have held discussions with Hampshire and East Sussex to explore options of collaborative delivery. Some joint working is possible (ie with Hampshire) around the Winter service.

The current **SE7 Highways Alliance** of which West Sussex is a founding member, is currently under review, but has not been actively supporting collaborative contracting for some years. The wider Southern Construction Frameworks are predominantly buildings and construction focused rather than focused around Highways.







**Highways England** are currently rolling out an Asset Led Delivery Model, across regional areas (to replace the existing Managing Agent and Asset Support Contracts). These contracts have the ability for Local Authorities to access the multi-disciplinary maintenance and works frameworks but are not always aligned to WSCC service areas.

The **Scape Framework** offers a route to market for public sector projects and services, against pre-qualified framework Lots. The framework Lots cover Civil Engineering, Minor Works, National and Regional construction and Built Environment Consultancy. These could be considered as alternative delivery options but WSCC would need to be mindful that a few different single suppliers deliver each framework lot, and not one lot covers all the required Highways services.

## 2 Key Requirements for a new Contract

### 2.1 Agreeing Suitability Drivers

The Council faces ongoing pressures over the next 2years, which will require all new contracts to support further financial savings, demonstrate value for money, and deliver the same service standards for less budget. Several cross cutting and complimentary initiatives are underway across H&TS to identify key requirements for the Service. A single set of Objectives was established as part of this Appraisal as described in Section 2.2. In addition to the key objectives, as series of “**Suitability Drivers**” were agreed by the H&TS WLT which were used to assess the broader contract types, in-order to establish a shortlist of options to appraise;

<b>Objectives</b>		Does this option satisfy the WSCC objectives that have been identified and agreed to be achieved within this Procurement?
<b>Time</b>		Does the contract model support a procurement and awarding a contract in-place during 2019?
<b>Affordability</b>		Does the likely cost of this option fit with the current and likely future WSCC budgets for service delivery?
<b>People</b>		Do WSCC have the resources, capabilities, knowledge and experience to manage this contract model option?
<b>Political</b>		How well does this option satisfy the needs and expectations of WSCC members, stakeholders and customers?
<b>Future Applicability</b>		Is the contract model flexible and agile enough to support any future West Sussex requirements such as scope increase?

### 2.2 Establishing Measurable Objectives

Working with the H&TS team, Key Objectives were established against which each contract model could be appraised. These were broadly in-line with the typical lists promoted by other Authorities; and advocated within the HMEP toolkit. These are considered from three different perspectives, each of which are aligned and would form the basis of any future contract Performance Management framework;

1. Corporate (Future West Sussex Plan)
2. Service based (Experiential Place Statements)
3. Contract specific (Workgroups)

Each set of objectives provided a good framework from which to appraise future contract model options. The Corporate objectives are as published in the Future West Sussex Plan and the other objectives are shown below:

### 2.2.1 West Sussex H&T Experiential Place Statements (EPS)

The following West Sussex Experiential Place Statements relate to work undertaken by the H&TS teams and work completed by Proving Services:

H&TS Experiential Statements		
EP Statement 1	EP Statement 2	EP Statement 3
West Sussex is a place where we are satisfied with the service commitment H&T has made and that our opinions can influence what H&T do.	West Sussex is a place that provides transport choices for all.	West Sussex is a place where the Highways are safe and well managed.

