

# Public Document Pack



## Executive Board Sub Committee

Thursday, 22 July 2010 10.00 a.m.  
Marketing Suite, Municipal Building

A handwritten signature in black ink, appearing to read 'David W R'.

**Chief Executive**

### **ITEMS TO BE DEALT WITH IN THE PRESENCE OF THE PRESS AND PUBLIC**

#### **PART 1**

<b>Item</b>	<b>Page No</b>
<b>1. MINUTES</b>	
<b>2. DECLARATION OF INTEREST</b>	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.	
<b>3. RESOURCES PORTFOLIO</b>	
<b>(A) ACCEPTANCE OF TENDER FOR MUNICIPAL BUILDING</b>	<b>1 - 3</b>

*Please contact Gill Ferguson on 0151 471 7395 or e-mail [gill.ferguson@halton.gov.uk](mailto:gill.ferguson@halton.gov.uk) for further information.  
The next meeting of the Committee is on Thursday, 9 September 2010*

Item	Page No
<b>4. HEALTH AND ADULTS PORTFOLIO</b>	
<b>(A) SEXUAL VIOLENCE SUPPORT SERVICES</b>	4 - 8
<b>5. TRANSPORTATION PORTFOLIO</b>	
<b>(A) WINTER MAINTENANCE - WEATHER FORECASTING AND SUPPLY OF ROAD SALT</b>	9 - 14
<b>(B) EXTENSION OF TERM CONTRACT FOR HIGHWAY IMPROVEMENT SCHEMES</b>	15 - 20
<b>PART II</b>	
<b>ITEMS CONTAINING “EXEMPT” INFORMATION FALLING WITHIN SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<p>In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and 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 paragraphs 3 of Part 1 of Schedule 12A to the Act.</p>	
<b>6. HEALTH AND ADULTS PORTFOLIO</b>	
<b>(A) SERVICES FOR DEAF AND DEAFBLIND</b>	21 - 46

***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**REPORT TO:** Executive Board Sub Committee

**DATE** 22nd July 2010

**REPORTING OFFICER:** Strategic Director: Environment and Economy

**SUBJECT:** Acceptance of Tender for Municipal Building

**WARDS:** Borough-wide

**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to inform members that the Operational Director Employment, Economic Regeneration and Business Development has accepted a tender relating to the refurbishment of the Municipal Building and a contract has been entered into with the successful contractor.

**2. RECOMMENDATION: That**

- 2.1 Members note that the phase 1a tender submitted by Globe Management Services Ltd has been accepted by the Operational Director Employment, Economic Regeneration and Business Development and a contract has been entered into, with a contract sum of £1,825,882.00**

**3. SUPPORTING INFORMATION**

- 3.1 Executive Board approved the project and an overall budget of £3,000,000 which includes fees and charges on 24 September 2009 and by full Council in October 2009
- 3.2 This is phase 1a of an overall project which will eventually include refurbishing part of the ground floor. The cost for all of the project will not exceed the current budget provision of £3m
- 3.3 Tenders were invited from six contractors in a two stage tendering process, designed to ensure that the contractor offering 'best value' was appointed to carry out the project. The first stage entailed the provision of a notionally priced document from each contractor based upon a pre-determined elemental cost analysis of the proposed project. The contractors invited to submit their tender at phase 1a stage were as follows: -

B & D Croft  
Globe Management Services Limited  
Jennor  
John Turner & Sons  
ROK  
Thomas Barnes & Sons

The relevant bids in ascending order were:-

1,825,882.00  
1,839,793.00  
1,937,959.00  
1,987,777.18  
2,001,565.00  
2,063,432.00

- 3.4 From the analysis of the stage one bids which were assessed on both price and quality three contractors were chosen to progress to stage two. These were: -

Thomas Barnes  
John Turner & Sons  
Globe Management Services Limited

- 3.5 A detailed presentation and rigorous interview of each of these contractors was undertaken by an appointed panel to establish quality levels as part of the overall review. The aggregate of both price and quality from this two stage process resulted in a preferred contractor, Globe Management Services Limited, being chosen for this project.
- 3.6 The tender sum above is within the overall budget allowance for the construction works for this project as outlined at the Executive Board meeting dated 24 September 2009.
- 3.7 The project programme and details of all health and safety issues have been agreed with the Employment, Economic Regeneration and Business Development Department. The project started in June 2010, completion being in February 2011

#### **4. POLICY IMPLICATIONS**

- 4.1 The scheme is fully funded as outlined in 3.2
- 4.3 The works are being carried out in line with the draft climate change policy and outline carbon management plan as a number of sustainability elements are being built into the scheme which will contribute to reducing carbon emissions within the borough.

