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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 20 October 2011

<u>Present:</u>	Councillor	J Hale (Chair)	
	Councillors	D McCubbin KJ Williams R Wilkins C Jones	J Walsh A Sykes S Williams
<u>Deputies:</u>	Councillors	R Abbey D Roberts	
<u>In attendance:</u>	Councillors	D Elderton S Foulkes J Green C Meaden	
<u>Apologies</u>	Councillors	P Hackett S Whittingham	

CALL-IN OF CABINET MINUTE 117 (22 SEPTEMBER 2011) – PARKS AND COUNTRYSIDE SERVICES EXERCISE (PACSPE)

31 CHAIR'S OPENING REMARKS

The Chair welcomed members of the public to the meeting. He outlined the call-in procedure and introduced Councillor J Green, the lead signatory to the call-in notice, and Councillor C Meaden, a Cabinet Member and the relevant Portfolio Holder.

32 REQUEST TO EXCLUDE THE PRESS AND PUBLIC

Councillor J Williams requested that the Press and Public be excluded from the meeting so that the Committee could discuss recent developments in respect of the Serious Fraud Office being requested to examine one of the Council's contracts and its possible implications. The Chair informed that this was about another matter and the level of information available at the moment was limited. However, Councillor Williams was of the view that there was a clear cross over between that contract and the Parks and Countryside Services Procurement Exercise (PACSPE) which was under consideration by the Committee and the questions he wanted to ask would cover both of these matters.

Consequently, the Committee was asked if it wished to accede to the request and it was

RESOLVED:

That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

33 **CLARIFICATION AND IMPLICATIONS OF ANY SERIOUS FRAUD OFFICE INVESTIGATION**

The Committee asked the Director of Law, HR and Asset Management for guidance and advice in respect of recent events. The Director set out the current situation in respect of this matter and informed that he could see no reason for the Committee not to proceed with the consideration, in public, of the Cabinet decision on the PACSPE which had been called in. If in so doing Members considered it necessary later to seek further legal advice this may be provided, in private, by passing a resolution to exclude the press and public from the meeting again, if it was considered appropriate.

RESOLVED:

That the public be re-admitted to the meeting.

34 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP**

Councillors R Abbey, C Jones, C Meaden, J Walsh and J Williams each declared a personal interest in respect of the Cabinet's decision which had been called in by virtue of their trade union membership.

35 **EXPLANATION OF CALL - IN BY LEAD SIGNATORY**

Councillor J Green, Leader of the Conservative Group, outlined the reasons for his opposition to the Cabinet's decision not to let the PACSPE contract to an external contractor but to retain these services in house, as set out in the call-in notice. It was noted that as some elements of the grounds for call-in were commercially sensitive, the Director of Law, HR and Asset Management had redacted those specific parts. However, the full text of the call-in was contained within Part 2 of the agenda.

Councillor Green referred particularly to advice provided by the District Auditor who had recently qualified the Value for Money statement in the Council's Annual Governance Report. The District Auditor had stated in respect of the Highways and Engineering Services Procurement Exercise (HESPE) contract, which had been in operation for the last two and a half years that the Council was not able to provide information on activity and performance to determine whether it was receiving better value for the money spent. She had informed that

“there are risks in letting a 10 year contract if there is only very limited information on the costs and activities levels of the existing service and Members should be made aware of this increased risk. This is because there is nothing to monitor against when assessing whether or not letting the contract has delivered better value for money.”

Councillor Green informed that he had attended the Cabinet meeting when the decision on the PACSPE had been made. He had subsequently taken the opportunity to question the District Auditor, asking her if she had considered the Gateway process that had been used during the procurement exercise, or seen the procurement documentation and the business case. She had informed that she had not; and that she had not been suggesting that the Council should not go ahead with the procurement exercise. She had merely wanted to point out the risks associated with letting a contract for PACSPE. Councillor Green believed that no thought had been given to mitigating the risks.

Councillor Green reported that he had serious concerns over the way the Cabinet had made its decision and he believed that it exposed the Council to the risk of a judicial review. The procurement process had been thorough and the Project Board had been very focused on value for money. The decision which the Cabinet had made could suggest that the procurement process which the Council had used may not have been complete.