### 2.2.2 West Sussex H&T Service and Contract based Requirements

The following contract specific objectives were established by the H&TS WLT to appraise the proposed contract model options against:

<b>Safe and Well Managed</b>	We will deliver a safe and well-managed infrastructure that provides user confidence and is maintained to a satisfactory condition in accordance with the Council's policies.
<b>Customer Focused</b>	We place our Customers experience at the forefront of everything we do, by providing safe and accessible networks that promote clear travel choices and communicate our actions to our local communities and wider stakeholders.
<b>Data Driven Decisions</b>	We manage our Assets in an effective way utilising data to help inform our decision making and prioritise our investment so that our infrastructure is safe and well maintained.
<b>Value for Money</b>	We demonstrate Value for Money in our decision making, through our performance frameworks and if necessary consider income generation and commercialisation to help deliver a consistent standard of service.
<b>Collaborative Relationships</b>	We will secure Collaborative relationships with our Suppliers, Customers and Stakeholders to deliver partner mutuality, empower communities and maximise the potential from our contracts.
<b>Resilient and Sustainable</b>	We will deliver service levels and provide a resilient infrastructure network that is sustainable and reduces the impact on the local environment whilst supporting Social Value outcomes.

### 3.0 Proposed Contract Scope

#### 3.1 Existing Landscape

H&TS manages and delivers over £1.5bN<sup>1</sup> (total contract value) in supplier contracts. To explore the maximum potential for H&TS, the total Service **contract landscape** has been considered. This included an assessment of all current contracts, frameworks and supply chain reliance, informed through the Council’s Contracts Register and service level discussions held with the SMT. The H&TS contract landscape can be represented as shown in Figure 3.1.

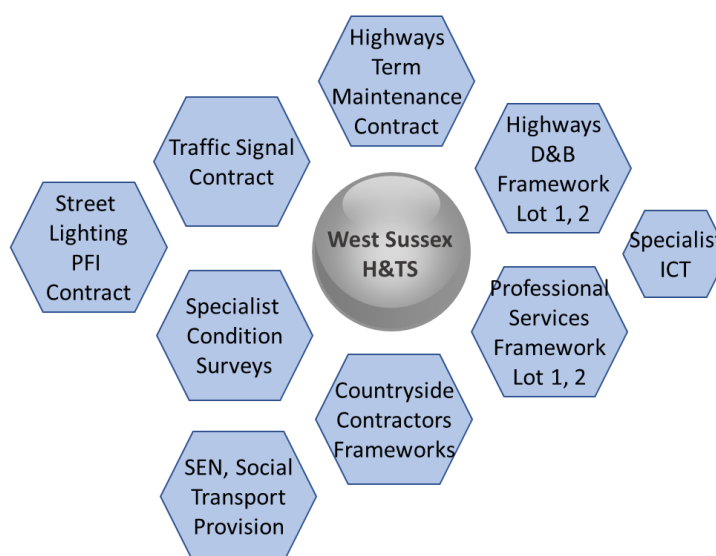


Figure 3.1 - H&TS Contract Landscape October 2018

Work undertaken by the SMT at the first Options Appraisal workshop (confirmed by the SRO and Senior Users) provided further definition in agreeing what would be out of scope (described in Section 3.3). The primary focus of the Options Appraisal would be Highway Maintenance activities, but in reviewing these, opportunities should be identified against other H&TS contracts and frameworks. Many of the existing H&TS contracts conclude within 5-years and as such any future contract model should be suitably agile to incorporate future services. This could be in terms of proposed duration (ie shorter term contracts); or in contract scope (ie able to accommodate more specialist services – such as Professional Services).

<sup>1</sup> Information obtained from WSCC Procurement Contracts Database.

### 3.2 Service Scope

The following primary service areas are included in the initial review of Contract Model options, with secondary considerations discussed against shortlisted options in Chapter 6:

#### Primary considerations

- Reactive Response, Highway Inspections and Condition Surveys
- Winter Service
- Drainage Cleansing (Gullies, Pipework, Chambers and Culverts)
- Routine Maintenance of Structures
- Arboricultural Work, Hedge Trimming, Weed Spraying and Grass Cutting
- Carriageway Resurfacing, Reconstruction, Patching, In-situ recycling, High-Friction and Re-texturing, In-situ recycling, Surface Dressing and micro-surfacing and surface treatments
- Footway reconstruction and micro-surfacing
- Cycleways, Bridleways and Public Rights of Way
- Drainage repairs, schemes and programmes
- Traffic Signs and Carriageway Markings
- Structures Repair and Programmed works
- Mechanical and Electrical
- Safety Fencing and Pedestrian Guardrails
- Capital Infrastructure Minor Improvement Schemes
- Specialist services (e.g. stone masonry)