#### **5. OTHER IMPLICATIONS**

None

**6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children and Young People in Halton**  
n/a

6.2 **Employment, Learning and Skills in Halton**  
n/a

6.3 **A Healthy Halton**  
n/a

6.4 **A Safer Halton**  
n/a

6.5 **Halton's Urban Renewal**  
n/a

6.6 **Corporate Effectiveness and Business Efficiency**  
n/a

**7. RISK ANALYSIS**

7.1 Not applicable

**8. LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

	<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
8.1	Tender report	Property services	Martin McCrimmon

**REPORT TO:** Executive Board Sub Committee  
**DATE:** 22 July 2010  
**REPORTING OFFICER:** Strategic Director, Adult & Community  
**SUBJECT:** Sexual Violence Support Services  
**WARD(S)** Borough Wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To seek approval to commit funding to a 5 year contract of Independent Sexual Violence Advisors (ISVAs) for the Cheshire Area Sexual Assault Referral Centre (SARC) to the value of £20,552 per year.

### **2.0 RECOMMENDATION: That:**

- i) Approval is given to participate in the SARC joint commissioning of after care services for victims of sexual assault, namely ISVA's.**
- ii) Approval to fund this support service for victims is agreed.**
- iii) This decision to be reviewed after 3 years.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 Currently Halton has one full time ISVA who provides support and advice to adults from the age of 16, including one to one counselling sessions, support through the court process or reporting to the police, and acute case support such as Genitourinary Medicine (GUM) appointments. The service works with both current and historic incidences of sexual assault and receives both police and self referrals. Through the service provider, the Rape and Sexual Abuse Support Centre, funding also ensures a level of promotional and networking activity within the borough to ensure awareness of the issue and develop stronger multi agency working relationships to tackle the problem.
- 3.2 Year end figures for 2009/10 demonstrated that the Halton ISVA had received 105 referrals and completed 78 assessments. This is against a reported 78 serious sexual offences reported to the Northern Basic Command Unit (BSU) between January and December 2009.

- 3.3 The Halton ISVA source of referrals has historically been divided mainly between Police and self referrals demonstrating the need for this independent role to ensure non reporting and historic incident victims feel confident to seek support.
- 3.4 Previously Halton has been able to maintain this service for £20,000 as the provider has secured match funding from other sources to maintain a full time position which equates to approximately £40,000. In the current economic climate this has proved more difficult and so Halton is facing the prospect of part time provision of service against the full time level of demand.
- 3.5 In line with central government requirements Cheshire has been developing a Sexual Assault Referral Centre (SARC) to respond to victims of serious sexual offences. This SARC is designed to develop multi agency partnership working through high quality forensic examination and support services tailored to the needs of the victim. It represents a one stop shop approach to responding to sexual violence victims with the view to improving the criminal justice response and promoting recovery and health of victims. This initiative seeks to centrally commission ISVA provision across Cheshire as part of the SARC project.
- 3.6 Government plans are to ensure every police force area has a SARC in operation by 2011. This focus has come about due to rape having the highest health-related costs of any violent crime at £73,487 per case. According to recent commissioner specifications treating the related physical injuries and mental health problems costs the NHS nationally almost £1.4 billion a year.
- 3.7 Cheshire SARC is based upon joint commissioning and officially commenced operation as of April 2010. The service is a joint initiative, which will be recurrently funded by:
- Central and Eastern Cheshire PCT
  - Western Cheshire PCT
  - Warrington PCT
  - Halton and St Helens PCT
  - Cheshire East BC
  - Cheshire West and Chester BC
  - Warrington BC
  - Halton BC
  - Mid-Cheshire Hospitals NHS Foundation Trust
  - RASASC- The Rape and Sexual Abuse Support Centre
  - East Cheshire Trust
  - Cheshire Police Authority
- 3.8 Some of the key specifications of ISVA provision under this joint initiative are:

