

Minutes of the Cabinet Meeting held on 18 October 2016 at 2:00 pm in the King Edmund Chamber, Endeavour House, Ipswich.

Present: Councillors Colin Noble (Chairman), Jane Storey (Vice Chairman), James Finch, Tony Goldson, Matthew Hicks, Beccy Hopfensperger, Christopher Hudson, Gordon Jones and Richard Smith MVO

Also present: Councillors Sarah Adams, Sonia Barker, Mark Bee, Peter Beer, Tony Brown, John Burns, Peter Byatt, Terry Clements, James Crossley, Mary Evans, John Field, Jessica Fleming, Sandra Gage, Peter Gardiner, Mandy Gaylard, Len Jacklin, Inga Lockington, Sandy Martin, Guy McGregor, Caroline Page, Bert Poole, Bill Quinton, Reg Silvester, Paul West and David Wood.

Supporting officers present: Deborah Cadman, Chief Executive
Linda Pattle (Democratic Services Officer)

26. Apologies for Absence

There were no apologies for absence.

27. Declarations of Interest and Dispensations

Councillor Jane Storey declared a non-pecuniary local interest in Agenda Item 6, Extension to the Highways Services Contract, as her brother had dealings with Kier relating to land use.

28. Minutes of the Previous Meeting

The minutes of the meeting held on 13 September 2016 were confirmed as a correct record and signed by the Chairman.

29. Public Questions

There were no public questions received.

30. Standing Item – Update from the Scrutiny Chairman

At Agenda Item 5 the Chairman of the Scrutiny Committee provided the Cabinet with an update on the Scrutiny Committee on 30 September 2016, the Great Yarmouth and Waveney Joint Health Scrutiny Committee on 7 October 2016 and the Health Scrutiny Committee on 12 October 2016.

Decision: The Cabinet noted the report.

Reason for decision: The Cabinet recognised the importance of the Scrutiny function.

Comments by other councillors:

The Leader of the Council considered the Scrutiny Committee's comments on devolution to be well made. He anticipated that if devolution did take place, there would need to be further work relating to the scrutiny function and the costs of the new arrangements.

The Cabinet Member for Finance and Heritage thanked the Scrutiny Task and Finish Group for a very thorough report on Procurement and Contract Management. Over the coming months he would discuss the implementation of the Group's recommendations with the senior officers involved in procurement and contract management.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None reported

31. Extension to the Highways Services Contract

A report at Agenda Item 6 by the Director of Resource Management invited the Cabinet to consider the extension to the Highways Services Contract. The Highways Services Contract was expected to run for a minimum of five years, with the possibility of extensions up to a maximum of 10 years. The awarding of extensions to the contract period was at the discretion of the Council.

Decision: The Cabinet agreed:

- i) to the Highways Services Contract with Kier being extended by five years to its maximum 10-year duration;
- ii) that such extension be conditional on clarifying and formally agreeing the detail of the financial investment and other commitments broadly indicated in the business case submitted by Kier;
- iii) that the responsibility for finalising such clarification and agreement be delegated to the Director of Resource Management, in consultation with the Cabinet Member for Highways and Transport and the Cabinet Member for Finance and Heritage;
- iv) to an assessment of adequacy of overall achievement of the outcomes in the Suffolk Highways performance management framework being developed by the end of December 2016 so as to determine whether there shall be any time deductions in the five-year extension for underperformance; and
- v) that the Director of Resource Management, in consultation with the Cabinet Member for Highways and Transport and the Cabinet Member for Finance and Heritage, shall (on an annual basis) thereby determine any time deductions that should be made from the overall contract period (and notify Kier accordingly) until such time as two years remain of the contract, at which point it shall naturally expire.

Reason for decision: The Council's contractual relationship with Kier was now beginning to yield positive outcomes following the resolution of a number of key issues over the last 12 months. The return on any investment on new equipment and plant (purchased or leased) would be optimised by spreading the costs over as long a period as possible. The potential seven years to the end of the contract was consistent with the period of time over which a typical highways contractor would ordinarily spread the cost of equipment and plant.

The Council should nevertheless retain some capability to determine whether the performance of Suffolk Highways (the highways partnership between the County Council and Kier) was sufficient to warrant the contract continuing to run for its full duration or, if not, reduce the contract period. Since 1 April 2016, Suffolk Highways had been assessed against a new outcomes-based performance management framework. That framework drew significantly on the results of the annual National Highways and Transport (NHT) public opinion survey, the results of which were made available each October/November. This could provide a suitable framework around which an annual assessment of overall performance could be conducted.

Comments by other councillors:

The Cabinet Member for Finance and Heritage spoke in favour of the recommendations. He acknowledged that the relationship with Kier had not always been an easy one, but he considered that it was now emerging as one which was providing an efficient service. He cited examples of recent successes where savings had been made and/or good returns on investment had been achieved, including: the creation of an integrated street lighting team; additional work on surface dressing roads; the use of temporary obstruction signs to reduce delays for the travelling public. He referred to the Highways Maintenance Operational Plan whereby more efficient methods of working had been introduced, leading to fewer temporary and more permanent repairs.