#### Secondary considerations

- Capital Major Works design, build and delivery
- Asset Management systems and surveys
- Professional Services (Design, Management and Supervision)
- Customer Communications and Control Room
- Highway Operations
- Highway Network Management
- Streetworks Management and Coordination
- Green and Red Claims Management
- Countryside Management

Whilst other service areas within H&TS have been discussed, these are currently not within the scope of this report. However, all future contract model options are considered sufficiently agile, to include additional service scope as necessary.

#### 4.0 Market Insight

##### 4.1 Informal Pre-Market Engagement

A Prior Information Notice (PIN) has yet to be published for this contract and therefore no “formal” Pre-Market Engagement has been undertaken. Initial Market Insight was obtained (through established relationships) using a self-completed questionnaire.

##### 4.2 Informal Industry Feedback

Informal discussion has been held with the incumbent provider Balfour Beatty Living Place, and two others. Whilst this was not a conclusive engagement and has limitations, the discussions provided a reasonable sounding about current market considerations relating to West Sussex.

###### Key areas of feedback

- Concern over failed Procurement by West Sussex (investment and time)
- Concern over Organisations already primed for future contract award
- Favour an industry standard contract model ie. HMEP, NEC, Frameworks
- Would like flexibility in the contract model to alter future scope (post award)
- Would like highways maintenance-based contract without design
- Longer term contracts ie 5 to 10yrs preferred by T1 Contractors
- Shorter term flexible contracts for Frameworks and Tier 2 suppliers
- Simple procurement with opportunity to discuss solutions
- Clear performance frameworks with incentives
- Budget visibility and affordability, rather than reducing requirements

##### 4.4 Financial Insight

There is very little information published across the industry relating to the cost of different contract models. Using our industry insight, we have established that Frameworks are slightly cheaper than Traditional TMC Contracts in terms of fee and overheads, generally due to a smaller staff overhead for Capital Works. Larger aggregated contracts can deliver savings of 2-4%. The biggest reduction in staff costs is in the integrated contracts which are significantly larger than any of the others. The SCAPE framework offers a fixed Fee/OH model (c5%) which is the cheapest option, but services are all Target Cost approach – with pain/gain share mechanisms.

<b>Contract Option Opinion</b>	<i>Market remains interested in West Sussex, but it is imperative that a clear contract structure and overall approach are clearly communicated at the start of any procurement. The overall preference for larger organisations appears to be large single contracts, or frameworks over a longer period (+5yrs), whereas</i>
--------------------------------	--



*SME's prefer smaller frameworks and shorter durations.*

## 5.0 Initial Procurement Considerations

### 5.1 Strategy

The procurement strategy is an integral part in determining a preferred contract model. ALL public procurement must comply with the Public Contracting Regulations 2015 (PCR 2015), which provide routes to market and certain parameters that must be met. The learning taken from the previous procurement will be incorporated as appropriate and included in any new strategy. A separate **Procurement Strategy** will be detailed within the **Full Business Case** to reflect the preferred contract model. Achieving the right procurement option is a critical success factor in developing and creating the right contract environment, behaviours and culture with any future provider.

### 5.2 Routes to Market

The market is familiar in responding to these procurements, but complex contracts and lengthy procurement timescales can be a barrier to response. The routes most likely at this stage covering the range of contract options under consideration are:

1. Open restricted process (suitable for specialist frameworks)
2. Dialogue or Negotiation (good for complicated single supplier contracts)
3. Scape Frameworks (good for negotiated single supplier contracts)
4. Dynamic Purchasing System (supports open list of pre-qualified suppliers)
5. Piggy-Back onto Neighbouring Authority contracts

ALL options require significant investment in terms of Client management time and in bidder response time and costs. Each offer a different level of scrutiny and examination during the process, enabling detailed solutions to be explored if required. In all cases a pre-selection, or SSQ process would be undertaken to shortlist appropriate organisations to participate. This may be used to qualify organisations onto a multi-supplier Framework.