- Timely and tailored responses to victims of serious sexual offences
- Improved chances of conviction and reduction in long term care needed and the strains on the NHS in the future.
- Full time Independent Sexual Violence Advisor and Initial Counselling service for Cheshire service users
- A pro-active service to victims aged (13+) who have suffered sexual violence both within and outside of the criminal justice system.
- Training and awareness raising to professionals and the public

Subsequently, partners are expecting the following outcomes including improving prevention:

- A high standard of victim care & levels of service satisfaction.
- More offenders brought to justice on the basis of better evidence, fewer withdrawals because of better victim care, increased reporting and access to intelligence from self-referrals.
- To develop strong links with the Cheshire SARC, enabling a seamless provision of care for victims and the sharing of information and good practice.

3.9 Whilst there will be a dedicated building for forensic medical examination based in Leighton, Halton service users will continue to be offered ISVA services in the locality and so see no real change in service provision under current specifications. For Halton Borough Council this project offers long term approach to ISVA commissioning with some associated cost savings. Namely, continued full time ISVA provision for approximately £20,000.

#### **4.0 POLICY IMPLICATIONS**

4.1 As sexual violence is recognised as disproportionately affecting Women and girls the provision of this service represents a feature of the Violence Against Women and Girls Strategy launched by central government in 2009.

4.2 Halton will be required to produce its own Violence Against Women and Girls Strategy by March 2011 within which the ISVA service will play a central role. Lack of funding to secure this service in the future may leave both this and the forthcoming Domestic Abuse Strategy with gaps in provision. Potentially this may leave the area open to criticism from future Map the Gaps assessments and scrutiny by the Equality and Human Rights Commission.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 Due to the review of ISVA need across Cheshire and the inclusion



of historic alongside current cases in the SARC focus the proposed costs for inclusion have increased.

- 5.2 The current request for funding is £10,276 from October 2010 for the commencement of central commissioning of ISVA services from 1<sup>st</sup> of October. The partners have then identified the cost for Halton Borough Council for ongoing ISVA provision for 2011/12 as £20,552
- 5.3 The SARC Management Board will review the demand placed on the ISVA service after the periods outlined above to identify fair service provision and cost allocation based on area need.
- 5.4 At this time the Halton Domestic Abuse Forum (HDAF) funds the ISVA provision through Working Neighbourhood Funds (WNF). Presently £20,000 is allocated within the budget for ISVA provision and so would provide the majority of funding required for this years commitment Future years will be funded by the Supporting People Grant with a built in review after three years.

## 6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 SARC models have been built around the National Action Plan which outlines the key objectives of central government around sexual violence:
- To maximise prevention of sexual violence and abuse
  - To increase access to support and health services for victims of sexual violence and abuse
  - To improve the criminal justice response to sexual violence and abuse

- 6.2 These objectives subsequently under pin the following specific local priorities:

**LAA Outcome 1** - Reduce the level of violent crime by 3%

**National indicators** - PSA 23 'Making communities Safer' priority action No. 1, which is to '*Reduce the most serious violence, including tackling serious sexual offences and domestic violence.*' Includes the following National Indicators:

NI26: Specialist support to victims of serious sexual assault

NI32: Repeat incidents of domestic violence

NI34: Domestic violence murders

- 6.3 Other potentially impacted targets include improving health and wellbeing, tackling violence and abuse, reducing inequalities and tackling discrimination. It can be expected to contribute to a number of crosscutting *Public Service Agreements* (PSAs) including the following:

- PSA12 Improve the health and wellbeing of children and young people;
- PSA 13 Improve children and young people's safety;
- PSA 18 Promote better health and wellbeing for all;
- PSA 19 Ensure better care for all;
- PSA 24 Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public;
- PSA 25 Reduce the harm caused by alcohol and drugs.

