



ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE
Tuesday, 16 March 2021

REPORT TITLE:	HIGHWAYS SERVICE DELIVERY 2021 TO 2026
REPORT OF:	DIRECTOR OF NEIGHBOURHOOD SERVICES

REPORT SUMMARY

This report recommends the delivery of highway services in Wirral be continued on an in-house plus top-up delivery model basis, with key contracts for the supply of civil engineering and structural maintenance works provision being re-procured.

The effective delivery of the Council's highways service contributes to the Wirral Plan 2025, in particular: working for safe and pleasant communities and working for a sustainable environment.

The services carried out will take place across all Wards.

This report has been classed as a Key Decision and included on the Council's Forward Plan.

RECOMMENDATIONS

The Environment, Climate Emergency & Transport Committee is recommended to:

- (1) Endorse the continuation of the Council's highway service delivery on an in-house plus top-up model basis, as outlined in section 2.0 of this report;
- (2) Approve the contract and procurement strategy set out in section 4.0 of this report, and
- (3) Authorise the Director of Neighbourhood Services, in consultation with the Chair and Party Spokespersons of the Environment, Climate Emergency and Transport Committee, to amend the number and scope of support service contracts set out in Appendix 1 to the report, as may be necessary to maintain effective statutory service provision.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATIONS

- 1.1 The proposal to continue with a highway service delivery model based upon an in-house plus top-up model, but with new longer-term contracts for planned civil engineering and structural maintenance supply, will provide the Council with maximum flexibility, control and value for money when compared with all other available service delivery solutions.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 As a result of the review of the current service and other options considered in Appendix 3 to this report it is proposed that Wirral Council's highway services be continued on an in-house plus top-up delivery model basis, from April 2021 until at least April 2026. A list of support contracts is included at Appendix 1 and a schematic representation of the service delivery model is included at Appendix 2.

3.0 BACKGROUND INFORMATION

- 3.1 Wirral's highway network is the Council's largest total asset. Its current estimated gross replacement value is £2.48 billion and it consists of approximately 1,200 kilometres of road; 2,000 kilometres of footway; 38,000 street lights; 120 bridges and structures, and 60,000 road gullies. The Council has a statutory duty to maintain the highway network under the Highways Act 1980 (as amended). The Council's highway services were delivered under a single provider model from 2009 until 2018 using a private sector external supplier to carry out all works activities, both reactive and planned. Most recently Bam Nuttall Ltd (BAMN) operated the contract from 1 April 2014 until 30 September 2018. On 24 July 2018, the Leader of the Council decided to bring back all highway services under the Council's control from 1 October 2018. This was achieved through internalising a small direct works function for reactive works and directly procuring top-up services for planned works as described in Appendix 3 to this report.

4.0 PROPOSED CONTRACT AND PROCUREMENT STRATEGY

- 4.1 Six new term-service contracts for the provision of planned top-up services, listed as 'contract ID A' in Appendix 1 to this report, will be re-procured during 2021 with contracts proposed to commence on 1 December 2021. The contracts will be based upon the NEC3 Term Service Contract (TSC) standard form and main Contract Option A, priced contract with price list. The contract service information will be generally similar to that contained in the Council's current 'A' contracts but will incorporate revisions and amendments resulting from lessons learned by officers responsible for administering the service. The contracts will be five-year duration, 1 December 2021 until 30 November 2026, with conditional provision to extend by a further two years at the Council's sole discretion.

- 4.2 A comprehensive performance management framework and suite of KPIs will be included in all the contracts. Regular reports on performance of the contracts will be provided to the Neighbourhoods directorate management team and to the Environment, Climate Emergency and Transport Committee.
- 4.3 Competitive tenders will be invited under the Public Contracts Regulations services directive.
- 4.4 Tenders will be evaluated by senior officers from Neighbourhoods and Resources directorates using a 65/20/15, price/quality/social value, evaluation model. Results of the evaluation process and recommended preferred bidders for contract award will be presented to the Environment, Climate Emergency and Transport Committee for approval.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no new financial implications arising from this report. The majority of planned works under the Structural Maintenance Programme (SMP) and Combined Authority Transport Plan Integrated Transport Block (ITB) are funded from capital grants devolved via the Liverpool City Region Combined Authority. In 2019/20 this included over £6 million capital SMP programme and over £1.1 million ITB programme. The current Highways and Infrastructure revenue service budget is approximately £7.2 million of which only £1.6 million is available for routine and reactive works on the highway network, approximately £1 million of which is delivered through the services described in this report. The remaining budget provides for staffing and service delivery across all other Highways and Infrastructure functions, including Network Management, Network Operations, Design and Commissioning and Service Support.
- 5.2 The estimated value of works likely to be ordered through the various top-up contracts are indicated in Appendix 1. However, the Council is not contractually committed to issue any particular value of work. All contract works task order instruction will be managed within the Highways and Infrastructure service, using a risk-based prioritisation approach consistent with the HIAM Strategy and Policy, as well as the Network Management Plan, and having regard for the pertaining budgetary provision at time of order and for the SMP and ITB programmes approved by the Council.

