

(1) Reason why decision is being called in:

- 1. The report states that 20,000 gullies will be cleaned with an in-house team in comparison with the 15,000 that the current contractor carries out. However, there is no evidence in the report how many gullies could be cleaned if we paid a contractor another £11,000? The report only states how many more gullies could be cleaned by an in-house team with an increased budget, it fails to provide a comparison using a contractor with the same increased budget?**

The report proposes spending an additional £10,500 on gully cleaning. The current budget of £149,500 allows for approximately 15,000 gully cleans per annum. Most cleans are undertaken as part of a routine scheduled activity for a fixed price per gully. However, the budget also allows for some un-scheduled cleans on a call-out basis and some 'cleans' which require more time spent on gullies which are problematic. An additional payment of £10,500 to Ringway Jacobs would fund an extra 1,506 simple scheduled cleans or a smaller number of more problematic clearances.

We would need to pay Ringway Jacobs £184.5k to do a total of 20,000 cleans. This is based on an additional payment of £35k for an additional 5,000 'simple scheduled' cleans. The current cost of £149.5k reflects the nature and complexity of the existing workload and the in-sourcing option is based on the same workload.

- 2. The report states that an in-house team will be better because there will be more performance management but does not explain why the same performance management has not been applied to Ringway Jacobs? The report provides no explanation about the fact that LBE has been in charge of the contract and performance management of Ringway Jacobs, so it is the fault of the council if the contractor was not delivering. How will it be any better with the in-house team as it is the same department in charge of performance? The report does not state whether increased performance management could be included in a new contract with Ringway or any other company or whether it was even considered.**

The report does not state that there will be more performance management. It refers to improved performance management and states that "This in-sourcing proposal will enable improved performance management through direct control and a greater ability to prioritise resources to respond to any performance issues." This is because the workforce will be under the direct line management of the Council's Supervisor which will provide a more streamlined route for instructions, improved two-way communication between the gang and the instructing officers and quicker change control.

Due to the nature of the LoHAC contract efficiencies were gained at the tendering stages that enables the contractor to share resources across its contract area. This has meant that when there have been demands for gully

cleaning on the trunk road network ie the A10 and A406, Enfield has not had the service that it had expected and therefore delivery has suffered. The key issue is that Enfield has no control over the resource allocation of this service and the Contractor's own priorities for serving other clients. E.g. Transport for London. Financially the Council has not suffered as it only pays Ringway Jacobs for the actual number of gullies that they have cleaned.

The Council has over the period of the contract raised issues around performance of the gully cleaning service and the contractor's performance improved following these demands. However, they have not committed the level of resource to provide a consistent service to Enfield and the contractor has also admitted that it has at times failed to deliver the services which Enfield expected.

Over the last 12 months Council Officers and Ringway Jacobs have developed an improved working relationship which has led to an overall improved level of service from the contractor regarding the delivery of reactive highway maintenance activities. However, Council officers believe that the contractor's performance for gully cleaning has remained at a lower level than required because of their lack of scheduling the cleaning programmes in Enfield. This function would transfer to Enfield as part of the in-sourcing proposal and be undertaken by existing Council Officers who have a far better understanding of the network.

With direct control of this service we can instruct where to deploy the staff and vehicle through detailed programmes of work and redirect them whenever necessary, whether it be blocked gully or extreme weather event causing flooding. The team would be equipped to respond to all types of highway flooding and gully blockages and could be on site within 30mins of any daytime request, meaning that potential damage to property from highway flooding could be alleviated. The current contract provisions allow for a 1 hour response to attend the site and not necessarily to clear the issue at hand.

- 3. The report provides no competition on price or delivery. We do not know that in-house is the most cost effective, or the most comprehensive it is just taken as a given. How do we know that in-house is best tax payer value? The report does not show whatsoever, if in house is the best economically in comparison to any outside provider. It is just an assumption.**

Unfortunately due to the sensitive nature of procurement exercises the provision of comparable contractors' prices for gully cleaning has not been possible. It must be pointed out that authorities can often have different specifications for the works required which may place more onerous outputs on a contractor than another, which in turn can lead to higher prices. Gully cleaning can also be included as part of a wider service provision contract and may be "discounted" as resources could be shared.

For example Enfield's contract will pay for the cleaning of a gully, whereas TfL's contract will pay the contractor if they do not clean a gully but revisit it 3 times with the intention to have cleaned it.

