



TRAFFORD
COUNCIL

AGENDA PAPERS FOR
SCRUTINY COMMITTEE MEETING

Date: Wednesday, 29 October 2014

Time: 6.00 pm

Place: Thomas de Trafford Conference Rooms A&B, Trafford Town Hall, Talbot Road, Stretford M32 0TH

A G E N D A **PART I** **Pages**

PLEASE NOTE THE EARLIER START TIME OF THIS MEETING

1. **ATTENDANCES**

To note attendances, including Officers, and any apologies for absence.

2. **MINUTES**

1 - 4

To receive and, if so determined, to agree as a correct record the Minutes of the meeting held on 22nd July 2014.

3. **DECLARATIONS OF INTEREST**

Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.

4. **BUDGET SCRUTINY 2015-16**

5 - 8

To receive a presentation from the Leader of the Council on the Executive's Budget Proposals for 2015/16, and to consider a report of the Democratic and Performance Services Manager. **[N.B. Members are requested to retain, for Scrutiny purposes, the Budget report referred to Executive on 20/10/14.]**

5. **EXECUTIVE'S RESPONSE TO THE CYCLING REVIEW**

9 - 18

To receive the Executive's formal response to the Scrutiny Committee's Cycling Review.

6. SCRUTINY WORK PROGRAMME - UPDATE

To receive an oral update from the Democratic and Performance Services Manager.

7. REVIEW OF JOINT VENTURE PROGRESS

19 - 40

To receive a presentation from the Director of Growth and Regulatory Services on the progress of the Joint Venture. Copies of previous reports made to the Executive are attached for information; and the Executive Members for Environment and Operations and for Economic Growth and Planning will be in attendance.

NOTE: A tabled report containing commercially sensitive Exempt Information will be considered in Part II of this Agenda.

8. URGENT BUSINESS (IF ANY)

Any other item or items (not likely to disclose "exempt information") which, by reason of special circumstances (to be specified), the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

9. EXCLUSION RESOLUTION (REMAINING ITEMS)

Motion (Which may be amended as Members think fit):

That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

10. REVIEW OF JOINT VENTURE PROGRESS (PART II)

The Director of Growth and Regulatory Services will introduce a tabled report, containing Exempt Information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order 2006, on the progress of the Joint Venture.

THERESA GRANT

Chief Executive

Membership of the Committee

Councillors A. Mitchell (Chairman), M. Cordingley (Vice-Chairman), R. Bowker, D. Butt, K. Carter, L. Dagnall, Mrs. P. Dixon, Mrs. L. Evans, J. Holden, Mrs J. Reilly, D. Western and J. Lloyd (ex-Officio)

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Further Information

For help, advice and information about this meeting please contact:

Jo Maloney, Democratic Services Officer

Tel: 0161 912 2019

Email: rhys.hughes@trafford.gov.uk

This agenda was issued on **Tuesday, 21 October 2014** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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SCRUTINY COMMITTEE

22 JULY 2014

PRESENT

Councillor A. Mitchell (in the Chair), M. Cordingley (Vice-Chairman), R. Bowker, D. Butt, K. Carter, L. Dagnall, Mrs. P. Dixon, J. Holden, Mrs. J. Reilly, D. Western and J. Lloyd (ex-Officio)

In attendance

Councillor P Myers	Executive Member for Finance
Louise Shaw	Head of Revenues and Benefits
Peter Forrester	Democratic and Performance Services Manager

APOLOGIES

Apologies for absence were received from Councillors Mrs. L. Evans

1. CHAIRMAN AND VICE-CHAIRMAN OF THE COMMITTEE 2014/15

RESOLVED – That it be noted that Councillors Mitchell and Cordingley had been appointed by Council at its meeting on 11 June as Chairman and Vice-Chairman respectively of this committee for the municipal year 2014/15.

2. MEMBERSHIP OF THE COMMITTEE 2014/15

RESOLVED – That the Membership of this committee, as appointed by Council at its meeting on 11 June, be noted.

3. TERMS OF REFERENCE FOR THE COMMITTEE 2014/15

RESOLVED – That the Terms of Reference for this committee, as agreed by Council at its meeting on 11 June, be noted.

4. MINUTES

RESOLVED – That the Minutes of the Meetings held on 5th February be approved as correct record and signed by the Chairman.

5. DECLARATIONS OF INTEREST

No declarations were made by Members.

6. UNIVERSAL CREDIT ROLL OUT AND IMPACT ON TRAFFORD ASSIST

The Committee received a presentation from the Executive Member for Finance and the Head of Revenues and Benefits on Trafford's Universal Credit Delivery Partnership Agreement which had been implemented on 23rd June 2014. The Scrutiny Committee had requested information on the impact of the agreement on the delivery of the Council's local welfare provision, Trafford Assist.

The Committee were informed that, as the agreement was fully funded by the Department of Work and Pensions, the Council was able to provide the local services requested by the DWP to support their Universal Credit roll out programme which included additional Trafford Assist resource. In addition to the Universal Credit services, the additional resource could be used to support other Trafford Assist customers requiring personal budgeting support.

The Head of Revenues and Benefits gave an overview of the services provided and the support that they were providing to people. The Committee asked a number of questions about the scheme including questions about people in hardship, the impact on students and support for people to make online applications.

RESOLVED - That the Scrutiny Committee notes the contents of this report and that a further update is provided in 12 to 18 months.

7. OUTCOME OF THE SCRUTINY REVIEW OF CYCLING

The Committee received an update on the Scrutiny Topic Group's review of Cycling which had been led by Councillor Chilton. The Topic Group had welcomed the on-going partnership engagement between Transport for Greater Manchester and the Council, and noted the funding that has been secured for on-going works.

The Topic Group had made a number of recommendations to improve cycling in the borough including the on-going maintenance of the Transpennine Trail, improvements to communication about cycling and involvement in the development of a cycling strategy. They also commented on highways and parking and the importance of securing long-term funding to promote and encourage cycling.

RESOLVED: That the report be noted and that an update be provided in 12 – 18 months.

8. SCRUTINY ARRANGEMENTS

The Chairman reported that the abolition of the Topic Group Chairman role provided an opportunity to review the approach to scrutiny. The general principle was that Scrutiny Committees should be flexible in their approach and consider issues at the most appropriate and relevant time.

The Committee would need to prepare an overview work programme for the year. This would include any significant items on the horizon and any follow up issues. However, the work programme should provide sufficient capacity for ad hoc and current issues to be added to the agenda as and when they arose.

The Chairman reported that there were a number of items that the Committee would need to consider over the year. These included the budget and the Reshaping Trafford programme. The Committee discussed the need to consider

Scrutiny Committee
22 July 2014

education related matters later in the municipal year. The Chairman and Vice Chairman would consider the programme and submit a report to the next meeting.

RESOLVED:

- (1) That the report be noted.
- (2) That the Chairman and Vice Chairman report to the next meeting on the work programme for the Committee.

The meeting commenced at 6.30 pm and finished at 8.00 pm

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TRAFFORD COUNCIL

Report to: Scrutiny Committee
Date: 29th October 2014
Report of: Democratic & Performance Services Manager

Report Title

SCRUTINY REVIEW OF THE EXECUTIVE'S DRAFT BUDGET PROPOSALS FOR 2015-16 – PROCESS AND TIMESCALES

Summary

The Executive's initial budget proposals are due to be agreed for consultation purposes at a Special Meeting of the Executive on 20th October 2014. This report sets out details of proposed arrangements for Scrutiny to review these proposals and provide feedback to the Executive.

Recommendation(s)

1. That the content of the report be noted.
2. That Scrutiny Members identify which service area reviews they would wish to participate in, and notify the respective Chairmen and officers accordingly.
3. That Scrutiny Members review the budget proposals for the service areas in which they are interested, identify focussed questions and notify the respective Chairmen and officers accordingly.
4. That authority to finalise the Budget Scrutiny Report be delegated to the Democratic & Performance Services Manager in consultation with the Chairman and Vice-Chairman of this Committee.

Contact person for access to background papers and further information:

Name: J.M.J. Maloney
Extension: 4298

Background Papers: None.