## **7.0 RISK ANALYSIS**

7.1 The prime function of the area ISVA is to safeguard individuals in Halton from sexual violence through minimising their risk and to enable them to address the effects of sexual assault and reduce repeat incidents. If the area can not identify the means to support this approach it will depend on voluntary organisations. Currently, the local voluntary organisation offering this type of support is the provider of the ISVA service and can do so through local authority commissioning.

7.2 Thus, Halton may be left with no service provision and face increased costs from victims not being adequately supported.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 ISVA after care provision contracts produced by the SARC commissioner would be expected to comply with the Council policies relating to Ethnicity and Cultural Diversity as well as promoting inclusion. Currently, the specifications exclude only those not resident within this geographical area.

8.2 ISVA service specifications outlines a requirement on the provider of aftercare that they must conduct a Bi-annual Equality Impact Assessment and ensure an action plan is produced to improve the accessibility of the service for key hard to reach groups as identified by the Home Office (2008).

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None identified.

**REPORT TO:** Executive Board Sub Committee

**DATE:** 22<sup>nd</sup> July 2010

**REPORTING OFFICER:** Strategic Director, Environment & Economy

**SUBJECT:** Winter Maintenance – weather forecasting and supply of road salt

**WARDS:** All

## **1.0 PURPOSE OF THE REPORT**

1.1 This report requests authorisation for a 1 year extension to the current weather forecasting joint arrangements with Cheshire East, Cheshire West & Chester and Warrington Councils. The report also provides information on how the existing arrangements for road salt supply are being administered.

## **2.0 RECOMMENDATION:**

- 2.1.1 **That the Sub-Committee approves a 1 year extension to the current joint collaborative arrangements for weather forecasting and data collection until March 31<sup>st</sup> 2011.**
- 2.1.2 **That the circumstances associated with the current joint collaborative arrangements for salt supply are noted.**

## **3.0 BACKGROUND AND SUPPORTING INFORMATION**

### **3.1 Introduction**

- 3.1.1 The current winter maintenance contracts in place under collaborative arrangements between Cheshire East / Cheshire West & Chester / Warrington / Halton are as follows:
- Weather data collection / weather station maintenance – expired 31/03/10
  - Weather forecasting – expires 31/03/11
  - Salt Procurement – expires 31/03/13
- 3.1.2 The newly formed Cheshire East and Cheshire West & Chester Councils have sought, and received approval for, a 1 year extension to the Vaisala contract (Data Collection).

## **3.2 Weather Forecasting & Data Collection**

- 3.2.1 Halton undertakes a winter service that is innovative and effective in treating the network for snow and ice. The operational aspects of the service fully meet both the demands of the Highways Act 1980 and also the requirements and obligations of the Code of Practice for Highway Maintenance Management.
- 3.2.2 Delivery of the service requires firstly an accurate and timely prediction of forthcoming road surface conditions and secondly the ability to spread road salt / grit to prevent and / or assist the dispersion of accumulated snow or ice.
- 3.2.3 The first requirement is met by means of a system of sensors embedded in the road surface at 2 locations within the Borough. Instruments mounted at the roadside at these locations then collect real time data relating to the weather conditions within Halton. The system is supplied and installed by Vaisala Ltd, a specialist company who collect and process the data before supplying it to the Met Office. This information allows for site specific forecasts to be prepared by the Met Office giving detailed guidance on the probable short term conditions in Halton. Call out staff have direct access to forecasters and can discuss the situation before making the decision whether to mobilise the gritting crews.
- 3.2.4 Vaisala Ltd is one of only two specialist companies who supply and maintain this type of sensor system. Changing to the alternative supplier (at a cost of between £30k to £40k) is not an economic option at present, as it would require the total replacement of the hardware embedded in the road surface, together with the replacement of the roadside instrumentation. The time scales involved in replacing the existing system (approximately 2–3 months after award of contract) would leave us vulnerable to not having any system in place at all for the 2010 / 2011 winter season.
- 3.2.5 The costs associated with the weather forecasting and data collection are £24,954.32 for 2010/11. This is a saving on last year of £5000.
- 3.2.6 As technology is continually changing, during the period up to 31<sup>st</sup> March 2011, it is proposed to carry out a comprehensive review of our weather data capture process, so as to ensure we are still utilising the most cost effective and accurate system.
- 3.2.7 Warrington BC is seeking approval to continue the joint collaborative arrangements for weather forecasting and data collection with the Cheshire Councils and Halton BC, until 31<sup>st</sup> March 2011
- 3.2.8 It is therefore proposed that Halton BC also continue with the joint collaborative arrangements for weather forecasting and data collection with the Cheshire Council's and Warrington BC until 31<sup>st</sup> March 2011.