In response to questions from the Cabinet Member for Children's Services, Education and Skills and several other councillors, the Cabinet Member for Highways and Transport said that he had confidence in the extended contract because the new framework was based on the need to measure outcomes rather than outputs. He confirmed that if there were to be any downturn in performance in future, the Council would have the opportunity to reduce the length of the contract. This would discourage complacency and encourage the contractor and the Council to work closely together.

Asked by a councillor why it had not been foreseen in 2011 that a "bedding-in" period would be required for the new contract, the Cabinet Member for Highways and Transport reflected that for any new commercial relationship there needed to be a period when a change of culture could be established. With hindsight it was clear that the cultural change required had been underestimated. However, the Cabinet Member wished to focus on the future, where he anticipated that there would be continuous improvement year on year.

A councillor highlighted a specific difficulty relating to street lighting in Ipswich where there had been delays in starting a piece of work and then in finally completing it. The Cabinet Member acknowledged that in that case the delays were unsatisfactory and would be investigated. However, he expressed the view

that over the previous 12 months the integrated street lighting team had significantly improved its output.

Asked by a councillor why the option of bringing highways work back in-house was not being considered, the Cabinet Member for Highways and Transport outlined the costs involved. These included the cost of demobilising the existing contract and the cost of the investment which would need to be made into the Council's own organisation. Further change would also cause disruption to the current pattern of improvement.

The Chairman of the Scrutiny Committee received an assurance that the lessons learned from the first two years of the contract were being shared with the corporate Contracts Team. She also welcomed the suggestion that an annual performance update (based on the findings of the National Highways and Transport public satisfaction surveys) be presented to the Scrutiny Committee.

In response to a question from a councillor, the Cabinet Member for Highways and Transport confirmed that colleagues from Kier had been involved in the amendment of the Highways Maintenance Operational Plan, and were in agreement with the new elements of the proposed extended contract.

A councillor highlighted instances where road signs or other equipment had not been removed after roadworks had been completed. It was suggested that the root of this problem was poor communication between sub-contractors and Kier. Current procedures required "before" and "after" photographs to be taken, and this was now helping to ensure that sites were properly tidied when work was completed. However, any individual problems should be reported as soon as possible, using the online reporting tool.

In response to a question about staffing vacancies, the Cabinet Member indicated that the establishment of integrated teams was leading to savings in terms of personnel. Nevertheless, he acknowledged that for some time staffing had been an issue because skilled employees were also being sought by Highways England and by organisations in the private sector. A great deal of effort was being made to fill vacant posts, but the current budgetary constraints made it difficult to attract new staff.

A councillor asked whether the Council now had an adequate schedule for resurfacing roads. In response, the Cabinet Member outlined the efforts made over the previous year to enable the contractor to have visibility of planned work. This information was now available online. The Cabinet Member acknowledged that the plans should be more detailed and easier to find, but confirmed that further improvements were intended. The long term plan for surface dressing and resurfacing work was assisting in a move away from reactive work towards more preventative work.

A councillor suggested that when the Scrutiny Committee had first considered the Highways Services Contract, the report to the Committee had not demonstrated any efficiency savings. She asked what grounds there were for confidence that attempts to create integrated teams would be successful in future. In response, the Cabinet Member for Highways and Transport said that now he was aware that there was now a greater commitment to collaborative working from the management team and from the majority of the staff. Recent experience proved that a change of culture was taking place.

A councillor highlighted a statement in the report before Cabinet that operational gangs had only relatively recently been focusing effort where it was actually needed. She asked what reasons there were to believe that an extended contract would ensure that basic repair work would be completed. The Cabinet Member referred to the fact that initially Kier had not had visibility of a forward plan such as they were used to with other county councils. He referred to areas where the contractor's service had been particularly good, including emergency works (such as clearing away fallen trees after gales) and winter service maintenance.

A councillor cited a case where there had been a delay of nearly three years in carrying out improvements to a roundabout. The local councillors had received insufficient feedback about the prioritisation of the work. The Cabinet Member referred to the previous arrangements whereby staff in the local Highways offices had had to spend a high proportion of their time dealing with requests for action and enquiries about when work would take place. However, an online reporting tool was now available and the Highways Transformation Programme included a plan to develop better communications so that local councillors would have a better understanding of what work would be carried out in their divisions, and when.

A councillor asked why the Cabinet was being asked to make a five-year commitment to a major procurement exercise without the benefit of: the information which would be obtained by the Scrutiny Committee on 3 November 2016 (when it would be considering the Highways Services Contract); the assessment of adequacy due in December 2016; and the County Council elections in May 2017. In response, the Cabinet Member for Highways and Transport said that any delay would prevent the people of Suffolk from benefitting from the year on year improvements expected from the extended contract.

A councillor outlined some of the circumstances prevailing in 2011 and expressed the view that there were sound reasons for the original decision to let the contract to Kier. The Cabinet Member for Highways and Transport endorsed these comments and paid tribute to the vision of those involved in the original decision.

In response to a question from a councillor, the Cabinet Member confirmed that the amendments to the performance measures had been mutually agreed with Kier. What was being proposed was an extension to the existing contract, not a new contract, and therefore this conformed to the legal framework.