Purpose

The Executive's initial budget proposals are due to be determined at its Special Meeting on 20/10/14. These proposals will be considered by Scrutiny Members, to identify any particular issues of concern or uncertainty, so that these can be communicated to the Executive and taken account in developing its final proposals to be considered by Executive and Council in February 2015. It will maximise the scope for Scrutiny to influence the development of the budget if its observations can be forwarded to the Executive as early as possible.

Timescale

The Executive's initial budget proposals are due to be determined at its Special Meeting on 20/10/14. The Leader of the Council and Director of Finance will give an initial background presentation to Scrutiny Committee (with Members of the Health Scrutiny Committee also invited) at its meeting on 29/10/14. Service-based Scrutiny sessions will then be held, with an opportunity to question relevant Executive Members, prior to mid-December. It is intended to forward Scrutiny's observations to the Executive informally prior to Christmas. **A delegation is therefore sought to officers, in consultation with the Chairman and Vice-Chairman of this Committee, to finalise this feedback to the Executive.** This Budget Scrutiny report will then be formally presented to the Executive at its meeting on 26/1/15. As in previous years, it is envisaged that the Executive's response will be incorporated into the Budget Report which will be presented to Budget Executive and Council in February.

Subject Areas

The Chairman and Vice-Chairman have identified a number of principal areas for Scrutiny focus:

- Major areas of EGEI directorate potentially subject to the Joint Venture process
- Areas of heavily demand-led budgets, primarily within CWB directorate
- The remainder of EGEI directorate and T&R directorate

The first of these is best treated as a discrete area; and the timing of the JV process does not fit well with the general budget scrutiny process. This Committee will therefore be reviewing this area as a separate exercise (see, for example, elsewhere on this agenda).

Process

It is envisaged that two substantive Scrutiny sessions will be undertaken, prior to mid-December, covering a) demand-led CWB budgets and b) Remainder of EGEI / T&R directorates. Dates will be notified in due course; though there are considerable constraints arising from existing meetings, Members' diaries and the locality-based budget consultation sessions.

Issues arising from these sessions and not immediately resolved in discussions with the Executive Members will be incorporated into a feedback report to be shared with the Executive, as set out above, as promptly as possible.

Personnel

As in previous years, all Members of Scrutiny and Health Scrutiny Committees are invited to be involved in the budget scrutiny process. Scrutiny Members are requested to retain and review the Budget Proposals report to Executive on 20/10/14, which has been supplied to all Members.

Members are also requested:

- 1. To determine which of the subject areas they wish to be involved in, and notify the respective Chairmen and the officers accordingly; and**
- 2. To identify focussed questions arising from their review of the budget proposals, and notify them to the Chairmen and officers as early as possible in advance of the scrutiny sessions.**

The Scrutiny sessions, depending on Members' availability, will have as their Chairmen / Vice-Chairmen Members selected from Councillors Mitchell, Cordingley and Lloyd, by agreement.

Budget Scrutiny Report

Unresolved issues and concerns arising from the Scrutiny sessions will be incorporated in a Budget Scrutiny report. In order to allow this to be forwarded as early as possible to the Executive, delegated authority is requested as set out above to finalise this report. It will then be formally presented to the Executive in January 2014, thus allowing maximum scope for it to be considered and to influence the Executive's final proposals which will then be brought to Executive / Council in February.

Reasons for Recommendation(s)

To secure agreement for, and to progress arrangements for, the Budget Scrutiny 2015/16 exercise.

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TRAFFORD COUNCIL

Report to: Scrutiny Committee
Date: 29th October 2014
Report of: Executive Member for Environment and Operations

Report Title

Cycling Review: Response to Scrutiny Committee

Summary

This report represents the Executive Member's response to the Scrutiny Panel on Cycling's recommendations regarding the Council's services as they relate to cycling. The report summarises the major cycle infrastructure schemes which have been implemented in the Borough in the period since 2010, and responds to the 10 recommendations made by the Scrutiny Panel on a point by point basis.

Recommendation(s)

- That the content of this report be accepted as the Council's response to the Scrutiny Panel's recommendations.
- That the work of Council Officers be commended in securing such significant grant funding for investment in cycling in the Borough in recent years
- That the Council continues to work with partners, particularly Sustrans and TfGM , to secure continued investment in cycling; and that a long term programme of cycle investment schemes is developed in partnership with the Trafford Cycle Forum
- That a new Cycling Strategy for Trafford be produced to guide future investment in the cycle network
- That opportunities be taken to maximise promotion of Trafford as a cycle-friendly Borough
- That officers continue to ensure that the best possible level of provision for cyclists in incorporated into new developments in Trafford
- That the Council continues to work with partners and through the development control process to improve cycle parking provision in the Borough
- That the Leader of the Council, Councillor Sean Anstee, take on a role to champion cycling in the Borough, including the role of Patron of the Trafford Cycle Forum, subject to the agreement of the Forum at its next meeting.

Contact person for access to background papers and further information:

Name: Dominic Smith

Extension: 4312

Background Papers: Commuter Cycling Review: Findings of Topic Group (letter from the Chair of the Topic Group to the Executive Member)

Financial Impact:	None
Legal Impact:	None
Human Resources Impact:	None
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	None
Health and Safety Impact:	None

1 Context

A scrutiny panel was established in early 2014 in order to undertake a review of cycling in Trafford. The remit of the review included consideration of all aspects of the Council's services as they relate to cycling, with a focus on services within the Economic Growth, Environment and Infrastructure Directorate, but also considering services provided by other directorates within the Council, and also the Council's relationship with partner agencies, such as Transport for Greater Manchester (TfGM) and Sustrans. The panel reported in July 2014.

The panel particularly noted the positive progress which is currently being made by the Council with regard to the major capital investments currently being made in cycle infrastructure, following successful funding submissions to a number of different funding streams. The review concluded by providing a series of ten recommendations for consideration by the Council with regard to cycling.

This report represents the Council's response to recommendations of the Panel. It begins with an explanation of the funds which have been secured for cycling in recent years, and the schemes which have been/are being/will be delivered with these funds. There then follows a detailed response to each of the panel's ten recommendations.

2 Current Funding and Schemes

The Council has been successful in recent years in securing a range of grant funding associated with the provision of new cycle infrastructure. In many cases this has been supported by the Council's own match funding, and by match funding supplied by third parties. The table below summarises the major cycling schemes which have been delivered/are being delivered in Trafford by the Council and its partners over the period since 2010, which totals over £6m in value.

Project	Cost	Funding Partners	Date completed
Bridgewater Way Phase 1 (Sale Waterside to Edge Lane, Stretford and associated access routes)	£720k	<ul style="list-style-type: none"> • Trafford Council • Sustrans • Bridgewater Canal Trust 	Summer 2010
Bridgewater Way Phase 2 (Edge Lane, Stretford, to Waters Meeting and associated access routes)	£845k	<ul style="list-style-type: none"> • Sustrans • Trafford Council • Bridgewater Canal Trust 	Summer 2011
Bridgewater Way Phase 3 (Sale Waterside to Marsland Road and associated access routes)	£520k	<ul style="list-style-type: none"> • Trafford Council • Sustrans • Bridgewater Canal Trust 	Autumn 2010
Bridgewater Way Phase 4a/b (Barton Aqueduct to Parkway and associated access routes)	£496k	<ul style="list-style-type: none"> • Trafford Council • TfGM/Department for Transport (Local Sustainable Transport Fund) • Bridgewater Canal Trust 	Spring 2013
Bridgewater Way Phase 4c (Parkway to Kelloggs Basin and associated access routes)	£434k	<ul style="list-style-type: none"> • TfGM/Department for Transport (Local Sustainable Transport Fund) • Trafford Partnership • Trafford Council 	Winter 2013/14
Bridgewater Way Phase 5 (Marsland Road, Sale, to Broadheath)	£704k	<ul style="list-style-type: none"> • TfGM/Department for Transport (Local Sustainable Transport Fund) • Trafford Partnership • Trafford Council • Bridgewater Canal Company • Bridgewater Canal Trust 	Autumn 2014
Bridgewater Way Phase 6 (Kelloggs Basin to Europa Gate and associated access routes)	£219k	<ul style="list-style-type: none"> • TfGM/Department for Transport (Local Sustainable Transport Fund) • Trafford Council • Bridgewater Canal Trust 	Autumn/Winter 2014
Bridgewater Way Phase 7 (Europa Gate to Castlefield and associated access routes)	£1.1m	<ul style="list-style-type: none"> • TfGM/Department for Transport (Cycle City Ambition Grant) • Trafford Council • Bridgewater Canal Trust 	Spring 2015
A56 Parallel Routes Cycle Safety Scheme	£340k	<ul style="list-style-type: none"> • Department for Transport (Cycle Safety Fund) • Trafford Council • Greater Manchester Casualty Reduction Partnership 	Spring 2014
Airport City Cycleway (Brooks Drive)	£400k	<ul style="list-style-type: none"> • TfGM/Department for Transport (Cycle City Ambition Grant) • Trafford Council 	Autumn 2014
Carrington-Flixton Station Cycle Route	£340k	<ul style="list-style-type: none"> • TfGM/Department for Transport (Cycle City Ambition Grant) • Trafford Council 	Winter 2014/15

3 Responses to Scrutiny Panel Recommendations

The Scrutiny Panel made a series of 10 recommendations with regard to the Council's services for cycling going forward. This section provides a response to each of those recommendations in turn.