### **3.3 Salt Procurement**

- 3.3.1 Halton currently has collaborative arrangements with Cheshire & Warrington Council's for the supply of salt, under a contract awarded by Cheshire County Council in 2004. Salt Union is a major supplier to both Cheshire and Warrington Councils. However, when the contract was awarded, Peacock Salt had submitted the most economically advantageous tender to supply Halton and they have been Halton's sole supplier for the last six years. The contract that Cheshire / Warrington have with Salt Union, also includes rates for supply of salt to Halton, and is therefore available for us to procure.
- 3.3.2 Peacock Salt are salt merchants rather than producers and can import salt sourced commercially from Europe. Peacocks have in previous years been a very reliable supplier. Last season however, the snow and icy conditions which affected much of mainland Europe, placed extraordinary demands on salt production and consequently, the reliability of supplies from Peacocks.
- 3.3.3 Last season, the Government established the "Salt Cell" and directed UK produced supplies to those highway authorities in most need, having regard for current stocks and forecast conditions. The fact that Peacocks are a salt merchant rather than a main producer, meant that Halton were not initially included within the "Salt Cell" salt distribution lists. The current arrangements with Peacocks ended on 31<sup>st</sup> March 2010.
- 3.3.4 From preliminary discussion with salt suppliers, including Salt Union, indications are that orders for salt for the forthcoming season need to be submitted as early as possible to ensure delivery of stocks in good time.
- 3.3.5 The cost of procuring our salt via the Cheshire Contract for 2010/11 would be £37.36 per tonne. Last year's rate via Peacocks was £37.50 per tonne. Based on an average Number of grits per year of 40 - 45, Halton would require approximately 1125 tonnes of salt. In addition to this, there is the need to fill grit bins and grit footpaths, bringing our requirement to approximately 1500 tonnes. We currently have approximately 750 tonnes in stock, leaving a balance required of 750 tonnes, with an associated cost of approximately £28,000. These figures are for salt procured before 31<sup>st</sup> October. The cost of salt procured from 1<sup>st</sup> November will be £39.36 per tonne.
- 3.3.6 As with weather forecasting Warrington BC is seeking approval to continue the joint collaborative arrangements for salt procurement with the Cheshire Councils and Halton BC, until 31<sup>st</sup> March 2013.
- 3.3.7 It is therefore proposed that Halton BC also continue with the joint collaborative arrangements for salt procurement with the Cheshire Council's and Warrington BC until 31<sup>st</sup> March 2013. As a consequence

for this coming winter it is intended that Halton's salt will be sourced from Salt Union rather than Peacocks.

- 3.3.8 The extension to the contract with both of the Cheshire Councils, together with Warrington and Halton Borough Councils, is in keeping with the joint collaborative arrangements for Winter Maintenance highlighted during the Winter Resilience Reviews of 2008/09 and 2009/10.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The Council has a duty to provide a properly planned and resourced Winter Maintenance service. Failure to provide such would breach this duty and place the Council liable to legal action.

#### **5.0 OTHER IMPLICATIONS**

##### **5.1 Resource / Financial Implications**

Not having the ability to accurately forecast and respond to severe weather in accordance with the Winter Maintenance Plan could leave the authority vulnerable to increased liabilities relating to insurance claims from road users.

##### **5.2 Children and Young People in Halton**

Winter Maintenance operations affect all service users alike. There are no specific issues applicable to children and young people.

##### **5.3 Employment, Learning and Skills in Halton**

An effective winter maintenance service can assist businesses in continuing to operate through adverse weather conditions by allowing access to employment centres and helping with vehicle movements / deliveries. Winter maintenance is vital in ensuring that business and places of learning are not restricted by the weather conditions.

