



Record of decision

**THE FOLLOWING DECISIONS WERE TAKEN ON TUESDAY, 11 AUGUST 2009
BY THE CABINET**

**THE CALL IN PERIOD FOR THESE DECISIONS EXPIRES AT 5.00 PM ON
WEDNESDAY, 19 AUGUST 2009**

Members of the Cabinet who were present

Cllrs David Pugh (Chair), Barry Abraham, Peter Bingham, Dawn Cousins, Edward Giles, Tim Hunter-Henderson

Members also present (non voting)

Cllrs Jonathan Bacon, Vanessa Churchman, John Hobart, Geoff Lumley, Ian Ward

Apologies

Cllr George Brown

Confirmed as a true record of decisions taken

Leader of the Council

Agenda item	Minutes of the Last Meeting
Decision reference	21/09
Decision Taken	That the minutes of the meeting held on 28 July 2009 be agreed.
Questions / Amendments	None.

Agenda item	Declarations of Interest
Decision reference	22/09
	None declared

Agenda item	Public Question Time
Decision reference	23/09
Questions	An oral question was put by Mrs Jill Wareham of Brighstone regarding monies pledged for the Island games in 2011, in

	<p>particular, changing facilities for the competitors. The Leader provided a response.</p> <p>An oral question was put by Mr Mike Starke of Chale regarding the impact of the Highways PFI on local services over the duration of the project. The Cabinet Member provided a response. A supplementary question was asked on the future of free school bus services from Cowes to East Cowes in light of the PFI project. The Leader would provide a written response.</p> <p>An oral question was asked by Mr John Wortham of Brighstone on the costs of the council's Highways PFI scheme as compared to other councils in the UK. The Cabinet Member provided a response.</p>
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Agenda item	Highways PFI – Outline Business Case and Scope Approval
Decision reference	24/09
Summary of Discussion	<p>The Cabinet considered the draft Outline Business Case for the next phase of the Highways PFI project for the Island. This followed approval of the project's development in 2005, the revised submission of the Expression of Interest bid for the PFI funding to the Department for Transport (DfT) in February 2008 and the approval of the bid from the DfT in March 2008.</p> <p>The Cabinet Member advised that the free Government grant would not be repayable and would bring approximately £1 Billion worth of investment to the Island over a 25 year period.</p> <p>Island roads would be targeted over an initial seven year period and improvements would then be sustained over the duration of the project.</p> <p>The Cabinet was advised that core services would also include footways, bridges, retaining walls, street lighting, traffic signals, drainage and parking services.</p> <p>It was noted that local schools and colleges would be consulted on their syllabuses, encouraging employers to work within the PFI scheme on the Island. Local companies, through consultation with the Chamber of Commerce, would also be encouraged to offer employment opportunities by means of apprenticeships.</p>

	<p>The Cabinet was advised that the draft Outline Business Case demonstrated value for money using a PFI procurement compared to the traditional public sector procurement route. This is a key requirement for the DfT's approval of the Outline Business Case.</p> <p>The issue of transferring staff over to the service provider was discussed and any Transfer of Undertakings (Protection of Employment) Regulations (TUPE) would be dealt with appropriately.</p> <p>Councillor Lumley, whilst supporting the PFI project, raised concerns about the communications strategy and suggested that the decision be made by Full Council. The Leader advised that the Cabinet had the mandate to make such decisions but that a future meeting of Full Council would be able to debate the project.</p> <p>Councillor Churchman requested that the appropriate Overview and Scrutiny panel be involved in the provision of a strategy that best informed of the progress made.</p> <p>Councillor Bacon requested assurance that local companies would be given the maximum opportunity to be involved in the project. The Cabinet Member advised that every effort would be made to ensure that within the public procurement regulations, local companies would be encouraged to participate. A conference would be held on 21 August to commence that process.</p> <p>Members were advised that on page B-14 of the covering report, reference should be made to paragraph 79 and not paragraph 15.5.</p>
<p>Decision taken</p>	<p>(a) THAT the submission of the draft Outline Business Case in principle with an application to the DfT for PFI Credits of £399.5m for a Highway Maintenance PFI Project be approved. Following discussions with the DfT, the final application for the PFI Credit may vary and this will be included in the final OBC submission. The final approval of the OBC be delegated to the Programme Director in consultation with the Cabinet Member for the Environment and Transport and the Director of Environment and Neighbourhoods;</p> <p>(b) THAT the scope of services and functions to be included in the PFI contract as set out in the report be agreed.</p> <p>(c) THAT the scope of services and functions to be retained by the council, as set out in the report, be</p>