Recommendation 1: *The Transpennine Trail is appreciated as a valued location for off road cycling, but sections are currently in a poor state of repair. With this in mind the Topic Group Members recommend that the Council should establish dialogue with all the landowners and organisations with an interest in the trail, to ensure that ongoing maintenance is given a higher priority.*

The Council, through the Trafford Countryside Management Partnership (TCMP) has already commenced dialogue with some landowners/stakeholders including Langtree, United Utilities, Environment Agency and Sustrans to ask for their help in the management of the trail. The Trans Pennine Trail Memorandum of Understanding originally signed when the grant from the Millennium Commission was obtained in 2001, identifies that partner authorities are responsible for ensuring that the trail is well maintained. The majority of the trail is over Trafford Council land although there are sections over land owned by Langtree and United Utilities and other smaller land owners.

The southern section from Black Moss Lane, Broadheath to Heatley (approx. 5kms) is maintained by Bollin Valley Partnership on behalf of Trafford Council and is in a well maintained condition. A recent visual survey has been undertaken along the remainder of the route and some problems have been identified. A section of the route that runs through land now owned by Langtree, (former Shell Carrington site) close to the edge of Sale West will require work to upgrade the path and thin adjacent vegetation that contributes to the poor trail surface within the area. TCMP has approached Langtree to see if they are able to help resolve these issues. Another area that has been identified as being problematic is the northern section of the trail, along Kickety Brook and more specifically an area from Chester Rd to Bridgewater Canal where path improvement works together with vegetation clearance are required to bring this section up to standard. This section is owned by Trafford Council and work will be undertaken during early 2015 to improve this area through a combination of capital works and vegetation management by volunteers and Groundforce.

The TCMP will be meeting with the TPT Trafford volunteers shortly to discuss these improvements and to try to find a way forward to improve the condition of the trail.

Recommendation 2: *Topic Group Members were advised that there had been an increase in cycling, associated with investment which has been made in Trafford, and it is recommended that communication be improved to promote Trafford as a successful Borough for cycling.*

It is recognised that more could be done to promote the Council's efforts with regard to improving conditions for cyclists. Often, the Council's ability to promote what we do is constrained by available officer and financial resource. However, launch

events are held when new facilities open (at the time of writing one is due to be held for the upgraded Brooks Drive route on 29th October). The Council's Traffic, Transport and Road Safety Section engages with the Council's Communications and Marketing team to ensure that coverage of such events is maximised. Opportunities to further promote our efforts, for example through dedicated route information leaflets, will be explored further.

Recommendation 3: *It is recommended that a leading figurehead such as the Leader of the Council, could be considered to champion cycling in Trafford, and that photograph opportunities should be explored.*

Further to the conclusion of the review, the Leader of the Council has agreed to take on a role championing cycling in the Borough. Subject to formal election by the Trafford Cycle Forum at their next meeting, he will also be taking on the role of Patron of the Cycle Forum, and will be attending future meetings whenever his diary permits.

Recommendation 4: *Members were informed that a Trafford based Cycling Strategy was being compiled, and request that when completed the Strategy should be presented to a future Scrutiny Committee meeting.*

The commencement of the Strategy has been delayed pending the publication of the wider Greater Manchester Cycle Strategy, which has been produced by TfGM, though Trafford chaired a county-wide officer working group to undertake the initial research and development work on the document. Now that the GM Strategy has been completed, funding will be allocated within the 2015/16 financial year to produce a new Trafford Cycle Strategy. The Strategy will articulate a vision for cycling in Trafford in the period to 2025, over which the authorities within Greater Manchester are aiming to quadruple levels of cycling.

The Strategy will celebrate the Council's achievements to date for cycling, and articulate a vision for the continued development of the cycle network in Trafford. It will include an action plan of priority projects aimed at increasing uptake of cycling. A key function of the document will be the development of a prioritised programme of projects, aimed at delivering the vision articulated by the Greater Manchester Cycle Strategy, to place the Council in the best possible position to benefit from potential future funding streams for cycling.

Once completed, the Strategy will be presented to a future Scrutiny Committee Meeting.

Recommendation 5: *It is recommended that encouragement be given, through the Cycling Strategy if appropriate, to the affording of priority to the maintenance of sections of highways used particularly by cyclists, such as cycle lanes, or the 2m of carriageway closest to the kerb where no cycle lane is present, wherever this is feasible.*

The Council's current Highways Safety Inspection Policy already affords maintenance priority to marked cycle lanes. The depth at which potholes are considered actionable in a marked cycle lane is half that of the rest of the

carriageway (25mm as opposed to 50mm). However, there would be a very substantial cost involved in extending this level of priority to the kerbside 2m of carriageway width on all roads in the Borough. Regrettably, given the severe pressure on the Council's maintenance budget, such a proposal is unaffordable at the present time.

Recommendation 6: *It is proposed that closer working be promoted between the Council's Highways and Planning departments and developers, to ensure that high quality facilities for cyclists – routes, parking / storage facilities and shower / change facilities - be included in the highways / transport infrastructure associated with new developments subject to future planning applications. The importance of building in high quality, convenient cycle storage to residential developments is particularly highlighted.*

The Council has adopted minimum standards for levels of cycle parking through its Supplementary Planning Document 3: Parking Standards and Design (SPD3), adopted in 2012. The document also contains extensive guidance on best practice in relation to cycle parking, which was produced in consultation with local cyclists through the Trafford Cycle Forum.

Highways and Planning officers are rigorous in enforcing these standards through the development control process. We see the enablement of journeys by bike as a key part of the mix when working to reduce car-borne travel to new developments. Developers see the benefits of including high quality cycle parking provision, as the Council is, in certain circumstances, more willing to accept a reduced level of car parking provision, if high quality provision is made for sustainable transport, including cycle parking provision which meets the Council's standards, within the development proposals.

Developer contributions through Section 106 funds have been an important source of match funding for securing the recent major investment in cycle schemes in the Borough, and the Council continues to be active in seeking financial contributions from developers for delivering cycling schemes.

The Council requires that developments of a significant size provide an appropriate Transport Assessment as part of the development control process, to assess the impact of the development in transport terms and design in any appropriate mitigation to minimise that impact. This document is assessed by the Council to ensure it is robust and that assessment includes careful consideration of access to the development by bike and opportunities to improve this as part of the development process.

Developments of significant size are also required to provide a Travel Plan, which represents the developer's commitment to minimising car-borne trips to the development and driving modal shift to non-car modes, including cycling. The Travel Plan will include measurable, time-bound targets for modal split, and an action plan which sets out how the targets will be met. Targets and action plan measures always make reference to increasing levels of cycling associated with a development.

Recommendation 7: The Topic Group would welcome the provision of better cycle parking at large facilities in Trafford to include all sporting arenas, Trafford's parks, and shopping areas including: the Trafford Centre, Stretford Mall, Sale, Altrincham, and Urmston town centres.