36 EVIDENCE FROM CALL - IN WITNESSES

Mr Ian Halton, Director, Capita Symonds

Mr Halton talked the Committee through the Business Case process. He informed, through questioning, that during the PACSPE process account had been taken of the objectives and aspirations of the Council (which were very similar to those of other local authorities). It was noted that obtaining value for money had been very important, as was bringing about much needed improvements to the facilities within the Council's Parks and Countryside Service. This would involve identifying funding to improve equipment and to assist staff training and development. A benchmarking exercise had been carried out using both similar and neighbouring authorities. This exercise had considered service delivery, taking on board the views and opinions of internal staff and contractors. Mr Halton reported that an options appraisal had been undertaken. He also detailed the six procurement options that had been considered, the SWOT analysis carried out, along with the estimated costs, quality issues and the flexibility in the contract to make efficiency savings.

Members were told by Mr Halton that he had been led to believe that an in house bid had been ruled out because it had been considered that the Council did not have the staff with the expertise required to develop it; and there would have been a problem with service delivery if staff had concentrated their energies on drawing up a bid. Mr Halton informed that the Project Board had told him that in house staff did not have the appetite to draw up a bid.

Mr David Green, Director of Technical Services

Mr Green reported that he would have been happy to run an in house service but the brief had not included an in house option. However there are significant challenges to overcome and it will probably take two years to provide a broadly comparable service to that which an external provider could provide from shortly after the commencement of the contract. Initial discussions had taken place with the trade unions who recognised that working practices would have had to change significantly. They had set out their ideas of how working practises could change. There had been an informal understanding between the two parties about what would be required. Mr Green reported that he was of the opinion that the Council's staff could deliver a broadly comparable service but, realistically, it required change, investment and time. Mr Green said that the PACSPE had been a big, complicated procurement exercise and that was why a Project Board had been established. The Board was made up of those officers with the appropriate skills from within the Council. A business case had been developed which included three options for service delivery in house; outside; or a combination of both. This had been presented along with a report to the Cabinet. The report had set out the advantages and disadvantages (which had been scored) and the likely efficiencies. Mr Green also reported, when questioned about whether the staff had the ability to draw up an in-house bid to run the Service, that he was of the view that Mr Halton had been referring to the staff's technical abilities. Mr Green considered that there was a lack of in house expertise and staff would not have been able to put together a competitive tender for the work required without the assistance of an expert. This

would have involved additional costs for the external advice required. It was noted that 70% of the evaluation had been on price, whilst 30% had been based on quality.

When questioned on why there had been an in house bid for the HESPE and not the PACSPE, Mr Green informed that in both cases the decision had been made by the Cabinet. In both cases it had been what the Council's Administration, at that time, had wanted to do. Also, it was noted that the Council did not have the staff that could put together a competitive tender within the timescale laid down. The appropriate infrastructure was not in place within Parks and Countryside Service and unit costs were unknown. Mr Green was still unaware of the costs of running individual parks. Systems needed to be put in place so that this information is available in future. The Cabinet was aware of the situation and the lack of financial information available. Initially, Mr Green informed that his instructions from the Cabinet were to do as much as he could and develop an action plan and, depending on the business case, there may be some more investment available.

It was noted that since the Cabinet had made its decision at its meeting on 22 September 2011 on the PACSPE an initial meeting had been held with the trade unions. There had not been any discussions with user groups since the decision had been made. Mr Green confirmed that, subject to the call-in, he would be able to deliver a first class service in house, over a ten year period, but that it would take approximately two years to get the service up to the appropriate standard. The Cabinet had asked him to provide an action plan and he intended also to share its detail with the staff, trade unions and user groups. The aim was to provide the best in house service possible, within the resources available.