A councillor asked whether it would be possible to know what penalty clauses would be put in place in case there were severe failures in the future. In response, the Cabinet Member for Highways and Transport confirmed that by the end of December 2016 it was proposed to develop an assessment of adequacy of overall achievement of the outcomes.

During the course of the discussion, several councillors paid tribute to the high standard of service they had received from members of the Council's Highways team. They also praised Kier for the excellent maintenance work carried out during the winter of 2015/16.

In moving to the vote, the Cabinet Member for Highways and Transport thanked the Chairman for the length of time he had allowed for discussion of the Agenda

Item. He considered that the concerns expressed by councillors demonstrated their loyalty to their constituents and reflected the fact that many Suffolk residents considered providing good highways to be the most important service provided by the Council.

Alternative options: None considered.

Declarations of interest: Councillor Jane Storey declared a non-pecuniary local interest in this Agenda Item, as her brother had dealings with Kier relating to land use.

Dispensations: None reported.

Councillor Tony Goldson joined the meeting at 3:32 pm.

32. Ipswich Garden Suburb – Formal Response to Henley Gate, North Ipswich, Planning Application

A report at Agenda Item 7 by the Director of Resource Management invited the Cabinet to consider responding to Ipswich Borough Council on application ref: IP/16/00608/OUT, a development of up to 1,100 dwellings on land to the east of Henley Road.

Decision: The Cabinet:

- i) agreed to notify Ipswich Borough Council that, owing to inadequate evidence, particularly transport and drainage, and a lack of a clear strategy to deliver strategic infrastructure such as the bridges and the secondary school, Suffolk County Council cannot support the outline planning application at this time and, therefore, the Borough Council should not determine the application based on current evidence; and
- ii) delegated to and authorised the Assistant Director for Strategic Development, in consultation with the Cabinet Member for Environment and Public Protection and the Cabinet Member for Highways and Transport, to: maintain ongoing negotiations between Ipswich Borough Council, developers and landowners to resolve current concerns; provide detailed comment on other matters, and to determine whether or not a package of mitigation measures can be agreed.

Reason for decision: Land to the north of Ipswich, known as the northern fringe, was allocated for new homes in Ipswich Borough Council's adopted (2011) Core Strategy and Policies document "the Core Strategy".

This report reviewed the transport, drainage and education considerations and the need for the strategic infrastructure to come forward for the whole development. These were significant issues that would need to be addressed before Suffolk County Council could support the application.

This was the second application for the wider Ipswich Garden Suburb (IGS) but the first (land to the west of Westerfield Road - application reference 14/00638/OUTFL) had not yet been determined. Therefore, this remained a critical first stage in implementing Ipswich Borough Council's Core Strategy.

Comments by other councillors:

The Cabinet Member for Highways and Transport expressed his support in principle for the development, but considered that further evidential information needed to be provided. To achieve that, he looked forward to working with the Cabinet Member for Environment and Public Protection and with representatives of Ipswich Borough Council, with whom he had regular discussions.

The Cabinet Member for Children's Services, Education and Skills highlighted the importance of the whole development for Ipswich. He considered that the proposals should be considered as one large development, with joined up thinking about matters such as the location of schools and early years provision. He welcomed the close co-operation with Ipswich Borough Council. The Cabinet Member for Environment and Public Protection and several other councillors endorsed these comments.

The Cabinet Member for Broadband and Rural Issues and Localities endorsed the comments about working closely with the Borough Council and highlighted the need for developers to consult BT at an early stage in order to ensure that the appropriate broadband infrastructure was put in place.

A number of councillors commented on the urgent need for additional housing in the county, especially in the Ipswich area. The Cabinet Member for Environment and Public Protection confirmed that he recognised the importance of responding to the current housing shortage.

A councillor asked whether the County Council had sufficient officer resources to deal with the issues surrounding the development. The Cabinet Member for Environment and Public Protection confirmed that he recognised the importance of providing sufficient staffing resources to reflect the high priority given to the development.

A councillor expressed concerns about the effect which the development would have on traffic flows, especially in view of existing drainage problems and the narrowness of some of the roads in the area. In response to a question about how these issues would be resolved, the Cabinet Member for Environment and Public Protection confirmed that the information on transport and drainage provided so far was insufficient. He recognised that further work was needed to understand the full impact of the development on Ipswich and the surrounding area.

A councillor highlighted the importance of issues such as: ensuring that there were sufficient staff with appropriate local knowledge to deal with the development; modelling the impact on traffic flows to the North of Ipswich; and bearing in mind the ability of existing local primary schools to offer places to pupils living in the area for development. The Cabinet Member for Environment and Public Protection confirmed that these issues would be taken into consideration.

Asked about the anticipated rate of progress, the Cabinet Member for Environment and Public Protection commented that Ipswich Borough Council hoped that the planning application could be considered in November 2016, but progress would be largely dependent on the actions of the developers. However, the County Council would do its utmost to meet any timetable which was set.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None reported.

33. Urgent Business

There was no urgent business.

The meeting closed at 4:22 pm.

Chairman