The national SCAPE (2) framework offers a different and interesting approach. This uses a fixed fee and overhead approach (c5%) and offers a broad scope of services. Budgets would be established annually, and a mature performance framework would monitor quality and costs. Significant penalties for non-performance (which are aggregated against total Framework turnover) are applied for poor quality and non-compliance. This would be a single supplier approach and no-further

procurement is required with this being an existing National framework open to all UK Local Authorities.

## 6.0 Contract Model Option Appraisal

### 6.1 Shortlisting against Suitability Drivers

An initial filter of a wide range of contract models was undertaken using the “Suitability Drivers” described in Chapter 2. The shortlisted options were:

a.	<b>Single Supplier Commissioning Model</b>
b.	<b>Single Supplier Traditional TMC Contract</b>
c.	<b>Mixed Economy Single Provider Frameworks</b>
d.	<b>Mixed Economy Multiple Provider Frameworks</b>
e.	<b>In House - with Top-Up delivery</b>
f.	<b>In House</b>

Further appraisal of the likely benefit that each model would deliver was undertaken against the objectives described in Section 2. Scores were awarded as follows:

Score	0	1	2	3	4	5
Definition	Does not support objective	Slightly supports	Partly supports	Mostly supports	Largely supports	Fully meets objective

Scores for all Objectives (and sub-objectives) were collected and averaged across each group. The overall preference was established by averaging across all Objectives<sup>2</sup> shown below.

#### West Sussex County Council

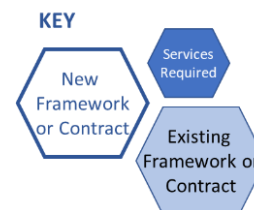
Shortlisted Contract Options Appraisal Summary		Corporate Objective	Rank	Experiential Objectives	Rank	Service Objectives	Rank	TOTALS	Overall Rank
a.	Single Supplier Commissioning Model	2.80	3	3.31	6	3.33	5	3.15	6
b.	Single Supplier Traditional TMC Contract	3.00	2	3.85	1	3.65	4	3.50	3
c.	Mixed Economy Single Provider Frameworks	3.20	1	3.79	2	3.77	1	3.59	1
d.	Mixed Economy Multiple Provider Frameworks	3.20	1	3.67	5	3.77	1	3.55	2
e.	In House - with Top-Up delivery	3.00	2	3.68	4	3.69	3	3.46	4
f.	In House	2.60	4	3.78	3	3.71	2	3.36	5

During the appraisal Options (a and b), (c and d) and (e and f) were closely aligned and all variants on the same contract approach, ie Single Supplier, Framework and In-House. Options b, c, and e, and would therefore only be the preferred contract options to be considered going forward.

<sup>2</sup> Results of the Full Appraisal Model provided in summary.