Professor Robert Lee, Friends Forum Steering Group

Firstly, Professor Lee distributed a paper to all Members of the Committee from Martin Harrison, Secretary to Wirral Parks Friends Forum. Professor Lee presented the paper informing that the community-based Parks Steering Group had been involved in the PACSPE process from the beginning. It had identified the following key problems with Wirral's parks and open spaces:

- Poor gardening standards
- Areas of parks abandoned and uncared for
- Varying standards across Wirral
- Lack of firm supervision and direction
- Broken and obsolete equipment
- Lack of training and apprenticeship
- Low staff morale
- Low staff productivity
- Deteriorating buildings and infrastructure
- Budget cut on top of budget cut on this supposedly unimportant service
- Areas of natural interest and wildlife uncared for
- Statutory standards for designated nature areas not being met
- Wirral gems such as Hilbre Island are being neglected

Professor Lee informed that the Wirral Parks Friends' Forum had come to the conclusion that contracting the work out was the best and only way to achieve much needed change, save money and improve quality. The Friends had been involved in the process, feeding in a series of position statements. This was because the Friends' Forum believed that there was a lack of skills and equipment; and there was weak management. Professor Lee referred to 'The Corporate Governance Report' written by Anna Klonowski Associates Ltd which summarised organisational weakness and had found that the Council could not manage performance or spot

failings. In the light of this, he could not see how quality improvements required could be brought about in-house.

Professor Lee considered the PACSPE process to have been robust. All the contractors involved had impressed the Friends' Forum with their innovative ideas and because they were passionate about parks. He informed that the Friends' Forum was concerned about the process behind the Cabinet's decision, as there had been no consultation or formal notification of that decision.

In summary, Professor Lee informed that Wirral's parks and open spaces required investment. Standards had to be raised as green flag awards were needed to maximise what parks had to offer. There was huge potential but was on balance his preference remained for outsourcing parks and open spaces. This was because the Council did not have a structure in place to move them forward in a meaningful way.

Mr Chris Rance, Atkins

Members questioned Mr Rance on his experience of similar procurement exercises. They were informed that he had undertaken work for a number of other local authorities, including Birmingham City Council and that he was a green flag judge. He told the Committee that he had a strong grounding and expert knowledge in this particular area. Mr Rance was also questioned on the risk of the contract not delivering value for money. He informed that the contract had been developed through a very thorough process and would, in his opinion, deliver excellent value for money. He added that the whole focus had been on achieving results.

Mr Malcolm Burns, Atkins

Members questioned Mr Burns on the number of similar procurements he had been consulted on previously. They were informed that he had been consulted on one that had been very similar to the PACSPE and a lot that were similar to a lesser degree. He also informed that he had been involved with similar procurement projects: e.g. rail and waterway projects. He informed, through questioning, that all of the work that had gone into developing the contract, had been targeting improving value for money. This had been built into the process and the documentation used. The prices provided via the tender process in comparison to in house costs, demonstrated savings.

Mr Burns told the Committee that, in his opinion, the contract was as robust as a contract could be; and he did not believe that there were any serious abnormalities in it. It provided for variations and this meant that the Council could alter the tasks to be performed by the contractor in line with the funding available. It was also output based and would deliver a given standard in a particular area. Finally, and there was provision in the contract for price adjustments.

Jim Lester, Head of Cultural Services

Mr Lester was questioned on cost accounting. He informed that he was aware of the lack of financial information available and knew this was something that his Service would have to improve upon. Costs were not broken down on a park by park basis. However, information was available on the costs of delivering specific services e.g. The Ranger Service.

Mr Lester informed that he was confident that the Parks and Countryside Service could be retained successfully in-house. This would require resources and it would take time, as there was a lot of work to do. He told the Committee that he would

commence discussions with staff and trade unions on how costs on a park by park basis could be achieved.

Jenny Spick, Chief Accountant

From questioning by Members Ms Spick informed that Project Board meetings had been held approximately every four to six weeks. Her view on value for money was that it was demonstrated in what came from the contract process. This means looking at cost price and specification and comparing what was delivered at the moment and what was specified in respect of future delivery.

Ms Spick was asked for her views on the value for money judgement made by the District Auditor but informed that she was unaware of the detail around it. Members asked Ms Spick if she had been surprised by the District Auditor's comments and her response was that the question was hard to answer.

Members noted that in order to move to unit costing it would be necessary to look at where staff worked and how much time they spent on different tasks etc. A method for apportioning costs across parks would have to be introduced and the work of Finance Teams would have to be broken down on a park for park basis.

