

**CABINET RESPONSE TO ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS BOARD**

**HIGHWAYS AND TRANSPORT MEMBER REFERENCE GROUP'S REPORT ON THE KIER CONTRACT EXTENSION**

**(considered by Economic Prosperity, Environment and Highways Board on 10 December 2015)**

**COMMITTEE RECOMMENDATIONS:**

That Cabinet approve the extension to the Kier contract until 2021, subject to the conditions outlined in paragraph 20 of the Member Reference Group report.

These conditions were:

In order to ensure that Kier continue to progress the improvements/issues identified, it would like the following conditions included in the contract extension agreement:

- Delivery of a new joint procurement strategy which addresses the sub contractor performance management issues and actively supports local businesses.
- Implementation of a new performance framework for Kier and its supply chain which incentivises good performance and consequences for poor performance.
- An efficiency action plan which looks at integration opportunities to reduce duplication of effort and waste in teams.
- A firm commitment from Kier to support our Customer Service Excellence ongoing accreditation requirements, which includes a review of customer defect reporting and programme management processes and an improved website.
- A new Communications and Engagement Strategy which should be embedded into all future schemes and is linked to the contract performance framework to ensure compliance.

**RESPONSE:**

I would like to thank the Board for their comments and scrutiny of the report, including the officer presentation in Part 2 of the meeting, and for commending the recommendation to Cabinet. I would also like to take this opportunity to thank the Member Reference Group once again for their thorough review of the Kier contract. Their findings have been instrumental in shaping the terms of the contract extension, which will ultimately deliver greater strategic alignment, value for money and improved services for residents. Surrey and Kier officers are working together to develop plans to ensure the contract conditions required by the Member Reference Group are successfully implemented. These conditions and associated contract modifications will be enshrined in a contract extension agreement and will be signed by the end of June 2016, subject to Cabinet approval on the 2 February. In line with the recommendations made in their report I will now be asking the Member Reference Group to review their terms of reference to consider their ongoing role in the contract and the service's wider long term strategic plans.

**John Furey  
Cabinet Member for Highways, Transport and Flooding  
2 February 2016**

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