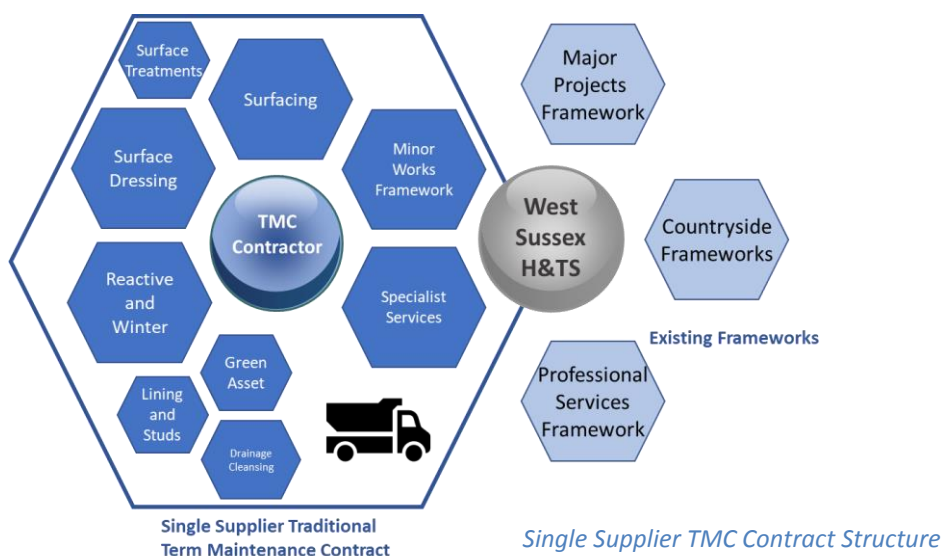
### 6.3 Preferred Contract Options - Explained

Explanations are provided below to illustrate how the preferred contract options could be developed, with detailed information contained in each Option2View sheets in the Appendix. It is important to remember at this stage, that there are multiple variants with each option. These would need to be developed further. All shortlisted options assume a Client function would be structured to align with any new contract, in terms of operations and contract management.



#### 6.3.1 Single Supplier Traditional TMC Contract

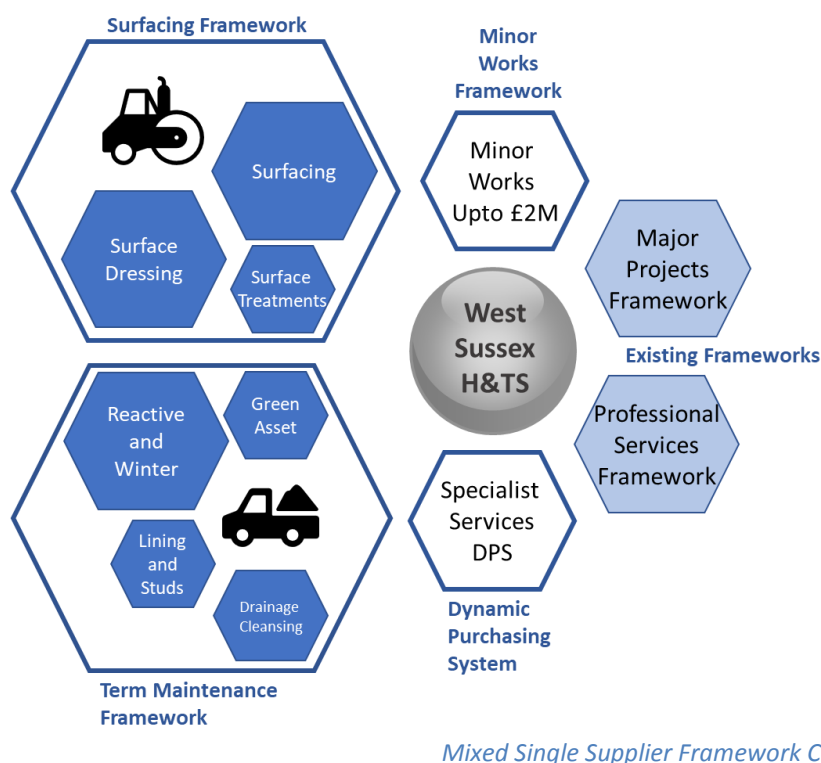
This option is the same as the current Highways Term Maintenance Contract. The Traditional TMC option is heavily reliant on supply chain partners and costs will include supply chain fees and overheads. The existing WSCC structure is readily available to deliver this option with minimal change and disruption. Typically, the value of this contract would be upwards of £15m p.a. (£7m+ Revenue / £8m Capital). In considering the financial pertaining to a TMC, Figure 6.3 below shows that the typical fee and overhead applicable to a TMC contract initially rises as the contract value increases. This is mainly due to the staff overhead rather than the fee element. This plateaus at around the £30m mark and then begins to decrease as the benefits of integration become great enough to reduce that staffing overhead. The greatest value for money often only being realised with contracts of significant scope and value excess of £80m.