Ray Williams, Corporate Procurement Manager

Mr Williams was asked about his professional experience and informed that he had worked for all of the Councils on Merseyside conducting tender processes, complying with regulations etc. Members asked whether, in Mr Williams' opinion, the PACSPE procurement had been a safe and robust exercise. His response was that it had been; and that lessons had been learnt from the HESPE process which had been carried into the PACSPE process.

Mr Williams was also asked about the risk of a legal challenge to the Council and responded that as the Council had withdrawn from the PACSPE process, contractors who had tendered for the work were very disappointed; but the question of whether there may be a legal challenge to the Cabinet's decision should be addressed by a legal officer.

Mark Gandy, Group Auditor

Mr Gandy informed that he was happy that the PACSPE procurement process had been robust and there had been no problems encountered. His focus had been to ensure that all of the tenderers had been treated fairly when he had drawn up the tender documents.

Mark Smith, Deputy Director of Technical Services

Mr Smith informed that his primary role in the PACSPE procurement process had been to lead it since the Cabinet made its decision in 2010, to agree a single strategic contract. On being questioned on the robustness of the process Mr Smith informed that although there was some criticism about the Council at the moment, there were some things it was good at. Officers had built up experience on this type of work, lessons had been learnt from the HESPE process, and an action plan had been drawn up and used along with an OGC Gateway process to deliver the objective set by the Cabinet at that time.

Mr Smith explained the Gateway process which had become well established over the last ten years and was recommended by Central Government for contracts of this nature. There were recognised common features for every procurement project of

this nature. The project was split up into gates and checks and balances were put in place. Mr Smith told the Committee that his staff had a good and strong reputation for using this process effectively.

The Committee asked Mr Smith if, in his opinion, the PACSPE delivered value for money. Mr Smith responded by pointing out that the tenders, submitted at the end of the process, proved this and that efficiencies could be made if the work had been outsourced. He informed that a detailed scoping exercise (involving 15 – 16 scoping papers) had been carried out following the District Auditor's advice.

Councillor David Elderton, Chair 2010/11 - PACSPE Members Steering Group

Councillor Elderton informed that he had been the Cabinet Member with the Portfolio for Culture, Tourism and Leisure during the 2010/11 Municipal Year. As such he had been heavily involved in the process to externalise the Parks and Countryside Service. The Labour Group had started the process some years ago but, for reasons unknown to him, had decided in September 2009, not to pursue it. The Conservative Group had picked it up after receiving expressions of concern over the way the Parks and Countryside Service was being delivered.

Councillor Elderton reported that a detailed specification had been included in the tender process. All tenderers had been given the details and had returned their tenders on that basis. The aim had been to provide the best possible service for the Council Tax Payers of Wirral and he had been unable to understand how the workforce could submit a tender. The contract was to have been based on outcomes and if the successful tenderer failed to perform, the Council would have been able to impose sanctions. The workforce could not be invited to submit a bid on that basis. The options had been to provide the service in-house or go out to contract. There had been no middle course of action.

Councillor Elderton told the Committee that he had spent thirty years of his working life engaged in similar processes to PACSPE and as the Cabinet Member with responsibilities for the PACSPE, had spent a lot of time pondering over the details. He had seen all of the tender documents, had been delighted in the way everyone had responded; and had made every effort to make sure it would work. Externalisation of the Service would have provided best value. Plant and equipment would have needed to be replaced and the workforce trained and looked after when it transferred over to the contractor.

The Committee had been informed by a previous witness that the Golf Groups had been unhappy. However, Councillor Elderton informed that he had attended a very successful meeting with them and that there were certain issues on golf courses which would need to be addressed.

Councillor Chris Meaden, Cabinet Member – Culture, Tourism and Leisure (proposer of the Cabinet Motion)

Councillor Meaden, through questioning, informed that Parks and Countryside staff had been told that the Service would be retained in house at the Cabinet meeting held on 22 September 2011. The last Steering Group meeting had been cancelled as the PACSPE was to be considered at the Cabinet meeting, and at the time it had been cancelled Councillor Meaden had been unaware of the Labour Group's proposal to keep the Service in-house. The Cabinet had still to decide what resources would be made available to replace plant and equipment.