	<p>agreed.</p> <p>(d) THAT the financial commitments to the Project set out in paragraph 84 of the report, be approved, including, in particular:</p> <ul style="list-style-type: none"> • The confirmation of the procurement budget of £7.6m from financial year 2008/09 to contract commencement • The confirmation of £0.7m per annum for contract management during the life of the contract • The full commitment of existing budgets of £9.95m per annum (2009/10 prices) subject to RPIX inflation increase, for the duration of the contract term • The Funding of base case affordability gap of £0.5m per annum, (2009/10 prices) for the duration of the contract term. The base case is inclusive of Optimism Bias • Acknowledgement that contingencies are already built into the cost model and procurement budgets to address sensitivities to the base case <p>(e) THAT the Procurement Strategy, Project Timetable and Evaluation Methodology for the Project, as set out in this Report be agreed;</p> <p>(f) THAT the delegations set out in paragraphs 75 to 79 of the report be agreed.</p> <p>(g) THAT a further report be received by Cabinet prior to, and recommending, the appointment of a Preferred Bidder.</p>
<p>Reason for the decision and corporate objective it aligns with</p>	<p>To enable the council and its partners to realise the vision of creating a world renowned Eco Island with a thriving economy and a real sense of pride where residents and visitors enjoy healthy lives, feel safe and are treated with respect.</p> <p>To improve and sustain the condition of the Island's roads within seven years from the start of the contract.</p> <p>To align with the corporate themes:</p> <ul style="list-style-type: none"> • A healthy and supportive Island • A safe and well-kept Island • An inspiring Island • A thriving Island • A modern Council

<p>Options considered and rejected</p>	<p>Option 1. Do Minimum: Continue with current levels of expenditure and small amounts of capital investment to maintain network in its current condition</p> <p>Option 2. Strategic network PFI including on-going maintenance but no capital works on the unclassified network</p> <p>Option 3. Full network PFI including on-going maintenance and street cleansing but excluding on/off street car parking services</p> <p>Option 4. Full network PFI including on-going maintenance but excluding street cleansing and on/off street car parking services</p> <p>Option 5. Full network PFI including on-going maintenance, street cleansing and on street car parking services but excluding off street car parking services</p> <p>Option 7. Full network PFI including on-going maintenance and street cleansing but excluding public rights of way and on/off street car parking services</p> <p>Option 8. Full network PFI including street cleansing but excluding any life cycle capital replacement and on/off street car parking services</p>
<p>Declarations of Interests</p>	<p>None declared</p>

<p>Agenda item</p>	<p>Consideration of the Forward Plan</p>
<p>Decision reference</p>	<p>25/09</p>
<p>Amendments / Additions / Removals</p>	<p>Members reviewed the Forward Plan and were advised that the Full Council meeting of the 16 September 2009 would now be rescheduled for the 30 September 2009 in order to debate the Implementation of Statutory Notices for School Organisation and the Decision on the Contract Award from the Schools Competition, prior to the rescheduled additional Cabinet meeting on 1 October 2009.</p> <p>The East Yar Fluvial and Coastal Erosion Risk Strategy - Agreement to proceed, would be decided at Cabinet on Tuesday, 13 October 2009.</p> <p>Cabinet was advised that the Island Wide Speed limit policy</p>

	would be a review as required by law.
Declarations of Interests	None declared

Agenda item	Delegated Decisions
Decision reference	26/09
Questions	No decisions made since the previous Cabinet meeting.
Declarations of Interests	None declared

Agenda item	Members Question Time
Decision reference	27/09
Questions	None received.
Declarations of Interests	None declared