The Council undertook an extensive project to improve cycle parking facilities in Trafford in 2012. This included undertaking a survey of existing and potential high priority future cycle parking locations around the Borough, in partnership with volunteers from the Trafford Cycle Forum. Approximately 170 'Sheffield' style cycle stands were installed following the survey at high priority locations, providing parking for around 340 bikes at strategic locations around the Borough. Many were installed at local shopping parades. However it is recognised that cycle parking coverage is not yet as comprehensive as we would like, and the Council is committed to working to address this over the coming years. Key actions will be as follows:

- At locations within the public realm which are under the Council's control (mainly within the adopted highway but also other land which may be owned or controlled by the Council), the Council has the opportunity to prioritise its own funding to introduce new or improved cycle parking. Funding will be prioritised within the 2015/16 financial year for a further round of cycle parking installations in locations such as this
- As part of the above process, opportunities will be sought to encourage private owners of land within the public realm (for example, privately owned shop frontages) to provide cycle parking at identified priority locations. This could include the Council subsidising the provision of such facilities, though this would only be possible on a relatively small scale.
- The Development Control process is the Council's main tool to ensure that cycle parking is provided by relevant third parties, within their private premises, for use by employees, customers or visitors. The Council already has minimum standards for cycle parking at new developments, as reference elsewhere in this report. The Council will continue to be vigilant in applying these standards. It is through this process that the most likely opportunities for improving cycle parking at large scale venues such as the Old Trafford stadia, and the Trafford Centre, will arise. Clearly, this process is limited to new developments in its scope, and the Council has no power to force 3rd parties to provide new cycle parking outside of the Development Control process.

Recommendation 8: Topic Group Members recognise that there are events held in the Greater Manchester area promoting the use of bicycles, and recommend that the Council should form better links to tie in with the event organisers to promote cycling in Trafford.

A number of organisations, particularly TfGM, Sustrans and British Cycling, are active in organising events promoting cycling in Greater Manchester. These organisations all have access to significant revenue funded staff resources to promote cycling, which Trafford Council does not. Regrettably, the Council will not be in a financial position to provide any such staff resource in the foreseeable future.

Our capacity for involvement in such events is, therefore, significantly constrained by officer resources.

However, we recognise that opportunities exist to promote events being organised by other organisations, and the Council will continue to maximise such opportunities as far as possible in the future.

Recommendation 9: The Topic Group would be pleased if the introduction of Member Cycle Champions was to be mainstreamed from each political party, so as to ensure that there will be continuity for the future of promoting cycling in Trafford.

There is already a good level of Member involvement in cycling in Trafford, particularly through the Trafford Cycle Forum. Councillors Chilton (Conservative) and Cordingley (Labour) have been particularly active in promoting cycling in recent years. Cllr Chilton is currently the vice chair of Trafford Cycle Forum and both Councillors regularly attend Cycle Forum meetings. Both are also members of the TfGM Committee and are active in promoting cycling in that wider arena.

Any formalising of these member roles would be a matter for the individual political groups to take forward. However, such a move would be welcomed by the Council.

Recommendation 10: The work of Council officers in securing the high level of capital investment in cycling, as outlined above, is welcomed. However, this will provide only the start of what we would like to see achieved for cyclists in Trafford in the long term. It is recommended that officers continue to work with partners, particularly with Sustrans and TfGM, to secure continued investment in cycling; and that they develop a long term programme of cycle investment schemes in partnership with the Trafford Cycle Forum.

The major investment in cycle infrastructure which has been made possible in Trafford in the last 5 years through the successful partnership working with partner organisations, particularly TfGM, Sustrans and Peel, has begun the development of a properly integrated cycle network in Trafford. It is recognised that there is a long way still to go to realise that vision, and that a sustained level of investment is required.

The Council is committed to continue to work with partners to secure funds for cycle improvement schemes, and to committing its own funds as match funding to attract greater levels of grant funding: an approach which has worked very successfully in the past.

We have already developed a programme of prioritised cycle schemes for future implementation, in consultation with the Cycle Forum, and this will be developed further through the future preparation of a new Cycle Strategy for Trafford, as discussed elsewhere in this report.

We know that, nationally, evidence suggests that the single most important barrier to more people taking up cycling is the lack of available good quality cycle infrastructure. Ultimately, the Council's success in further increasing levels of cycling

will therefore depend on securing further funding to continue the development of the cycle network, working with partners. Our efforts to date have already secured significant investment for the period to 2016, and the Council is committed to continuing to use our best endeavours to secure that continued investment in the medium to longer term.

4 Recommendations

A full list of recommendations is provided at the front of the report.

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TRAFFORD COUNCIL

Report to: Executive
Date: 24th March 2014
Report for: Decision
Report of: Executive Member for Economic Growth & Prosperity and Executive Member for Highways and Environment

Report Title

RESHAPING TRAFFORD: Economic Growth and Prosperity & Environment, Transport and Operations Services.

Summary

The report sets out proposals to progress the first element of the project 'Reshaping Trafford'. In this regard the report details and seeks approval for proposals to issue a formal Official Journal of the European Union (OJEU) notice seeking bids for the delivery of a range of environmental, highways, professional, technical and infrastructure services currently delivered by the Economic Growth and Prosperity and Environment, Transport and Operations Directorates. The proposals will ensure that service provision is forward thinking, flexible and resilient to meet future challenges and will contribute to the Council delivering the required efficiency savings to meet the budget challenge from 2015/16 onwards.

Recommendation(s)

It is recommended that:

- a) The publication of an OJEU notice for specified services, in three Lots, as set out in paragraph 2.3 of the report is approved;
- b) The Corporate Director for Economic Growth and Prosperity and Interim Corporate Director for Environment, Transport and Operations, in consultation with the Director of Legal and Democratic Services, be authorised to agree terms and to enter into an agreement to extend the current Veolia waste contract by up to 12 months;
- c) The Executive Member for Economic Growth & Prosperity, Cllr Hyman, and Executive Member for Highways and Environment, Cllr Mitchell, are given delegated authority, in consultation with the Corporate Director for Economic Growth and Interim Corporate Director for Environment, Transport and Operations, and the Director of Legal and Democratic Services, to approve the final service specifications, tenderer selection and evaluation criteria to be published with the OJEU notice, including moving services between Lots; and
- d) A further report be brought back to the Executive setting out the outcome of the procurement process and terms of any proposed contract for the delivery

of those specified services for the Executive to consider and approve any proposal to proceed with the proposed procurement prior to any such contract being confirmed.

Contact persons for access to background papers and further information: Richard Roe, Head of Growth and Dianne Geary, Senior Business Change Manager.

Extensions: x4265 and x1821

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	This report supports the following Corporate priorities; <ul style="list-style-type: none"> • Low Council Tax and Value for Money • Reshaping Trafford Council
Financial	The annual current value of direct costs incurred on those services to be included in the procurement exercise is £16.3m. The financial results of the procurement exercise will be reported in due course. If the procurement exercise is supported then it is estimated that £500k will need to be incurred in preparation, evaluation and implementation costs. The source of finance to pay for this cost will need to be identified.
Legal Implications:	Procurement exercise and any extension to the existing contract must be handled in accordance with statutory requirements, EU regulations and the Council's Contract Procedure Rules
Equality/Diversity Implications	Equality Impact Assessments will be carried out and will inform the development of the Reshaping Trafford: ETO & EGP Services specifications.
Sustainability Implications	None at this stage.
Staffing/E-Government/Asset Management Implications	There could be significant staffing implications associated with this report.
Risk Management Implications	A risk management log is being developed as part of the overall governance for the Reshaping Trafford project. Any project of this scale carries risks in terms of achieving key deliverables, specifically savings aspirations and timing. These risks need to be set in the context of the overall financial challenge facing the Council.
Health & Wellbeing Implications	These will be identified and addressed as part of the project plan.
Health and Safety Implications	None at this stage.