EVIDENCE FROM CABINET MEMBER'S WITNESSES**Councillor Steve Foulkes, Leader of the Council**

Councillor Foulkes drew attention to the District Auditor's criticism over the HESPE contract that the Council was not able to provide information on activity and performance to determine whether it was receiving better value for the money spent and informed that this was reason enough for her not to let the PACSPE contract. He informed that he did not want the District Auditor issuing a qualified opinion that drew attention to weaknesses identified in the arrangements for securing value for money in respect of a PACSPE contract. Councillor Foulkes considered that to let such a contract would have been an unwise decision, especially as there was less information available in respect of unit costs for the PACSPE than there had been for the HESPE.

Bill Norman, Director of Law, HR and Asset Management

The Director of Law, HR and Asset Management was asked whether, in his view, the decision taken not to award the PACSPE contract but to continue to run the service in house was reasonable or unreasonable. He stated that it was reasonable and that the comments of the District Auditor needed to be considered in the light of Anna Klonowski's supplementary report on the Council's Governance Arrangements: Refresh and Renew following her independent review of the Council's response to claims made by the whistleblower, Mr Martin Morton (and others). The Corporate Governance Report had identified a number of serious happenings over recent years, namely:

- (A) A Public Interest Report,
- (B) Two reports under the Public Interest Disclosure Act,
- (C) A "red flag" raised by the Audit Commission in relation to Adult Social Services Data,
- (D) A Care Quality Commission (CQC) Report relating to issues raised by the "red flag",
- (E) Concerns raised by the Council's external auditors, and
- (F) A number of issues raised by the Director of Finance in the Council's own corporate governance statements.

The Director told the Committee that the District Auditor's specific qualification around value for money in relation to the HESPE contract was comparable to the issues listed above. It was a very rare occurrence for a specific qualification to be issued on a major procurement exercise. The inference he had taken from this was that there had been insufficient base information available to satisfy the District Auditor that the HESPE contract was providing value for the money the Council was spending. The Director said that it was reasonable for the Cabinet to consider whether a PACSPE contract could result in a similar outcome of a qualifying statement from the District Auditor. In the absence of quality information and unit costs the Council was unable to demonstrate that it could deliver a better Parks and Countryside Services by letting the PACSPE contract.

Ian Coleman, Deputy Chief Executive/Director of Finance

The Deputy Chief Executive/Director of Finance reported that he had not been involved in the HESPE process and had only known that the District Auditor would issue a qualifying statement in respect of it since September 2011. He was of the view that if the PACSPE contract had been let it would have resulted in the District Auditor issuing another qualifying statement.

The Committee noted an assessment of the impact of inflation over the ten years the PACSPE contract was to have run would have eliminated any possible savings made through externalisation.

Geoff Bradfield, Wirral Unison

Mr Bradfield made reference to the length of time the PACSPE process had been running. He informed that Unison had a Plan to retain the Parks and Countryside Service within the Council and deliver a first class service which would provide value for money. Unison wanted to work in partnership with the Council to obtain this end result. There were a number of elements to the Plan:

- 50 staff had left the Council through Early Voluntary Redundancy
- It would be necessary to increase the use of seasonal workers
- A policy of flexible staff working – working longer hours in summer, shorter hours in winter
- The provision of some new plant and equipment (either lease or buy)

Mr Bradfield informed that meetings had taken place with the staff concerned and there had been agreement, in principle, for a flexible working scheme. This proposal would be discussed with the management.

38 SUMMING UP BY MOVER OF THE CALL - IN

Councillor J Green referred to the evidence the Committee had been presented with from various sources. The consultants used in the PACSPE process had explained the qualitative and quantitative assessments that had been carried out. Members had heard from Members of the Project Team and the Friends Forum, had been informed of the Gateway Reviews undertaken and had questioned the Accountant and the Auditor.

The Cabinet had taken its decision not to let the PACSPE contract but instead run the Parks and Countryside Service in house without any consultation with stakeholders or park users, who had made a huge contribution to the PACSPE process. The point had been made in respect of inflation that it only applied to the preferred bidder not the Council. Councillor Green informed that, of course, it applied to both sides.