### 6.3.2 Mixed Economy Single Provider Framework

The Framework option provides ultimate flexibility in service delivery and contract duration, aggregating sufficient and similar services into individual single supplier Lots, with sufficient scale. A Dynamic Purchasing System (DPS) would be established allowing smaller specialist local suppliers, to be simply “called-off” from a pre-qualified list (ie stonemasons, surveying) when required. A small Minor Works Framework would be established (probably with multiple suppliers delivering 3 or 4 value bands – ie upto £50k, £50k to £250k etc upto £2m) which would provide greater capacity to deliver capital works. Stronger management, governance and control are essential, and a framework community would need to be established to drive collaboration.

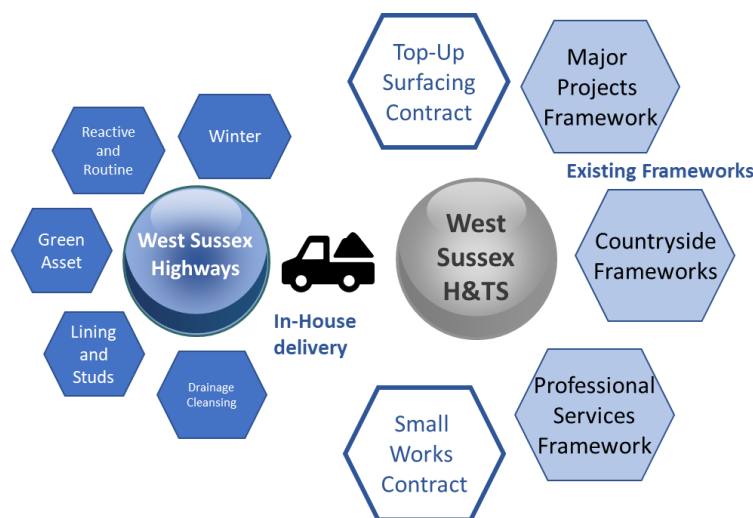
The optimum size of any single supplier framework would be around £7m. At this level the combined fee and overhead is marginally less than the lower end of the TMC option; 15.79% against 16.05%, largely due to a reduced staffing overhead. The frameworks could require additional Client-side resource to manage contractor relationship. For the purposes of modelling we have assumed that there would be between 4 to 5 additional staff at a cost of £200k, offsetting some of the fee and overhead saving. Aggregation of the surface dressing element into the TMC contract could yield savings, but equally a larger Surfacing framework is likely to be more attractive to the



market.

### 6.3.3 In House Delivery with Top-Up

In-House delivery is still reliant on sufficient capacity and specialist skills often only found in the supply chain. Cyclical and seasonal fluctuation in activities would not make commercial sense to sustain this expertise for 12 months of the year (examples include specialist plant ie. Paving machines). The Council would therefore remain reliant on specialist suppliers to deliver this option. This option presents excellent opportunities to develop a sustainable workforce, promote skills and jobs, and retain vested knowledge. The current infrastructure is in-place to deliver this, with additional roles being required such as Supervisors and Works Managers. The Council is not however necessarily adept in delivering blue collar operations and significant investment would be required in terms of ICT works management and ordering systems. Additionally, liabilities and licences would need to be determined.