6.0 LEGAL IMPLICATIONS

- 6.1 The Council has a statutory duty to maintain the highway network under the Highways Act 1980 (as amended).
- 6.2 There is no known TUPE implication with this proposal as all top-up service supply contracts are currently with suppliers not providing the majority of their business to Wirral Council.

7.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 7.1 Staffing: The Council's service delivery and contract management team will be provided from current staffing resources and budgets within Highways and

Infrastructure service. However, the operational management structures required to effectively deliver the highways service HIAM strategy for the next five years will be considered as part of a Neighbourhoods directorate efficiency review.

7.2 ICT: The Council's highway asset inventory has recently moved onto the 'Insight' software package on a proprietary system provided by Symology. Where applicable this system will be linked to the service suppliers' ICT systems to manage the contracts more efficiently.

7.3 Assets: there are no additional assets implications at the present time.

8.0 RELEVANT RISKS

8.1 Without adequate top-up service support contracts the Council will be unable to meet its statutory obligations, so it is imperative that suppliers are procured within timescales that ensure continuity of support.

8.2 There is a small risk of insufficient market interest from suppliers but this is considered to be low based upon previous experience and recent engagement conducted.

9.0 ENGAGEMENT AND CONSULTATION

9.1 As part of the process of reviewing the Council's highway service in 2018, extensive engagement was conducted with other local authorities direct with chief officers and senior managers responsible for highway service delivery. Further informal discussions have been held recently with near neighbouring authorities. Based upon the experiences of others and the advice received, the most appropriate highway service delivery model for Wirral given the service scope and resources available was and remains the in-house plus top-up model.

9.2 Recent discussions have been held with neighbouring authorities regarding other options as described in Appendix 3 to this report.

9.3 A comprehensive soft-market testing exercise was conducted in 2018 to establish the appetite in the market for providing the necessary top-up services to Wirral Council. The findings of this exercise concluded that the in-house plus top-up service model was welcomed by prospective suppliers and this has been evidenced by good relationships that have developed with the current supply chain. Informal discussions with incumbent suppliers has revealed a strong willingness to engage in further procurement opportunities.

9.4 The planned work service top-up support contracts will include a comprehensive performance management framework (PMF) with a set of KPIs, with corrective actions for failure to meet performance targets. One of the KPIs will require customer satisfaction surveys to be completed by the supplier.

10.0 EQUALITY IMPLICATIONS

10.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact

Assessment is a tool to help Council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

- 10.2 This report is concerned with a service model and associated procurement and legal processes so there are no direct equality implications arising from this report and no assessment is included. Equalities considerations is built into the procurement processes and any workforce implications will be considered.

11.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 11.1 As part of the process for procuring top-up services suppliers, tenderers will be required to not only evidence their legislative compliance and business procedures for effective environmental management, but will also be required to evidence how they intend to work with the Council towards its 2030 net zero carbon target. This evidence will be evaluated as part of the quality aspect of tender submissions and subsequently monitored as part of the contract management process with the successful suppliers.
- 11.2 The in-house plus top-up highways service delivery model has, and is expected to continue to, encourage a number of local Wirral-based suppliers in some of the contracts, which can provide local environmental and social value benefits.

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APPENDICES

Appendix 1 – Top-up service support contracts
Appendix 2 – Schematic Highway Service Delivery Model

BACKGROUND PAPERS

Commercial tender submission information and benchmarking of rates.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Leader of the Council Decision Report: Re-Commissioning of Highway Services from October 2018	27 July 2018
Cabinet Member for Community Services: Proposed Extension to Existing Highways Contracts	19 February 2020