Councillor Green referred to the points made by the Leader of the Council, Councillor S Foulkes and accepted that he was genuine in what he had said. There was a problem in asking tenderers to tender for a contract by adhering to a set of rules and then asking them to change them. He considered that it was this that left the Council open to a series of risks. Councillor Green referred, again, to the criticism levelled by the District Auditor that the Council was unable to demonstrate value for money in respect of the HESPE contract and the Cabinet's fear of this happening again if the PACSPE contract had been let. He reminded Members that he had spoken to the District Auditor in this regard; and that she had not seen all of the associated documentation. She had not suggested that the Council should not go ahead with this procurement exercise, in the light of it. She had only wanted to point out the risks of doing so. With some thought, Councillor Green believed that it would be possible to mitigate risks and it was up to the Council to do this. In the light of the points made and the information provided by the expert witnesses at this meeting, Councillor Green believed that he and his fellow Councillors had been right to call the Cabinet's decision in.

There had been much talk of the HESPE contract during this meeting and Councillor Green was well aware of the lessons learnt from that process. He was disappointed that the decision had been taken to cancel the Member Steering Group on the run up to this meeting. The aim had been to provide Members with important information. Councillor Green was also concerned about the Council not having essential data and the need identified for a management information system which would require additional investment and about the budgetary issues set out in the report. He was still of the view that the Cabinet's decision to refuse to award the PACSPE contract was not evidenced based and was unsafe and that no one appeared to have looked at how the contract had been put together or that the District Auditor's views about value for money had not been tested.

Councillor Green urged the Committee to inform the Cabinet that it had made the wrong decision over the PACSPE contract and request that it be reviewed, with a view to retrieving the situation, by make the right decision to let the contract to an external contractor.

39 **SUMMING UP BY CABINET MEMBER**

Councillor C Meaden summed up by informing that when she had become the Cabinet Member for Culture, Tourism and Leisure in May 2011 she had met with the Director of Technical Services and had decided to visit all of the Council's Parks and meet the staff and volunteers which she had done. She spoke highly of the Contracts Manager who would now be asked to restructure the whole Service.

Councillor Meaden reported that she had spent a lot of time considering the PACSPE contract. However, at the Cabinet meeting on 22 September 2011 she had been aware that the staff had been eager to know about their jobs and what would happen in the future. Therefore, to avoid any more unnecessary suspense, she had moved the recommendations without any preamble. Councillor Meaden informed that she was very happy for the Parks and Countryside Service to remain in house.

40 **VOTE OF THANKS**

Councillor J Hale, in his capacity of Chair, thanked everyone who had spoken at the meeting for their contributions.

41 **COMMITTEE DECISION**

It was moved by Councillor Hale and seconded by Councillor McCubbin: That

This Committee notes the following:

- the Cabinet appeared to ignore, and did not even mention, the findings of the Office of Government Commerce Gateway Reviews that the Parks & Countryside Services Procurement Exercise (PACSPE) had been subjected to;
- no attempt was made to publically question officers from the Finance Department, the Legal Department and the Procurement Unit who were members of the PACSPE Project Board as to whether the 'risk' identified by District Audit, and made so much play of in the Cabinet resolution could or had been satisfactorily mitigated;
- no discussion was had by Cabinet Members of the risks of not awarding the contract.