1. BACKGROUND

- 1.1 The budget for 2014/15 was confirmed in February 2014, addressing a £17m resource shortfall made up of £6.1m Government funding reductions and £10.9m cost pressures. This is on top of the £50 million of savings the Council has delivered over the last three years.
 - 1.2 The budgets for 2015 to 2018 will require further innovative savings provisions to be considered. This will involve a number of different approaches including reducing contract costs through improved procurement, commissioning of services, managing demand and partnership working.
 - 1.3 The Council, taking these different approaches forward through its 'Reshaping Trafford' project, is identifying potential alternative delivery models, opportunities for increasing income and efficiencies across the full range of our services.
 - 1.4 The outcome will be the development of the right delivery model for each service rather than adopting a 'one size fits all' approach. This pragmatic approach will deliver benefits expeditiously and will also allow us to plan ahead for the medium term.
 - 1.5 Importantly, this project is directed at achieving sustainable service outcomes for residents whilst protecting jobs as far as practicable against the backdrop of reduced financial resources, driven by the four guiding principles of:
 - Building on what we do well
 - Forward thinking
 - Being positive
 - Innovation
- Further reports will be brought to the Executive as other projects are developed in more detail.
- 1.6 One strand of the proposals for reshaping Trafford has explored the opportunities for adopting a partnering approach (contractual details to be confirmed) in relation to the delivery of a number of Council services, with the potential to provide significant budget gains, whilst minimising the effect on service delivery. It is considered that this approach is particularly suitable for a range of services in the Economic Growth & Prosperity (EGP) and Environment, Transport & Operations (ETO) directorates
 - 1.7 The services being considered under this proposal are the Council's Environmental Services, including Commercial Waste, Domestic Waste, Street Cleaning and Grounds Maintenance; plus Highways Services, including Winter Maintenance, Bridges, Traffic and Transportation, Road Safety, Street Lighting and Furniture; Drainage; Greenspace Strategy; the Let Estate; Corporate Landlord; and Major Projects teams.
 - 1.8 These services are responsible for a wide range of Council functions including the management of the Council's £1 billion highways network which includes the maintenance of over 500 miles of roads and footways, 30,000 street lights and signs and 150 bridges.

- 1.9 Highways professional services include the strategic asset management of the network, project management, design and contract management of new major highway projects / highway improvement works, liaison with developers with regard to S278 and S38 Agreements. Trafford is the lead local flood authority, sustainable urban drainage approving body and undertakes the strategic management of land drainage. The management of these functions will be included in this Lot and the strategic overview will be retained as part of lean client function.
- 1.10 Property and Development includes the management of the Council's entire operational property portfolio, plus the Council's investment estate which includes shops, offices, industrial estates and farm land which generate over £2 million of income per annum. The team also undertakes the design and management of major capital building projects.
- 1.11 In terms of Environmental Services, household waste is currently removed from 95,000 homes and the current waste recycling rate is around 60%. The proposals would also include commercial waste collection within this lot, together with street cleaning as it is considered that there are clear opportunities for efficiencies by putting these services together in this way.
- 1.12 The budgeted value for these services in 2014/15 is c. £16.3m annual revenue expenditure plus £13m capital expenditure. In addition, subject to consultation, a positive outcome from the procurement process in terms of savings which would be achieved and the acceptable mitigation of any potential impacts identified and Executive sign-off, c. £9.3m of capital (over the two years 2015/16 & 2016/17) has been allocated for the rollout of LED street lighting.
- 1.13 The current recycling and waste contract with Veolia Environmental Services commenced in 2004 and due to the fact that it comes to an end in September 2014, a procurement exercise was being prepared. However, in line with Reshaping Trafford, it is proposed that the service could be incorporated in the partnering approach to future service delivery and so waste is now included as part of Environmental Services Lot 1 in section 2.3 below.
- 1.14 Contract(s) will be required to be in operation from early 2015/16 and to deliver significant budget savings from the outset, whilst maintaining high levels of service delivery and customer satisfaction.

2. SERVICES IN SCOPE

- 2.1 This new arrangement will combine a number of environmental and technical services within one procurement exercise with the aim of achieving better value for money and providing alternative sustainable delivery options for those services.
- 2.2 It is proposed that the contract(s) will be procured through a single procurement exercise, based upon competitive market dialogue, with services being offered in three Lots, including two sub-lots. Potential partners will be able to tender for any combination of Lots (and sub-lots), being:

Lot 1: Environmental Services:

Domestic waste;
Commercial waste;
Grounds maintenance; and
Street cleansing.

Lot 2: Highways & Street Lighting (operational):

Lot 2a: Highways:

Highways;
Winter maintenance; and
Gully cleansing.

Lot 2b: Street Lighting

Street lighting infrastructure;
LED street lighting project; and
Street furniture.

Lot 3: Technical Services:

Highways and Bridges (engineering etc.);
Professional Services including Engineering Design; Asset, Project and Contract Management; and Developers Interface;
Building Professional Services including Major Building Projects; Structural Engineering; Mechanical and Electrical Engineering; Landscape Architects;
Operational Estate/Asset Management for the Corporate Estate and Schools;
Property Development; and Land Sales;
Management of the Council's Investment Estate; and
Major Projects Team (Capital Build Team).

- 2.3 The Lots will be structured flexibly to meet changing future requirements, including changes in budget availability, service standards and corporate priorities; incorporate venturing (risk / reward sharing) elements; and should enable other AGMA members or partners to participate at a later date (e.g. Highways).
- 2.4 The shape of these Lots has been influenced by soft market testing undertaken during late 2013/early 2014 with potential private sector partners and dialogue with local authorities who have taken a similar approach. This research indicated a market preference to bundle services together in such a way as to increase financial value and maximise synergies as well as a preference for longer contract terms in order to support the recovery of their upfront investment and in turn to generate and expedite savings for the Council.
- 2.5 Reflecting this intelligence, together with the typical waste vehicle replacement cycle (7 to 8 years), it is anticipated that the common contract length(s) will be in the region of 15 years with the exception of LED street lighting which would be for around 20 years. The contractual arrangements will include formal review points whereby the Council may exercise an option to terminate the arrangement if partnering organisations are not meeting their obligations or if the contract otherwise fails to

deliver. As part of the procurement process we will assess any financial implications of any of these review points.

3 STAFFING IMPLICATIONS

- 3.1 Collectively the services set out in paragraph 2.3 above directly employ up to 300 staff, excluding staff currently employed under the Veolia waste contract. If we move to this type of arrangement it is likely that the majority of staff directly employed by the Council in these service areas, plus those employed by Veolia on the Trafford contract, would transfer to the relevant new partner, with their length of service and terms and conditions protected under the Transfer of Undertakings (Protection of Employment) (TUPE) regulations.
- 3.2 The joint venture contract(s) should build in future resilience for the Council in a time of uncertain budgets and potentially provide a greater level of security for both staff and the Council.
- 3.3 In addition to the directly employed staff, a number of staff in support services may also be affected by these changes but further work will need to be undertaken in this regard to complete the analysis.

4 PROCUREMENT PROCESS AND TIMETABLE

- 4.1 Given the scope of services concerned, together with the relative complexity of the Council's requirements, it is intended that the contract(s) will be procured via the OJEU Competitive Dialogue procedure. Competitive Dialogue is preferred over the Restricted or Open procedures because it actively engages the market and facilitates robust, innovative partnering solutions which are matched to local needs and flexible in terms of meeting changing future requirements.
- 4.2 Contract award would be based upon a transparent set of tenderer selection and evaluation criteria, which are yet to be developed but which will be substantially driven by the targeted net financial gains (see paragraph 6.1 below) and other factors such as service quality, commercial risk for venturing and so forth which will be embedded in the criteria.
- 4.3 Given that the business case which supports these proposals will only be clarified as we progress through the competitive dialogue process it is of vital importance that the Council will reserve the absolute right to terminate the procurement process in part or in total at any stage; for example should it be adjudged that the targeted net gains are unrealisable or if implications for service delivery are not acceptable. Whilst not envisaged, should that outcome come to pass then the Alternative Options set out in paragraph 8 would have to be re-visited. In turn, the procurement process will, as a matter of course, include a number of formal financial gateway reviews at key procurement stages, the timing and basis of which will be communicated to the market.
- 4.4 As set out below, contract award is targeted for early 2015 and with a short mobilisation phase to enable commencement as early as practicable in 2015/16.

Indicative Date	Deliverable
February – March 2014	Development of contract documentation
Early April	Place OJEU notice
May 2014	PQQ's issued and received
June – August 2014	Invitation to Submit Outline Solutions
August 2014 - December 2014	Invitation to Submit Detailed Solutions
January – February 2015	Evaluation and decision making
March 2015	Award of contract
April 2015 onwards	Contract commencement and mobilisation

- 4.5 The contract(s) will need to be implemented such as to ensure a seamless transition from the existing provisions (to be based upon an agreed 100 day transition plan).
- 4.6 To facilitate the contract(s), an extension of up to 12 months (to allow for any slippage in the timetable) will be required for the existing Veolia waste contract. The principle of such an extension has been agreed by Legal and Veolia have also indicated their acceptance in principle.