*In-House Delivery with Top-Up Framework Contracts*

The success of this option is dependent upon sufficient staff transferring across to the Council. H&TS do not have direct experience in delivering “blue collar” works and would need to up-skill in terms of Supervisors, Works Managers and Foremen, etc. Significant investment in works management systems (such as Causeway, Confirm Connect, etc) would be required. Market prices suggest this could be upwards of c£250k initial set-up costs followed by annual licencing costs. Savings could be made against fee/OH and procurement costs, although top-up frameworks would be required. The Council would retain ultimate flexibility in terms of budgets and scope, but remains liable for any commercial risks, material and labour price fluctuation.

## 6.4 Other Considerations

### 6.4.1 H&TS Contract Management Maturity

A client maturity assessment was undertaken across 15 relevant contract management aspects. Key areas of concern were lack of innovation; no continual improvement; poor contract performance and incentives; and poor processes and systems. Stronger elements were Customer focused, Supply Chain engagement, strong governance and good collaboration.

<b>Contract Option Opinion</b>	<i>Client maturity can be improved, however based on the maturity elements considered, a TMC is more likely to favour supporting weaker areas of Client management.</i>
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### 6.4.2 Time to Market

Given the pressure to have a contract in-place, the quickest option would be to use an existing procurement approach; ie. SCAPE. This would remove any

open market procurement and lengthy negotiation requirements. *Even if adopting the SCAPE option, a TMC contract would still require at least a 6-month mobilisation period, whereas a Framework would require less set-up but at least a 6month procurement period.*

<b>Contract Option Opinion</b>	<i>The Scope frameworks offer the quickest route to market and delivers a single supplier framework approach, which would enable the TMC contract to be in-place within 6months.</i>
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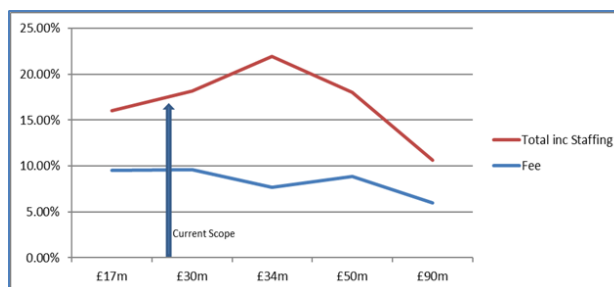
### 6.4.3 H&TS Staff Concerns and Identified Pressures

Through workshops with H&TS WLT staff, concerns relating to any new contract model were identified. These included supporting future vision; delivering affordable services; attractiveness to the market; delivering sustainability and supporting and engaging staff. The TMC, Framework and In-House options were all assessed.

<b>Contract Option Opinion</b>	<i>Areas of concern can be addressed by robust governance and clear strategy. The option that aligned closely to address all these concerns was the Framework contract approach.</i>
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## 7.0 Financial Appraisal

The affordability and likely cost of specific elements such as fee and overhead have been based on the delivery of current services across a range of delivery options. The analysis has used information from the recent procurement<sup>3</sup> as a baseline of costs, fee and overhead. Additional costs such as procurement and Client-side costs have been added into each model option. This has been adjusted to reflect information obtained from the market insight around varying fee and overhead linked to the total contract values.



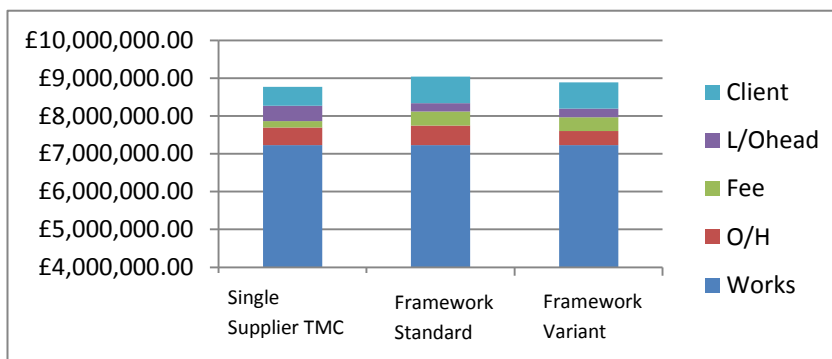
The analysis of the revenue expenditure, summarised below, with the current range of services, shows very little variation between the contract options, and much would be reliant on assumptions made around client side and contract side local

<sup>3</sup> Detailed Cost Model used containing previous procurement data as part of the Appraisal



overhead costs. At this stage, all the contract model options remain unaffordable, when considering Total Cost of Operation (inc fee and overhead). The conclusion therefore on the way contracts are procured, should be driven by the ability to deliver present-day savings and the ability to deliver any future savings required.

