



meeting **CABINET**

date **3 MAY 2006**

agenda item number

## REPORT OF THE CABINET MEMBER FOR ENVIRONMENT & SUSTAINABILITY

### **PROPOSED FORMATION OF A PARTNERSHIP WITH ADJOINING LOCAL AUTHORITIES AND THE JOINT PROCUREMENT OF AN EXTERNAL SERVICE PROVIDER FOR THE PROVISION OF HIGHWAY CONSULTANCY SERVICES**

#### **Purpose of report**

1. To seek approval in collaboration with Derbyshire County Council and Leicestershire County Council to commission an external Consultant to assist in providing highway consultancy work across the three Counties.

#### **Policy/Budget Framework**

2. All works carried out under the partnership will be contained within allocated Capital and Revenue budgets.

#### **Background**

3. The County Council entered into a contract with Jacobs Babtie Group in July 2000 for the provision of highway engineering and related services. The scope of that contract included highway and structural design, traffic and environmental studies and site and project management.
4. This contract was due to end formally on 31 March 2006, but has been extended for a 6-month period. It is not possible to extend this contract any further, but it will be necessary to enter into a new arrangement by April 2007 to meet predicted workloads.
5. Partnering with the public and private sectors is a key element of the Best Value Review of Highways and is also central to Gershon efficiency work being promoted by Government and the East Midlands Centre of Excellence.

#### **Supporting Information**

6. The volume of work undertaken through the existing partnership with Jacobs Babtie has averaged just over £1.1m per annum. The availability of this additional

resource has been a key factor in our ability to achieve a full LTP spend and also allows for works to be undertaken in areas of resource shortage such as landscape design and environmental studies. Future workload to be allocated to such a private sector partner is difficult to determine as it is dependent upon capital and revenue settlements, but is expected to be in the order of £0.5m to £1.0m per annum.

7. There remains a need to supplement the level of in-house resource to cope with fluctuations in workload, the in-house resource being maintained at a level sufficient to deliver key services, but not peak workloads.
8. The adjacent local authorities of Derbyshire County Council and Leicestershire County Council have similar in-house engineering design services and have also recognised the need to call on the services of an external provider.
9. A private sector consultancy partner will, if approved, be sought under a joint procurement exercise by Nottinghamshire, Leicestershire and Derbyshire. This single partner will serve all three Authorities, but with separate contractual arrangements to allow maximum flexibility.
10. There is no intention to devolve any aspects of service delivery to the other Authorities.

### **Advantages of the Partnership to the County Council**

11. It is felt that a partnering agreement between Nottinghamshire, Leicestershire and Derbyshire and a single private sector consultant would have advantages in terms of economies of scale, with possible cost savings, and the flexibility to match the resources available to the partnership to the available workload,. The partnership would also provide development opportunities for staff, the benefits of collaborative working and the sharing of good practice in order to achieve efficiency savings. It should be noted that Nottinghamshire, Leicestershire and Derbyshire are all "4 star" Authorities.

### **Statutory and Policy Implications**

12. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service. Where such implications are material, they have been brought out in the text of the report.

### **Key Decision**

13. This report leads to a Key Decision as expenditure of more than £1 million would be incurred and there would be a significant effect on communities in two or more electoral divisions in the County Council area. Notice of intention to make the decision was first published in the County Council's Forward Plan on January 9 2006.

### **RECOMMENDATION**

14. It is RECOMMENDED that approval be given to the Director of Environment to develop collaborative arrangements with Leicestershire and Derbyshire County Councils for highway professional services and jointly to commence procurement for an external partner to contract award stage for such highway professional services.

COUNCILLOR STELLA SMEDLEY  
Cabinet Member for Environment and Sustainability

### **Legal Services' Comments**

This is a matter that falls within the delegation to Cabinet. Discussions have taken place with Legal Services regarding both the proposed collaboration arrangement with Leicestershire and Derbyshire County Councils and the proposed procedure for the procurement of an external partner. The collaboration agreement will need to be contained within a robust formal legal agreement between the three counties. The procurement process will need to follow the EU procurement rules. [NAB 10.04.04]

### **Director of Resources' Financial Comments**

The Nottinghamshire County Council share of the costs for procuring the partner is contained within the 2006/07 revenue budget. Once appointed, the cost of design will be charged to individual scheme budgets. [KRP 3.4.06]

### **Background Papers Available for Inspection**

None

### **Electoral Divisions Affected**

All

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