5 RETAINED SERVICES

- 5.1 A number of services will be retained by the Council, relating to both contract management and supporting the Council's strategic/enabling roles. These retained services will include:
- 'Lean Client' functions including contract management
 - Waste strategy
 - Property strategy
 - Green space park strategy
 - Strategic Planning, Highways & Development Control
 - Economic Growth, Housing Strategy and Town Centres
 - Sustainability & Greenspace
- 5.2 In terms of the 'Lean Client', it is a key learning lesson from other authorities that the retained client management functions must be 'lean' and 'intelligent'. This will require them to be appropriately resourced and enabled in order to effectively manage and monitor the on-going service delivery, ensuring that the targeted net gains are fully realised.
- 5.3 The exact shape of these retained services will be developed over the coming months, in parallel with the procurement process, and in line with wider corporate changes through the overall Reshaping Trafford programme.

6. FINANCIAL INFORMATION

- 6.1 Over the last four years the EGP and ETO Directorates have together delivered £13.0m of savings and increased income to help meet the corporate financial challenge. Building upon this success, the proposed contract has the potential to provide a practical and forward thinking solution for the future allowing for long term sustainability in the delivery of services.

- 6.2 The direct gross cost for the services that comprise the three Lots is £16.3m. There is external income of £4.2m (e.g. from fees and charges and property rents) which the Council will be looking to grow.
- 6.3 In terms of direct costs (£16.3m), pre-soft market testing has indicated that potential savings of the order of 20% are achievable. In practical terms, it is considered that this should be the minimum aspiration for the contract(s) with early savings to be guaranteed. Further gains would be sought through the process, noting that these will be influenced by decisions as to service priorities together with the scale of market opportunities and risk/reward appetite for venturing activities.
- 6.4 In engaging the market, the Council is seeking to secure substantial net budget gains through a combination of:
- savings and income generation;
 - reduction in direct costs through innovation, efficiency and the application of best market practice;
 - re-investment of savings to support joint venturing activities, directed at increasing net income derived by the Council; and
 - re-profiling of services over time to align them with customer needs and available financial resources.
- 6.5 This is a relatively complex equation and ultimately the amount of the net gains can only be determined through the market engagement process allied with a parallel, systematic review of the on-going requirement for delivery overheads and retained direct costs.
- 6.6 Overheads associated with service delivery are £1.9m and retained direct costs (e.g. property, energy) are £9.3m. (Source: 2014/15 approved budget). Undoubtedly there would be further consequential savings in this area through the contract(s), although the quantum would depend upon the outcome of the overall Reshaping Trafford solution (options currently under review).
- 6.7 Environmental Services, i.e. Waste, Groundforce and Highways, operate out of three locations: Carrington Depot, Trafford Park Depot, and Wharf Road Depot in Altrincham. The latter is a prime re-development site and is already on the Land Sales Programme. Dependent upon the operating model of the selected partner, there may be an option to further rationalise depot provision.
- 6.8 Taking all of these components together, it is considered that the contract(s) have a realistic potential to make a substantial contribution towards meeting the corporate financial challenge, something that will be tested during and through the process.

Other Financial Benefits: Venturing (Income Growth)

- 6.9 In presenting the procurement as a partnership based contract with commercial venturing elements, income growth is sought on a shared risk / reward basis. Such growth is a key component in the net gains equation and is foreseeable for example in relation to property development, highways venturing, commercial waste development etc.

- 6.10 In practical terms, it should be understood that such income growth requires investment (or at least re-investment) and takes time (typically up to five years) to deliver substantial returns.
- 6.11 In terms of quantifying the financial benefits, as part of the bidding process, outline commercial business cases will be developed in concert with the potential partners to establish the scope and scale of market opportunities together with the associated investment requirements and potential returns. In so doing, the partnering organisation(s) could, as a general principle, be expected to take the majority of the associated risk.

Other Financial Benefits: Potential Capital Efficiency

- 6.12 There may be further, although currently unquantifiable, financial benefits in terms of capital efficiencies if the contract(s) were to be secured by a suitably integrated operator who can both manage and internally deliver the capital programme associated with these services.

Set up costs

- 6.13 The cost to implement this element of Reshaping Trafford project is estimated at c. £500,000 and a detailed plan of resource requirements is being prepared. Where practicable, the resource will be managed by backfilling key roles internally. EGP & ETO Heads of Service are instrumental to the business case, service specifications and key performance indicators and will play a pivotal role in managing the staff through the changes. Other resource is required from HR, Legal, Procurement, Finance, Audit, Communications, Public Health, ICT and Transformation.

7 CORPORATE SOCIAL BENEFITS

- 7.1 This proposal is expected to provide corporate social benefits with beneficial impacts in terms of improving the local economy (including local supply chain) as well as employment of local staff including opportunities for apprenticeships and training schemes.

8. ALTERNATIVE OPTIONS CONSIDERED

Do Nothing:

- 8.1 The current waste contract ends September 2014. As this service is a statutory requirement, it would be necessary to procure the future delivery of this service independently. This would not allow the Council to maximise the potential benefits from procuring the waste collection as part of a wider procurement.
- 8.2 For other services in EGP & ETO, savings targets have been consistently met over recent years. However, given the need for forward thinking, medium term practical solutions and for continuous service provision together with the need to provide significant future savings to do nothing would mean that it would be difficult to continue to deliver services and the range of services which could be delivered and the quality of those services would be affected.

Bring in house:

8.2 For the waste contract, to bring this in house is not a financially viable option due to the capital spend which would be required. This was considered in the original Waste procurement business case and discounted.

Collaboration with other Local Authorities:

8.4 There are different time and financial pressures facing other AGMA authorities and partners. Trafford needs to address its own challenges in the next 12 months. However, through the procurement route will enable other authorities to join at a later date.

9. CONSULTATION

9.1 Extensive consultation will take place with staff affected by these proposals throughout the procurement process, and this will be incorporated in a comprehensive communications strategy.

9.2 Where appropriate or required to meet the Council’s duties in this regard, there will be consultation with residents and stakeholders.

10. RISKS

Risk	Mitigation
Under-performance by the commercial partner(s) resulting in under-delivery in terms of service levels and/or net financial gains.	Partnership working culture, supported by active client side monitoring/management regime, underpinned by robust contractual arrangements.
New contractor unable to mobilise within the timescales	Mobilisation period incorporated in the project delivery plan

11. REASONS FOR RECOMMENDATION

11.1 To enable the Reshaping Trafford project for ETO and EGP services to move to the next phase and formal market engagement through the issuing of an OJEU notice, supporting the delivery of budget savings from 2015/16.

Key Decision: Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance ID

Legal Officer Clearance JLF



CORPORATE DIRECTOR’S SIGNATURE

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

TRAFFORD COUNCIL

Report to: Executive
Date: 1st September 2014
Report for: Decision
Report of: Executive Member for Economic Growth and Planning
and Executive Member for Environment and Operations

Report Title

RESHAPING TRAFFORD: Economic Growth, Environment and Infrastructure

Summary

The report provides an update on progress to engage private sector partners for the delivery of a range of environmental, highways, professional, technical and infrastructure services. It seeks approval to proceed to the next stage of the procurement exercise which is the Invitation to Submit Detailed Solutions.

This procurement will ensure that service provision is forward thinking, flexible and resilient to meet future challenges and will contribute to Trafford delivering the agreed level of efficiency savings to meet the budget challenge from 2015/16 onwards.

Recommendation(s)

It is recommended that:

- 1) Approval is granted to proceed to the next stage for the procurement of Environmental, Highways and Technical Services through issuing an Invitation to Submit Detailed Solutions to shortlisted bidders for the specified services;
- 2) An update report be presented to Executive in December 2014 to report on progress so far;
- 3) A further report to be brought back to the Executive early 2015 setting out the outcome of the procurement process for the Executive to consider and approve any proposal prior to the signing of any contract; and
- 4) Executive request that the matter is referred to the Scrutiny Committee for consideration prior to the Executive meeting in early 2015.

Contact persons for access to background papers and further information: Richard Roe, Director of Growth and Regulatory Services and Dianne Geary, Senior Business Change Manager.