##### **5.4 A Safer Halton**

Whilst the Council cannot undertake to protect all road users from risk the procedures and measures in place show that careful planning can minimize risk.

##### **5.4 Halton's Urban Renewal**

Helping businesses and other employers to continue to function during times of adverse weather could reflect on the borough and assist in its continuing regeneration.

### **5.5 Sustainability**

Extended gritting treatment of footways during the winter season will promote walked journeys and reduce reliance upon motor vehicles. Effective weather forecasting will minimize the number of treatments undertaken and thus reduce salt pollution of water courses and drainage systems.

### **5.6 Legal Implications**

The development and application of the Winter Maintenance Plan ensures that Halton continues to meet its legal obligations.

### **5.8 Social Inclusion**

Winter Maintenance operations affect all service users alike. Enhanced gritting of footways will benefit particularly those with limited access to motor vehicles by providing safe access to the public transportation systems.

### **5.9 Crime and Disorder**

There are no specific implications.

## **6.0 RISK ANALYSIS**

6.1 Failure to meet our legal obligations would expose the Council to considerable financial risk from litigation.

6.2 This operation ensures as far as practicable, the safety of the public and reduces potential damage to infrastructure and property.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

There are no equality and diversity implications.

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Well Maintained Highways - The Code of Practice for Highway Maintenance Management 2005

Halton Borough Council Highway Maintenance Strategy Document, 1998

Halton Borough Council Winter Maintenance Plan 2008-2009

Highways Act 1980

Railways and Transport Act 2003

Place of Inspection: Rutland House

Contact Officer: Ian Munro



**REPORT TO:** Executive Board Sub Committee

**DATE:** 22 July 2010

**REPORTING OFFICER:** Strategic Director  
Environment and Economy

**SUBJECT:** Extension of Term Contract for  
Highway Improvement Schemes

**WARDS:** Boroughwide

## **1.0 PURPOSE OF THE REPORT**

1.1 The Highway Improvement Term Contract with Lambros (Paving Contractors) Ltd. was formed on 9<sup>th</sup> July 2007. The Contract was for an initial period of three years with an option to extend the term, by mutual agreement, for further periods of 12 months, up to a maximum of 5 years. As the option to extend is included as a Contract Condition, this report does not request a waiver of standing orders. However, the annual value of works undertaken through the contract has increased since it was originally formed and therefore, the Board are requested to consider the extension of the Contract. Lambros have confirmed in writing their desire to extend the Contract.

## **2.0 RECOMMENDATION: That**

**The Highway Improvement Term Contract with Lambros (Paving Contractors) Ltd. of Longmeadow Road, Knowsley, Prescot be extended for a period of 12 months to July 2011 to enable the delivery of approximately £800,000 worth of highway improvements.**

## **3.0 SUPPORTING INFORMATION**

### **3.1 Contract Background**

The Highway Improvement Term Contract is based upon the Engineering and Construction Contract (ECC), one of the modern forms of contracts and takes the form of a schedule of rates covering a wide range of highway construction activities.

The contract was designed essentially to deliver the Quality Transport Corridor elements of the Integrated Transport Programme as outlined in the Council's Local Transport Plan 2006/07 to 2010/11, valued at around £450K per year. However, as the LTP Capital Allocation increased due to the 25% performance addition, and the Contract was utilised to deliver a wider range of highway construction works, the value of instructions through the Contract has grown to approximately £800K per annum, and a current total spend of £2.4m.

Works undertaken via the Contract include:

- Junction improvement and local safety schemes
- Quality transport corridor schemes including pedestrian and cycleway improvements
- Traffic calming schemes
- Access crossing construction

Rates contained in the contract are adjusted monthly to allow for inflation using standardised construction price and cost indices published by the Government (BERR). This mechanism ensures that variations of prices used across the Contract term are applied fairly and reflect actual cost changes in the industry.

### **3.2 Lambros (Paving Contractors) Ltd. - Contract Performance**

Lambros (Paving Contractors) Ltd. is a locally based company with a workforce and resources sufficient to deliver the wide range of highway construction operations required through the Contract. The Company operates from a dedicated works depot located in Widnes.