However the report does identify that we have benchmarked labour costs and plant which have shown favourable comparisons for an in house delivery. For example, the contractor has shared the cost of the fleet vehicle with us and Enfield Fleet Services are able to offer the same vehicle for £10,000 a year less. TUPE information provided by the Contractor shows that staffing costs will be at a similar level to that used within the costed model. Paragraph 6.1.1. of the report identifies that the costs for labour and plant are the largest elements within the overall cost.

Enfield Council normally procures services based on an assessment of 'best value'. Contracts are therefore awarded on an evaluation of both quality and price. This report highlights the improved level of quality to be achieved through direct control of the service provision. In addition, through the minimal additional cost, a much higher level of output will be achieved.

4. The financial implications section does not mention the fact that we are agreeing an increase in cost when currently our finances are uncertain.

The report identifies that the additional funding will be contained within the current highways budget and will be provided from increased income associated with highway licences and streetworks permits/traffic orders. It is accepted that this income is not guaranteed but current indications suggest that this is achievable.

The report also identifies a commercial opportunity to generate income from non Council properties, which would provide additional funding which has, at this point, has not been quantified in this report.

5. The key risk section does not mention what the impact would be if there was a second wave of COVID-19 over the next year. There is only a small mention of Coronavirus.

A second wave of Covid-19 would be managed using the arrangements that the Council has put into place for managing its existing street services and in conjunction with the Governments recommendation in document "working safely during Covid-19 in construction and other outdoor work".

6. The report states that Ringway Jacobs has in the council's opinion provided a poor service but it is likely we will TUPE across the same staff that are delivering that level of service. The report does not state the actual cost of TUPE or how we would make sure the staff improve to deliver a better service?

The staff currently undertaking this operation have a right under the TUPE legislation to be considered for transfer. Any transferred staff will be managed by the current management arrangements within street scene services. The salaries of the existing operatives being considered for TUPE are within the costed model for the service. The performance of all staff within the Streetscene service would be managed by the current team and measurable outputs will be set as part of the new service.

- 7. The report also states that there will be some additional IT required. However, further into the report it mentions a MAP16 system but does not refer as to where that is in the costings, there is a potential further cost.**

The existing asset management monitoring system used by Ringway Jacobs specifically for gully cleaning is called Map16. Enfield's Highway Officers have been given access to this system by Ringway Jacobs and recommend its continued use after in-sourcing. It will enable historical cleaning records to be transferred and future cleaning programmes to be developed. The cost of £3k for this IT system has been allowed for in the cost model and identified in para 6.1.1 of the report. budget.

- 8. The report fails to mention whether there is a cost to in-sourcing prior to the end of the contract with Ringway Jacobs?**

Ringway Jacobs have been working with Enfield in providing all the relevant information for the potential in-sourcing and have confirmed that there will be no additional costs for the early termination of this element of the service contract.

- 9. The report does not explain how bringing the gully cleaning service inhouse delivers healthier communities [which is a council priority] just that there will be in-house labour which in itself does not deliver healthier communities.**

The provision of a gully cleaning service that is managed in house will ensure that all of Enfield's highway gully network and associated highway drainage is cleaned appropriately and any flooding can be responded to when required. By minimising potential road flooding both during "normal hours" and in emergency situations we will reduce potential hazards to both pedestrians and motorists. This will also reduce the potential for land or property adjacent to the highway being flooded.

In winter the reduction in any on highway flooding will reduce the possibility for ice to form on the road thereby making it safer to travel, meaning the potential for accidents is reduced making communities healthier.

The cleaning of road gullies will also reduce the possibility of any surface water contamination into the public sewer network by removing silt, mud, detritus and other objects found in a gully.

All the above will lead to a safer highway network and public realm throughout Enfield contributing to healthier communities

10. The report states that the council's priority is to build our local economy yet does not explain why it discounted using local businesses to deliver this service which would support and build the local economy which would be helpful to businesses post COVID-19?

The provision of the in-house service supports the local economy by the employment of staff that deliver the service. The waste arisings will be deposited at North London Waste facility, which is an Enfield partner.

It is recognised that the employment of a local business to undertake this work would support the local economy but para 4.2 identifies that this option would then deprive the Council of the benefits of direct service provision, identified elsewhere in the report.