Extensions: x4265 and x1821

Background Papers: None

This report supports the following Corporate priorities;

Relationship to Policy Framework/Corporate Priorities	<ul style="list-style-type: none"> • Low Council Tax and Value for Money • Reshaping Trafford Council
Financial implications:	The Council is facing further austerity budgets with a deficit of c£20m in 2015/16 identified in the February 2014 budget report. In response, having already delivered on-going efficiencies, the service is seeking a partnership with private sector providers in order to deliver innovation and resilience in order to avoid cuts in service standards and job losses. Further details are set out in section 3.
Legal Implications:	<p>The procurement exercise and any extension to the existing contract including the current domestic waste contract must be handled in accordance with statutory requirements, EU regulations and Trafford's Contract Procedure Rules.</p> <p>It will be necessary to develop robust governance arrangements through the competitive dialogue process and to establish an appropriate role for Members in the future management of the services.</p>
Equality/Diversity Implications	Equality Impact Assessments have been carried out and have identified no impact. These will be reviewed and updated as the project progresses.
Sustainability Implications	None at this stage, though all bidders have been asked to submit bids which provide sustainable solutions.
Staffing/E-Government/Asset Management Implications	There could be significant staffing implications associated with this report as set out in section 7.

Risk Management Implications	A risk management log has developed as part of the overall governance for the Reshaping Trafford project, and is reviewed and updated on a regular basis. Any project of this scale carries risks in terms of achieving key deliverables, specifically savings aspirations and timing. These risks need to be set in the context of the overall financial challenge facing Trafford.
Health & Wellbeing Implications	These will be identified and addressed as part of the project plan.
Health and Safety Implications	None at this stage.

1. BACKGROUND

- 1.1 Trafford faces substantial financial pressures and the budgets for 2015 to 2018 will require further innovative savings provisions to be considered. This will involve a number of different approaches including reducing contract costs through improved procurement, commissioning of services, managing demand and partnership working.
- 1.2 Trafford is taking these different approaches forward through its 'Reshaping Trafford' programme and is identifying potential alternative delivery models, opportunities for increasing income and efficiencies across the full range of our services.
- 1.3 Rather than adopting a 'one size fits all' approach, the outcome will be the development of the right delivery model for each service. This pragmatic approach will deliver benefits expeditiously and will also allow us to plan ahead for the medium term.
- 1.4 Importantly, this project is directed at achieving sustainable service outcomes for residents whilst protecting jobs as far as practicable against the backdrop of reduced financial resources, driven by the four guiding principles of:
- Building on what we do well
 - Forward thinking
 - Being positive
 - Innovation
- 1.5 At their meeting on the 24th March 2014 the Executive approved that an OJEU notice be published for specified environmental, highways, technical and professional services, together with the approach/strategy to the overall procurement exercise. Further it was agreed that a report should be brought back to the Executive setting out the initial outcomes of the procurement exercise for approval to proceed to the next stage in the event that positive benefits were identified through the Invitation to Submit Outline Solutions.

1.6 Trafford set a number of high level desired outcomes to be delivered through this procurement exercise, specifically:

- **To deliver a minimum of 20% savings against the net budget from contract commencement.** In cash terms, 20% savings means that we are looking for an initial minimum saving in the region of £3m (for a full year) along with on-going efficiency savings throughout the life of the contract;
- **To deliver further, future efficiency savings through continuous improvement and innovation in service provision through the contract life.** Although the day to day operations would be managed by a third party/partner who would also look to grow/invest in the service the Council would have a continuing strategic role and responsibility to ensure the partnership continues to deliver efficiencies and savings;
- **To have flexibility, recognising the challenging financial climate facing local authorities at the moment.** Trafford Council is undergoing change and this process includes exploring alternative options to see how the Council can operate in the changing financial climate. The successful partner(s) bring additional expertise and resources to work in collaboration with the Council and respond to the on-going budget pressures; and
- **Protect jobs and maintain service standards in so far as practicable.** Since austerity began the Council has already saved c£50m, however we still have significant savings to make. Our priority remains to make sure we can identify sustainable levels of service delivery to the Trafford community and also protect jobs. This will potentially open up different opportunities for staff and further encourage and support the involvement of community groups in service delivery.

1.7 In the last three years the Council has delivered nearly £4m in savings and additional income, for the services in scope, as set out in the table below:

Services	Savings/income 2012/13 to 2014/15 (£m)
Environmental Services	1.6
Highways	1.5
Property and Development	0.7
Total	3.8

1.8 Trafford is recognised for lean and efficient services and has the foundations in place to build and develop for the future. The 'Reshaping Trafford' approach adopted provides exciting opportunities to work with market leader(s) in the industry to build innovation and resilience for the years to come. In the light of savings and efficiencies already made as above it is now the appropriate time to enter into new working arrangements with external partners to achieve the savings required and to realise greater efficiencies, investment, innovation and income generation opportunities.

- 1.9 The services being considered under this procurement exercise are Trafford's Environmental Services, including Commercial Waste, Domestic Waste, Street Cleaning and Grounds Maintenance; plus Highways Services, including Winter Maintenance, Bridges, Traffic and Transportation, Road Safety, Street Lighting and Furniture; Drainage; Greenspace Strategy; the Let Estate; Corporate Landlord; and Major Projects teams.
- 1.10 In addition, to deliver efficiencies in procurement, Manchester City Council's environmental services, including Domestic Waste and Street Cleaning, have been included as a specific sub-Lot. The budgeted value for the Manchester services in 2014/15 is £20m. Trafford Council are the overall procurement lead, but evaluation of bids will be carried out independently by officers from Trafford and Manchester for relevant services.
- 1.11 Contract(s) will be required to be in operation from early 2015/16 and to deliver significant budget savings from the outset, whilst maintaining high levels of service delivery and customer satisfaction.

2. SERVICES IN SCOPE

- 2.1 This new arrangement has combined a number of environmental and technical services within one procurement exercise with the aim of achieving better value for money and providing alternative sustainable delivery options for those services.
- 2.2 The contracts are being procured through a single procurement exercise, based upon competitive market dialogue, with services being offered in three Lots, including two sub-lots. Potential partners have been able to tender for any combination of Lots (and sub-lots), being:

Lot 1: Environmental Services:

Lot 1a: Trafford Environmental Services

Domestic waste;
Commercial waste;
Grounds maintenance; and
Street cleansing.

Lot 1b: Manchester Environmental Services

Domestic waste; and
Street cleansing.

Lot 2: Highways & Street Lighting (operational):

Lot 2a: Highways:

Highways;

Winter maintenance; and
Gully cleansing.

Lot 2b: Street Lighting

Street lighting infrastructure;
LED street lighting project; and
Street furniture.

Lot 3: Technical Services:

Highways and Bridges (engineering etc.);
Professional Services including Engineering Design; Asset, Project and Contract Management; and Developers Interface;
Building Professional Services including Major Building Projects; Structural Engineering; Mechanical and Electrical Engineering; Landscape Architects;
Operational Estate/Asset Management for the Corporate Estate and Schools;
Property Development; and Land Sales;
Management of Trafford's Investment Estate; and
Major Projects Team (Capital Build Team).

- 2.3 The annual current value of direct costs incurred in relation to these Trafford services in 2014/15 is £15.5m plus c£13m capital expenditure, which is variable dependent on Council activity. The breakdown of this total budget by Trafford lot is as follows:

Lot: Description	Revenue Budget 2014/15 (£m)
Lot 1a: Trafford Environmental Services	9.6
Lot 2a: Highways	2.4
Lot 2b: Street Lighting	0.6
Lot 3: Technical Services	2.9
Total	15.5

- 2.4 A further c£9.3m of capital (over the two years 2015/16 & 2016/17) has been identified to support the potential rollout of LED street lighting, subject to Executive approval based on a positive business case demonstrated through the procurement process and acceptable mitigation of any potential impacts.
- 2.5 Whilst the scope of services included within this procurement represents a change the Council has a successful record of delivering services in partnership. The domestic and trade waste elements of Lot 1a have been delivered through a private sector provider since 1992, and the budget for the current financial year for these services is £4.9m. The service has developed and improved over the period of the contract as demonstrated by the increase in recycling rates from 48% March 2013 to 58% March 2014. The average for Greater Manchester for 2013/2014 is 44.5% so Trafford is already a leader in

this area. Trafford waste contract accounts for 32% of the total value of the three lots.