On average, approximately 80 works instruction orders are issued to the Contractor each year. The Contract includes a range of performance measures designed to ensure that works are undertaken to the specified standards and quality and delivered in accordance with the agreed scheme programmes. Throughout the period of the Contract, Lambros' performance in this respect has been excellent, achieving a high standard of work throughout the Borough and there has not been any cause to issue performance penalties.

During the course of the Contract, Lambros have gained a Contractors Health and Safety (CHAS) accreditation and Tarmac's 'Masters in Asphalt' accreditation. The company hopes to achieve 'Investors in People' in July and plan to work towards the ISO 14001 Environmental Management Standard.

Health and safety performance is closely monitored by Highways supervisory staff through daily site visits and is reviewed on a regular basis through Contract progress meetings. Over the course of the three years of the Contract, Lambros have had two injuries. resulting in over 3 days absences, and two non-reportable injuries. During the course of the Contract, Lambros have been served with one Prohibition Notice and one Improvement Notice by the Health and Safety Executive, both relating to the use of personal protective equipment (dust suppression masks) by operatives. This matter was quickly dealt with by Lambros' managers, through provision of additional equipment and training. Overall, the Company's health and safety record does not give cause for concern.

### 3.3 Option Analysis

If the option to extend the current contract, in accordance with the original procurement strategy, were not taken up, then the Council would have to find an alternative way of delivering the range of highway improvement schemes and minor works that have been identified in the Local Transport Plan Implementation programme for 2010/11. A number of alternatives have been considered:

- *Invite 'Spot' Tenders for individual schemes and minor works.*

This would entail a significant amount of staff time and resources in the preparation of individual tender documentation, and for advertising and procurement procedures involved in letting new contracts, to ensure the delivery of the substantial implementation programme in this, the final year of the LTP. Given the number of schemes and the scope of works, currently in design and under consultation, it is essential that construction can proceed as promptly and efficiently as possible. Procuring individual packages of work through 'spot' tender processes would delay scheme implementation and put delivery of the programme and expenditure of the capital budget at risk.

- *Procure the work through the current Highway Maintenance Term Contract.*

The Council has a term contract with Amey LG for highway maintenance services, repairs and reconstruction works. Whilst this contract does contain items covering the majority of works operations necessary to deliver elements of new highway infrastructure, it already delivers in excess of £2.5m worth of highway maintenance and construction per annum. The extent of work undertaken directly by Amey LG (rather than through sub-contract) through the Contract has increased recently, due to the extended footway reconstruction programmes ordered over the last two years. The addition of further works packages, to deliver highway improvements and minor works, would require a short-term, but significant increase in labour resources by the contractor for the final year of the LTP programme. This is not considered to be the most favourable option for the Council, as we would also lose the flexibility of having an alternative resource as support, for example, during emergencies and periods of severe weather.

- *Procure a new Term Contract to deliver the programme.*

Again this would require a substantial amount of staff time and resources to prepare tender documentation and follow procurement procedures. The original procurement strategy and contract documentation allowed for the option to extend the term for further periods, up to a five year maximum, to gain the maximum benefit from the contract preparation and procurement procedures. This benefit would be lost if the option to extend is not taken up. 2010/11 is the final year of the LTP2 integrated transport programme, and future funding for highway and transportation improvements is uncertain. It is not considered sensible to enter into a

new term contract for the delivery of these schemes and minor works, at the present time.

### **3.4 Extension of current Contract:**

In 2007, when the current contract was awarded, a 3 year term, with option to extend by 12 month increments, up to a maximum period of five years, was considered to offer the most effective method of procuring highway improvement schemes and minor works. It provided for a continuity of programme delivery, through a single construction contractor, and enabled staff time to be used most efficiently, in the design, preparation and delivery of schemes. The extension of the contract term beyond three years was dependant upon good performance, which provided an incentive for the Contractor to carry out his operations proficiently.

