

1. **TITLE: Public Realm Transformation**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

1. Reviewed and approved exempt Appendix 1: Business Case for the Public Realm Transformation and future delivery of Public Realm services to meet Council priorities and the optimum delivery option(s) which includes:

- The case for change and the considerations for the various options assessed.
- The chosen service delivery model for the future delivery of the Public Realm services to meet the Council's priorities.
- The commercial case for the procurement process.
- The governance, risks and control framework for the Public Realm Transformation Programme to ensure successful delivery.
 - In consideration of the Procurement Strategy, to approve the commencement of the procurement for the Public Realm Provision which includes:
 - The choice of procurement procedure that will be implemented to procure a new Integrated Public Realm Services Contract.
 - The initial contract length of 8 years with the option for the Council to extend for up to a further 8 years (extension could range from one to eight years, subject to relevant decisions at the time).
 - The evaluation criteria for the award of the new Contract based on a 50% Price / 50% Quality split.
 - The indicative procurement timetable.

4. **REASON FOR DECISION**

1. The recommended option for the future delivery of the Public Realm services is to procure an Integrated Public Realm Services Contract.
2. The Outsourcing option is capable of delivering the "best" balance of benefits and risks:
 - A well understood solution with predictable implementation costs and timetable.
 - The ability to transfer most of the financial risks to the selected contractor.
 - The opportunity to attract competition during the procurement process to secure best value and achieve the savings target of £500k.
 - The ability to maximise market innovation to secure a contract which is fit for the future.
3. The procurement of an integrated contract achieves some of the following benefits:
 - Reducing demarcation inefficiencies and conflicts at the interface of service delivery.
 - Increased operatives' accountability and more collaborative working.
 - Improved co-ordination and sharing of resources.
 - Efficiencies in the client management structures.
 - Increased value of the potential contract to the market which could lead to improved

competition and better demonstration of best value.

4. The Council has a legal obligation to tender contracts of this value. It also provides an opportunity to demonstrate that the Council is obtaining best value for money by carrying out an open and transparent process and engaging with the market. The competitive tension provided through a procurement process incentivises innovation and reduces costs.

5. **ALTERNATIVE OPTIONS CONSIDERED**

1. PRT Board considered options for the future service delivery model and to achieve the strategic outcomes.

The selection of the options was mainly driven by the following considerations:

- The nature of the services in scope.
- The solutions available, taking into account existing and new ways of working, re-design of the business process and configuration.
- The availability of service providers, ranging from within the organisation to external service providers.
- The ability of the supply side to deliver the required services within the constraints of delivery timeframe, the option of phasing the introduction of the services over time.

The three options identified for a more detailed review were:

- Option 1: Contracting Out (Outsourcing).

The option of “Contracting Out the services” through a procurement process was considered and taken forward for additional analysis. This option was considered viable given the Council’s aspiration to deliver an integrated solution for the entirety of the Public Realm services.

- Option 2: Combination of keeping and bringing the services in-house.

The option of “Insourcing the services” was considered and taken forward for additional analysis. This option was considered viable given the Council’s aspiration to deliver an integrated solution for the entirety of the Public Realm services.

- Option 3: Setting up a Local Authority Company.

The option of “Delivering the services through a LAC” was considered and taken forward for additional analysis. This option was considered viable given the Council’s aspiration to deliver an integrated solution for the entirety of the Public Realm services.

Officers engaged external consultants to carry out a detailed review of the three shortlisted commissioning options.

The three commissioning options were appraised against the following two criteria:

- cost modelling and financial assessment, and
- assessment of qualitative factors and risks.

6. **DOCUMENT CONSIDERED:** Public realm 1 - Cabinet report V3 (18 Sept 2019) - Public Realm Transformation - report .._

Public Realm 2 EXEMPT Cabinet Appendix 1 (18
Sept 2019)

Public Ream 3 EXEMPT Cabinet Appendix 2 V2 (18
Sept 2019)

Public Realm 4 Cabinet Appendix 3 EqHIA