Considering the TMC option the information would suggest that the removal of services in the future is likely to only yield a cost saving in the



actual cost of delivering that service, and unlikely to give the Authority any significant benefit against the fee. Indeed, it may be that some of the fixed cost would remain and the full benefit of the reduced service is not realised. There would also be limited scope for yielding savings resulting from including more services within the contract given the value of contract that would be required to realise such fee reductions. A combination of frameworks that yield fee benefits in the first instance with the flexibility to reduce/remove services in the future without impacting on delivery, offers the most affordable contract model option.

## 8.0 Conclusions and Recommendations

The Options Appraisal has considered many aspects to determine which Contract Model Option would best suit West Sussex County Council H&TS. This highlights the challenges that Authorities face in determining the “right” contracting landscape and why each authority must select a model that best satisfies their own specific requirements. National and Regional frameworks and multi-agency contracts provide some degree of alternative provision for Authorities and should be considered.

From the appraisal undertaken, a **Mixed Economy Single Supplier Framework** option has the greatest potential to deliver the widest benefit to the Authority. A Full Business Case should be developed, which would include; further financial modelling and detailed aggregation decisions. Affordability and sustainability remain a concern for each service area and will need to be determined. Other critical factors such as contract shape, procurement strategy and delivery standards need to be addressed. An option to deliver this framework, could be to use existing and established National frameworks, such as Scape Framework (2018) National Construction framework; with its low fee/OH and established route to market and contract management principles.

West Sussex has built trusted relationships with service providers over the years and these remain fundamental foundations for collaboration and successful delivery. This appraisal identified the requirement to developing stronger contract management capabilities across H&TS, which is more important in adopting a framework approach. Retaining a separate Professional Services and Major Works framework, provide a good balanced contract landscape for H&TS. These contracts spread the delivery risk and provide good supplier choice, capability and capacity, reducing the reliance on any one single service provider.

Framework durations should be considered for each element of the overall contract model, and H&TS could consider shorter term contracts (ie 4 years), which then have optional extension periods (ie 1+1+1yr). The current Scape frameworks could facilitate all durations. Equally there is merit in shorter framework durations for specific packages (ie Surfacing and Green Asset). These are more specific and bespoke service areas and obtaining good value for money which has been tested frequently should be considered.

A detailed procurement strategy is required and should be developed alongside a “market re-branding” of the overall H&TS contract landscape. This will enable the market to receive and understand any new procurement and will signal a new

contracting approach for West Sussex, encouraging new suppliers and attracting a good response.

## 9.0 Appendices

### APPENDIX A – Contract Option2View

#### Report Limitations

This Options Appraisal Report (OAR) aims to inform H&TS on the preferred contract model option for future Highway maintenance routine and repair activities. It is not intended to substitute or replace service transformation initiatives. Where appropriate the report has identified additional aspects that could be considered by H&TS regarding established contracts, operational considerations and best practice. The report provides a shortlist of contract options and recommends a preferred contract model. How this model is procured remains a decision for the Authority, with options such as Scape Frameworks to be considered. The report has been informed through discussions with H&TS staff, industry insight and a good working knowledge of H&TS and the LA market. In the time available to complete this report, it is acknowledged that additional work may be required on elements such as contract model composition, a commercial strategy, a procurement strategy and a Full Business Case. The scope of services considered for this report are as previously described.

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