

# TASK AND FINISH GROUP SCOPING DOCUMENT

The process for establishing a task and finish group is:

1. The Select Committee identifies a potential topic for a task and finish group
2. The Select Committee Chairman and the Democratic Services Officer complete the scoping template.
3. The Corporate Overview Scrutiny Committee reviews the scoping document
4. The Select Committee agrees membership of the group.

<b>Review Topic:</b> Highways Maintenance Contract
<b>Select Committee(s)</b> Highways and Growth Select Committee
<b>Relevant background</b>  Surrey Highways' reactive, routine and planned road maintenance is currently delivered by Kier Highways Ltd in a competitive contract put out to procurement by Surrey County Council in 2010. The contract started in April 2011 and has since been modified, with a one year extension being agreed in 2015 and the final extension and modification being agreed in 2016, which included some changes to how the contract was delivered. This modification also increased the annual contract value from an initial cost of £10 – 15 million to approximately £35-40 million, which included costs to delivering large infrastructure projects such as Project Horizon.  The current contract arrangements are reflective of the Council's position in 2011 in which it was considered appropriate at that time to move away from a single supplier that delivered everything. This was primarily due to concern over achieving value for money for those activities which required specialists as these were attracting significant mark up and overhead payments.  It will come to its conclusion in 2021 and there is a requirement to re-procure this contract, as there is no option for further extension. This will include undertaking work to understand the successes and failures of the previous iteration of the contract, what new ways of working could be implemented, and then use this information to redesign the contract to go out to tender.
<b>Why this is a scrutiny item</b>  Surrey County Council's Highway Service currently has several existing contracts to deliver maintenance and investment activities. Most of these come to an end in 2021. Therefore, the authority must look to re-procure this service before the contract end. This provides the authority a good opportunity to review how it has procured this contract, how successful the contract has been, how it measures success, and to use the lessons learnt from all of these points to redesign the contract to be best value for money.

### **What questions are the group aiming to answer?**

1. What design model for the contract does the service intend to utilise? There are a range of options available which include:
  - a. Retain the current arrangement of a multiple supplier arrangement in place, the majority of activities are currently undertaken by a single provider;
  - b. Consolidate the contract to be entirely provided by a single provider;
  - c. Further break up the contract to be delivered by multiple providers; or
  - d. Another option determined by officers or the task and finish group
2. What will the performance indicators be, and how will they be utilised for the new contract, taking into consideration the current contract specifications, performance of the current contractor and the effectiveness of the current performance indicators?
3. How will the new contract aim to effectively manage risks to the service?
4. How will the contract seek to effectively deliver in light of reducing budget and continue being value for money?

### **Aim**

To scrutinise, challenge and validate officers' recommendations as to what the optimal model and performance measurements for the future Highways Core Maintenance Contract will be upon re-procurement in 2021, taking into consideration quality of delivery and value for money.

### **Objectives**

- To understand the original Highways Maintenance Contract, changes to it, and reasoning behind why these changes were made, to provide an understanding of the context and potentially inform how the service could design the future contract.
- To provide input on the contract model to be used based on research and evidence and understand the potential options for the delivery of highway maintenance.
- To provide input on the Key Performance Indicators (KPIs) of the Contract, and how they will be measured and utilised to ensure good performance and value for money.

## **Scope (within / out of)**

### **In scope:**

- Current Highways contract model
- Performance of current Contract
- Resident feedback directly linked to current contract performance and communication with residents.

### **Out of scope:**

- Local Committee highways issues
- Specific area quality issues
- Resident perception of Highways Authority in general

## **Outcomes for Surrey / Benefits**

The design work for the contract will have implications on the maintenance of the road network of Surrey. Designing a contract which delivers the best value for money will have significant benefits to Surrey.

## **Proposed work plan**

<b>Timescale</b>	<b>Task</b>	<b>Responsible</b>
January 2019	Review contract performance including benchmarking against other similar Highway Authorities and review value for money assessments and benchmarking outputs	Democratic Services Officer, Head of Highways
March 2019	Review available contract model options, SCC Officer's assessments (including supplier engagement outputs) and recommended route to market	Democratic Services Officer, Head of Highways
May 2019	Final Report to Select Committee	Democratic Services Officer

## **Potential Witnesses**

Lucy Monie, Head of Highways  
Paul Wheaton, Business Improvement & Consultancy Team Manager  
Lead Cabinet Member for Place  
Other Highways Officers as required  
Kier Highways Ltd representatives

<b>Useful Documents</b>
Term Maintenance Contract
Performance structure including KPIs, performance results and profit model
<b>Potential barriers to success</b> (Risks / Dependencies)
Member & Officer availability Contract information availability
<b>Equalities implications</b>
None

<b>Task Group Members</b>	John O'Reilly, TBD
<b>Co-opted Members</b>	None
<b>Spokesman for the Group</b>	John O'Reilly
<b>Democratic Services Officer/s</b>	Richard Plummer