- 2.6 The Council will provide strategic oversight, setting strategy, policy and agreeing service standards, supported by robust contract management throughout the life of the contract.

3. FINANCE IMPLICATIONS

- 3.1 The annual current value of direct costs incurred on those services included in the procurement exercise is £15.5m. A breakdown of this cost is provided above.
- 3.2 The Executive in March 2014 approved a total budget of £500,000 for the procurement process. The expected cost has now reduced to £450,000 which will cover the preparation, evaluation and implementation costs from project start to contract commencement in July 2015. The source of finance to pay for this cost will be from a combination of carried forward reserves of the Transformation and Resources (T&R) and Economic Growth, Environment and Infrastructure (EGEI) Directorates.
- 3.3 This use of reserves will cover the cost of backfilling staff seconded to work specifically on delivering this project. It also includes specialist commercial legal advisers who will be instructed to support the Council. This will ensure that procurement risks are mitigated, the best commercial outcome is delivered to the authority and the final contract provides us with the protections and recourse required to manage the partner effectively to deliver the required outcomes through the full contract lifecycle. Considering the term and total value of the contract, and the overall saving that is intended to be generated through this proposal, the level of investment in project and procurement costs is considered value for money based on the expected returns.

4. PROGRESS TO DATE

- 4.1 The OJEU notice for Trafford, in collaboration with Manchester City Council, was issued on 10th April and in excess of 200 organisations expressed an interest in participating in the process by the closing date of 30th April.
- 4.2 On the 1st May the Pre- Qualification Questionnaire (PQQ) was released to all organisations who had expressed an interest and clarification questions were answered during May. A market open day led by the Chief Executive and Corporate Director for Economic Growth, Environment and Infrastructure was held on the 20th May.
- 4.3 Sixteen Pre-Qualifying Questionnaires were received on 2nd June. These were evaluated by Council officers, and a shortlist of ten bidders across the Lots selected to proceed to the next stage.

- 4.4 The shortlist to the Invitation to Participate in Dialogue/Invitation to Submit Outline Solutions (ITPD/ISOS) was released on 27th June. All unsuccessful bidders were notified on the 27th June with the reason as to why we were not proceeding with their bid through to the next stage.
- 4.5 The competitive dialogue meetings ran from the 3rd July to the 16th July with each bidder being given the opportunity to meet with the Councils on two occasions. One bidder withdrew from the process during the competitive dialogue phase. Outline solutions were submitted on the 28th July and have now been evaluated by Council officers.
- 4.6 The remaining economic operators have submitted Outline Solutions for a range of Lots. The names of the economic operators submitting bids and the basis on which they have bid is commercially sensitive.

5. CURRENT POSITION

- 5.1 All bidders who will be invited to submit detailed solutions have demonstrated their willingness and ability to meet the high level outcomes set out in paragraph 1.6 and to add value to the delivery of Council services. It is therefore considered at this stage that there are sufficient credible bidders to take forward to ensure a robust competitive dialogue process that will lead to final tenders which continue to meet these outcomes. It should be noted that at this point bidders have submitted non-binding outline solutions and therefore these could be subject to change through the next period of dialogue.
- 5.2 The next stage of the process would be for Invitations to Submit Detailed Solutions. This is the stage at which bidders will develop and submit proposals, setting out how they would deliver services in future to meet the desired outcomes, including efficiencies and protection of jobs and service standards. It is intended that more information about the bidder's approaches will be shared after this stage. A further report will be brought to the Executive in December 2014.
- 5.3 It is also proposed that there will be further Member involvement through the Scrutiny Committee in early 2015.
- 5.4 In proceeding to the next stage of the procurement exercise, there are a number of consequential issues which if not managed appropriately could have a potential adverse financial effect. These will need to be addressed and resolved satisfactorily in order to deliver the desired outcomes:

Issue	Mitigation
There are contractual arrangements which may not be transferrable by agreement to the incoming partner(s) e.g. vehicle and plant contract hire arrangements.	Discussions are on-going with the current vehicle provider to vary the current contract to enable transfer to the new service providers. The potential implications of

	transferring the agreement will be considered during the next stage of competitive dialogue.
A balance will need to be drawn between the contract savings and the Council's Waste Disposal Levy obligation. The mechanism for setting the Levy means that disposal costs for Trafford could increase if other Greater Manchester authorities increase their recycling rates and Trafford's remains static. However, there could be additional direct costs associated with increasing recycling rates.	In the next stage of dialogue the service and financial consequences of increasing the current high recycling rates will be fully explored. Evaluation will take account of the net financial effect of proposals, both in terms of direct contract costs and the Waste Disposal Levy.
Ensuring the transfer of the management and financial responsibility for insurance claims to ensure a joined up highways solution and mitigate financial risk to the Council.	All bidders for Lot 2a have been advised that the Council expects the service provider to take on all risk associated with insurance claims.
The partner(s) role in enforcement activities needs to be fully developed to support the in-house service and provide additional resilience and sustainability.	This requirement has been set out in documentation provided to bidders prior to the commencement of the initial stage of dialogue, and will be explored further in the next stage.
There is a requirement for a robust client side contract management function to ensure expected benefits are delivered in full and that the partnering arrangements are sufficiently flexible to deal with changing needs and financial resources.	The senior management structure for the new Economic Growth, Environment and Infrastructure Directorate has been approved and is now being implemented. This structure provides contract management and technical capacity to manage the contract.
Additional opportunities for savings or new income development could be supported through invest to save / invest to grow. This could be delivered with investment funding from prudential borrowings in order to maximise benefits to the Council.	In so far as possible, risk and investment requirement will be transferred to the partners. Prudential borrowings will be considered on a case by case basis and only pursued where there is both a clear additional benefit and security of repayment of principle to the Council in so doing.
The Council will need to ensure that	The contract will include robust

there are appropriate mechanisms in place to monitor performance and flex contractual arrangements in response to changing circumstances.	performance management mechanisms including formal mid-term review(s) to ensure market competitiveness, value for money and demonstrate service delivery quality. It is intended that these formal reviews will include the ability for the Council to terminate the contract in certain circumstances dependent on the outcome.
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5.5 In the next stage, Trafford will further explore ideas and options as well as interrogate bid solutions to confirm the deliverability of the desired outcomes. However, in the event that it becomes apparent that the outcomes cannot be delivered the Council have maintained the right to withdraw from the procurement process, in whole or part, and would not be liable for any costs incurred by bidders should it choose to do so.

6. NEXT STEPS

6.1 Subject to Executive approval, the proposed timetable through to contract commencement is as follows:

Indicative Date	Deliverable
September 2014 - December 2014	Invitation to Submit Detailed Solutions
January – February 2015	Evaluation and decision making
February 2015	Executive report and approval to award the contract
March 2015	Award of contract
April 2015 onwards	Contract mobilisation
July 2015	Contract commencement

7. STAFFING

7.1 It is likely that the majority of staff directly employed by the Council in the services outlined in this report (c 250), plus those employed by Veolia on the current Trafford waste contract (c 100), would transfer to the relevant new partner(s), with their length of service and terms and conditions protected under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. In relation to pensions, the Council will support an application for admitted body status for the duration of the contract scheme.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The alternative options were set out in detail in the March report. With due consideration of those options and the deliverability of the desired outcomes, the approach recommended is considered to represent the best option.

9. CONSULTATION

- 9.1 Extensive consultation will take place with affected staff and their union representatives throughout the procurement process. This has been incorporated at appropriate stages in a comprehensive communications strategy. There was an initial meeting earlier in the year with the Trade Unions and further meetings are planned for the autumn.
- 9.2 Where appropriate or required to meet Trafford's duties in this regard, there will be consultation with residents, community groups and stakeholders.

10. REASONS FOR RECOMMENDATION

- 10.1 To enable the Reshaping Trafford project for EGEI services to move to the next phase and to issue the Invitation to Submit Detailed Solutions to shortlisted bidders.

Key Decision: Yes

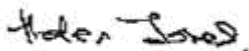
If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance IK

Legal Officer Clearance JLF

CORPORATE DIRECTOR'S SIGNATURE

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.



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