

**Informal Member Group on Managing Motorways and Trunk Roads  
Wednesday, 08 October 2008 at 4pm.**

**Present:** Mr D Daley, Dr M R Eddy, and Mr J Simmonds.

**Also Present:** Mr K Ferrin, Cabinet Member for Environment, Highways and Waste.

**OFFICERS:** Mr G Mee, Director of Kent Highways Services and Mrs A Taylor, Research Officer to the Cabinet Scrutiny Committee.

**Discussion on the proposals contained within the business plan to enable a report to be submitted back to the Cabinet Scrutiny Committee on 22 October 2008**

(The following is an unrestricted text of the discussion on an exempt report)

- 1 Dr Eddy introduced the item and explained that the bid to undertake the maintenance and operation of motorways in Kent had now been submitted. The results of the tender should be revealed before Christmas.
- 2 An IMG had been formed to look at the issues within the business plan, and Members of the IMG had concerns relating to the risk assessment of the project, what assessment had been undertaken and where this was articulated within the report.
- 3 Mr Mee confirmed that the papers in front of Members no longer reflected the contractual arrangements. Previously Kent County Council was recommended to take a 19% share of RJK – now KCC would be a subcontractor of Ringway Jacobs and have no financial stake in the company other than for the co-location of depots.
- 4 Mr Ferrin confirmed that from Kent County Council's perspective the small financial risk that was present in the original contract had now been eliminated – if successful KCC would be a subcontractor for Ringway Jacobs and the financial risk involved was negligible.
- 5 The main risk was a reputational one – currently issues with motorways and trunk roads in Kent (which are not within the remit of Kent County Council) are often blamed on the County Council and this is difficult to overcome.
- 6 KCC are hoping for a profit as a result of the lease of the depot network which can be charged, and a profit on any work undertaken. Dr Eddy questioned the problems with the West Kent depot network and Mr Ferrin explained that he was referring to the existing network. Dr Eddy asked whether the new depot arrangements would impact upon current operations and Mr Mee confirmed that it would not.
- 7 There are advantages in the synergy between existing facilities, for example synergies in the salting routes could result in more gritting being done in the same length of time and use of diesel. There are also discounts to be found when buying in quantity.
- 8 Mr Daley raised concerns over the track record of Ringway Jacobs – they have not yet won a MAC contract and do not have a good history of getting through the bidding

process. Concerns were also raised about the capability of Ringway Jacobs in undertaking non motorway work – would they be better at maintaining the motorways?

- 9 The £100k highlighted in the original report is no longer at risk due to changes in the contract.
- 10 Members asked whether KCC would be allowed to be a subcontractor to the new consortium if we were not successful in the bidding process. Mr Mee confirmed that there was no obligation for the new consortium to subcontract to KCC and that it would only work if they saw the same synergies and the mutual benefits.
- 11 Questions were raised over the influence KCC currently has over the Highways Agency and whether this would improve if our bid was successful and whether it would lead to a more coherent way of working. Mr Ferrin confirmed that yes it would lead to a more coherent approach and would potentially give KCC more influence.
- 12 Mr Mee confirmed to Dr Eddy that the time spent so far on putting the bid together was in the region of £10,000 – £20,000 in officer time.
- 13 Dr Eddy asked about the future monitoring arrangements if the bid succeeds. Mr Ferrin confirmed that he had an ongoing desire to monitor how the project progresses. Regular reports will be going to the Alliance Board which are public documents and could be reported to Scrutiny at that time.
- 14 Mr Ferrin clarified that the condition on A & B roads in Kent was above average with compared using the BVPIs across the country, and Mr Mee pointed Members to an article in the Local Government Chronicle which stated that Council's spend more money compensating people for damage caused by poor roads than is spent on repair work. Members felt that it was imperative that the impact on existing services and service quality was carefully monitored.

## **Recommendations**

The Cabinet Scrutiny Committee is asked to:

- a) Note that Members thanked Mr Ferrin and Mr Mee for their helpful comments throughout the meeting and were pleased to note the change in the contract which had led to a diminution in financial and reputational risk should the bid be successful.
- b) Request further advice from Officers and the Cabinet Member when the results of the bidding process were known.
- c) Note that concerns were reiterated over the monitoring arrangements of the project and measuring performance; consideration should be given to these issues at the earliest possible opportunity in the event of the bid reaching further stages.
- d) Request sight of the changes to the original contract.
- e) Request a report back to the Cabinet Scrutiny Committee including information on possible BVPIs a year after the contract has commenced.