- no mention or discussion took place regarding stakeholder management or the views of key stakeholders about the benefits of clear quality improvements that were built into the procurement exercise. In fact, other than the views of the Council Trades Unions, the results of consultation and the views of park users and user groups were not even mentioned by a single Cabinet Member at the meeting;
- no reference was made to the new post of Community Engagement Manager to work with Friends, stakeholders, user groups and local Area Forums or the new key performance indicators developed through PACSPE to reflect the change to a more customer and community focused service;
- insufficient account appeared to be taken of the reduction from costs of £8.1 million per year to £7.4 million per year already achieved by the PACSPE process with the potential to reduce costs by a further very large sum. Indeed, it is hard to understand how the Leader of the Council characterised the potential savings as marginal;
- no effort appeared to be made by Cabinet Members to discuss or evaluate the additional costs to Council Tax payers of purchasing what has been accepted as worn out equipment requiring immediate replacement at a very significant cost or the TUPE costs of bringing current contractor staff into the Council workforce and pension scheme, per annum, or over the 10 year period;
- no mention was made of the training and development programme for staff and volunteers or the three to six new apprentices to be created as part of PACSPE;
- no explanation was given at Cabinet regarding the opposition to a 10 year contract that would reduce annual costs by a significant amount]and improve the quality of our parks and countryside, other than the expressed need contained in the resolution to reduce spending by £85 million over three years;
- therefore we believe that the decision to refuse to award the PACSPE contract would see the ever decreasing quality of a service starved of investment by this administration which is already characterised by going for the quick fix instead of making the difficult but necessary strategic decisions in the interests of Wirral residents; and
- this Committee therefore, recommends that the PACSPE contract should be let to the designated preferred bidder.

It was moved as an Amendment by Councillor J Williams and seconded by Councillor J Walsh that the resolution of the Cabinet at its meeting on 22 September 2011 be agreed. (Cabinet Minute No. 117 refers.)

The Amendment was put to the vote and lost (5:5) on the Chair's casting vote.

The original Motion was then put to the vote and carried (5:5) on the Chair's casting vote.

RESOLVED:

That this Committee notes the following:

- **the Cabinet appeared to ignore, and did not even mention, the findings of the Office of Government Commerce Gateway Reviews that the Parks & Countryside Services Procurement Exercise (PACSPE) had been subjected to;**
- **no attempt was made to publically question officers from the Finance Department, the Legal Department and the Procurement Unit who were members of the PACSPE Project Board as to whether the 'risk' identified by District Audit, and made so much play of in the Cabinet resolution could or had been satisfactorily mitigated;**
- **no discussion was had by Cabinet Members of the risks of not awarding the contract.**
- **no mention or discussion took place regarding stakeholder management or the views of key stakeholders about the benefits of clear quality improvements that were built into the procurement exercise. In fact, other than the views of the Council Trades Unions, the results of consultation and the views of park users and user groups were not even mentioned by a single Cabinet Member at the meeting;**
- **no reference was made to the new post of Community Engagement Manager to work with Friends, stakeholders, user groups and local Area Forums or the new key performance indicators developed through PACSPE to reflect the change to a more customer and community focused service;**
- **insufficient account appeared to be taken of the reduction from costs of £8.1 million per year to £7.4 million per year already achieved by the PACSPE process with the potential to reduce costs by a further very large sum. Indeed, it is hard to understand how the Leader of the Council characterised the potential savings as marginal;**
- **no effort appeared to be made by Cabinet Members to discuss or evaluate the additional costs to Council Tax payers of purchasing what has been accepted as worn out equipment requiring immediate replacement at a very significant cost or the TUPE costs of bringing current contractor staff into the Council workforce and pension scheme, per annum, or over the 10 year period;**
- **no mention was made of the training and development programme for staff and volunteers or the three to six new apprentices to be created as part of PACSPE;**
- **no explanation was given at Cabinet regarding the opposition to a 10 year contract that would reduce annual costs by a significant amount]and improve the quality of our parks and countryside, other than the expressed need contained in the resolution to reduce spending by £85 million over three years;**

- **therefore we believe that the decision to refuse to award the PACSPE contract would see the ever decreasing quality of a service starved of investment by this administration which is already characterised by going for the quick fix instead of making the difficult but necessary strategic decisions in the interests of Wirral residents; and**
- **this Committee therefore, recommends that the PACSPE contract should be let to the designated preferred bidder.**

42 **REASONS FOR CALL-IN - FULL VERSION**

The Committee had regard to the full version of the reasons for the call-in which contained exempt information, as some elements of the grounds for the call-in were commercially sensitive.

43 **EXEMPT APPENDICES TO PARKS AND COUNTRYSIDE SERVICES PROCUREMENT EXERCISE (PACSPE) REPORT**

The Committee noted the exempt appendices in respect of the Parks and Countryside Services Procurement Exercise which contained some commercially sensitive information.

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