Over a three year period, the term contract has successfully delivered the Integrated Transport Programme and work has invariably been undertaken to a good quality, to programme and within budget. Such was the performance during this initial period, additional work has been delivered through the Contract, including junction improvement schemes and access crossing construction. Although the works undertaken by the Contractor can often be disruptive to the travelling public and residents affected by the scheme, Lambros' operations on site, are generally well received by the public. The Department is aware of several instances where compliments have been paid to the standard of work undertaken.

As stated earlier, this is the final year of the three year Transport Capital Settlement and the final year of LTP2. As funding for highway improvements and capital works is uncertain beyond March 2011, it is proposed that a 12 month extension to the term contract is granted, as originally conceived in the original tender documents. Dependent upon future funding availability and continuing good performance by the Contractor, the Contract could be extended for a further 12 month period if necessary, and this would be reported to the Board at the appropriate time.

## **4.0 POLICY IMPLICATIONS**

The current contract was awarded for an initial period of three years with a view to extend for further periods as necessary, if programmes and budgets required it, and depending upon performance. There are no policy implications in relation to the recommended extension.

## **5.0 OTHER IMPLICATIONS**

### **5.1 Resource Implications**

The extension of the term contract would provide the Council with the most effective method of delivering the 2010/11 Integrated Transport

Programme and saves manpower and financial resources that would otherwise be required to prepare and procure an alternative form of contract for the delivery of the Programme.

The Contract contains a mechanism for dealing with variations of price, with the schedule of rates adjusted in line with the BERR construction price indices. This mechanism would continue to apply to the one year period of contract extension which provides both the Council and the Contractor assurance that costs are controlled within the effects of inflation.

## **5.2 Best Value**

The Highway Improvement Term Contract was awarded to Lambros Paving Contractors Ltd. in 2007 on the basis of them submitting the lowest tender value and the highest overall score for their quality submission. No significant contractual claims or variations to the contract have occurred during the four years of operation and the variation of price adjustment has resulted in the contract costs keeping pace with construction inflation. When compared with rates and prices for works secured under current market conditions, the schedule of rates still offers good value for money. It is considered therefore that the contract would continue to offer best value for the delivery of highway improvement schemes and minor works.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

There are no direct implications arising from the recommendation.

### **6.2 Employment, Learning and Skills in Halton**

There are no direct implications arising from the recommendation.

### **6.3 A Healthy Halton**

There are no direct implications arising from the recommendation

### **6.4 A Safer Halton**

As stated in paragraph 3.2 generally, Lambros have an excellent safety record with few blemishes. The issues that have arisen have been actively pursued to eliminate potential for further incidents.

### **6.5 Halton's Urban Renewal**

The standard of highway improvement works undertaken by Lambros is very good and this contributes positively to the overall condition and appearance of the highway infrastructure and public realm throughout the Borough.

## **7.0 RISK ANALYSIS**

### **7.1 Escalating Contract costs.**

As stated in paragraph 3.1 the mechanism for adjusting rates and prices

is regulated using the BERR construction price indices and the schedule of rates is updated monthly to take account of inflation. Highway improvement minor works are ordered under the contract throughout the course of the year and the volume and value of work ordered is constantly monitored against available capital budget.

The contract is based upon one of the modern forms of New Engineering Contracts (NEC) with a 'partnering' approach to delivering highway maintenance services. Lambros have carried out works under the current contract for three years and during that time there have been no significant or serious contractual claims or other issues which have required resolution through the contract dispute mechanisms.

Extending the current contract for a period of one year presents a low risk of contract costs increasing beyond the available capital budget.

### **7.2 Reducing Quality**

Lambros have consistently delivered work to an excellent standard and there is no reason to believe that the quality of workmanship would change. The completion of works on time to programme has not been an issue during the three years of the Contract.

### **7.3 Contractor Stability**

A financial assessment has been provided by the Procurement Division as part of the process of contract review. This has identified a company financial rating score of 'B – Good'. In relation to Lambros Paving Contractors Ltd. The financial exposure of the Council is limited by the nature of the Contract Conditions and payment process.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

There are no Equality and Diversity issues in relation to the recommendation.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Letter from Lambros Paving Contractors Ltd. requesting consideration of Contract term extension.	Rutland House Halton Lea, Runcorn. Highways Transportation and Logistics Department.	D. Cunliffe

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted