



Record of decision

THE FOLLOWING DECISIONS WERE TAKEN ON TUESDAY, 29 MAY 2012 BY THE CABINET IN THE COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT AND CAN BE IMPLEMENTED WITH IMMEDIATE EFFECT

Members of the Cabinet who were present

Cllrs David Pugh (Chairman), Barry Abraham, George Brown, Dawn Cousins, Edward Giles,

Members also present (non-voting)

Cllrs Reg Barry, George Cameron, Vanessa Churchman, Rodney Downer, Julie Jones Evans, Tim Hunter Henderson (Cabinet Secretary), Stuart Hutchinson, Geoff Lumley, Susan Scoccia, Arthur Taylor, Ivor Warlow, Ian Ward, David Williams

Apologies:

Cllr Roger Mazillius

Confirmed as a true record of decisions taken

Leader of the Council

Agenda item	<u>Declarations of Interest</u>
Decision reference	11 (12/13)
	There were no declarations of interest

Agenda item	<u>Public Question Time</u>
Decision reference	12 (12/13)
Questions	<p>There were no public written questions submitted during the deadline set.</p> <p>An oral question was put to the Cabinet by Ms Tanja Rebel of Cowes who asked if the money that would not be spent on the PFI should it be decided not to proceed, could instead be used on improving the Islands cycle paths and public transport network.</p> <p>The Cabinet Member for Highways, Transport and Waste</p>

responded by stating that it was Cabinets full intention to agree to the recommendations as set out in Paper A (Decision Reference 14 (12/13), however, cycle paths had always been addressed as and when needed and that a recent announcement from the Government that the council would receive nearly £4 Million in grant money for sustainable transport on the Island would also assist in this area. The PFI programme would also address such areas within the Core Investment Period (CIP), but it should be acknowledged that the highways network of roads were in urgent need of upgrading.

Mr Anthony Marvin of Ventnor put an oral question to the Cabinet asking if all main roads leading into Ventnor would be a priority of the PFI scheme owing to their poor conditions.

The Cabinet Member responded by providing assurance that all identified six districts on the Island would be treated on the same basis with funding spread equally. It was also noted that of the 18 sites identified for major geotechnical work, 10 were within the Ventnor area and on these the contractor would agree with the council which area would be dealt with first.

Mr D Eccles of Freshwater put an oral question to Cabinet and asked if works would be programmed and carried out at a suitable time to avoid disrupting the Tourism trade.

The Cabinet Member responded by stating that the contractor would be incentivised in order to avoid any such disruption as well as clashing with major events such as the Isle of Wight Festival at Seaclose or the Gaffers Festival in Yarmouth and work programming would deal with such issues.

Mr Steve Goodman of Newport put an oral question to Cabinet and asked if more time could be allowed to consider the award of the Highways PFI contract to the preferred bidder.

The Leader of the Council and Cabinet Member for Resources as well as the Cabinet Member for Highways Transport and Waste responded by stating that the PFI initiative was pursued in response to Islanders wishes to see an improvement in the Islands highways network and that the programme had followed a lengthy process to get to the point of announcing the preferred bidder and as such there would be no further delay. The PFI presented the council with the opportunity of significant funding for the Islands Highways and therefore should be welcomed.

Mr Anthony Marvin put a further oral question to Cabinet

	<p>owing to time being allowed, and asked what assurances were in place to guarantee that any work carried out by the utilities companies would leave the highways in a condition that reflected the original standard.</p> <p>The Cabinet Member responded by advising that there would be conditions within the contract that required the supplier to liaise with the utilities companies in order to assure such standards were met and that penalty clauses would be put in place should any work not be carried out to specifications set.</p>
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Agenda item	<u>Highways PFI Preferred Bidder And Final Business Case</u>
Decision reference	13 (12/13)
Summary of Discussion	<p>The Cabinet Member for Highways Transport and Waste presented to members a report which sought endorsement for the selection of the Preferred Bidder, who was likely to be appointed the Service Provider (SP) for the Highways PFI Project (the Project), following Financial Close and Contract Signature as well as the approval of the Final Business Case (FBC) to be submitted to the Department for Transport (DfT) and HM Treasury (HMT).</p> <p>The report also provided an update of progress since Cabinet's approval of the Outline Business Case at its meeting on 11 August 2009, as well as setting out the process from the Preferred Bidder appointment to reaching financial close, leading to formal signing of the contract and the eventual service commencement.</p> <p>The Cabinet Member announced that Vinci Concessions would be awarded the contract and that their subsidiary Ringway would be delivering the services. The contractor would be fully committed to employing local labour and local sub-contractors where appropriate which would ensure that the Island derived the maximum economic benefit from the scheme. In addition they would also be fully committed to developing an Island based construction industry, by offering apprenticeship schemes and training opportunities for the next generation of Islanders.</p> <p>It was noted that Vinci had developed a seven year CIP for upgrading the highway network and an eighteen year life cycle programme to maintain it to the upgraded standard.</p> <p>Proposed solutions included major geotechnical schemes for areas such as the Duver Road in St Helens, the Undercliff Drive at St Lawrence, the Military Road and Bouldner Road in Yarmouth.</p>

	<p>There would also be major drainage works at various locations including Fairlee Road and Halberry Road in Newport, Newport Road in Niton, Guyers Road in Freshwater and Steyne Road and Lane End Road in Bembridge.</p> <p>It was noted that the Chair of the Overview and Scrutiny Committee had, with the full approval of the majority of other members of the Overview and Scrutiny Committee agreed to the disapplication of Call In for this matter in order to expedite the process as quickly as possible.</p> <p>Members of the Cabinet agreed that the contract would offer a long needed solution to the Islands Highways and would be in character of the Isle of Wight. It was not about building new roads across the Island but about upgrading and maintaining the existing network.</p>
<p>Issues raised by other members</p>	<p>The Cabinet Member advised that residents of Ventnor West should be assured that of the ten locations identified for major geotechnical work; nine were in the Ventnor West area.</p> <p>With regard to the Duver Road in Seaview not being identified for works, members were advised that this was due to the location being identified as a car park and not a highway and therefore not part of the PFI Programme.</p> <p>The Cabinet Member for Highways, Transport and Waste advised that lessons had been learned from the 2001 Waste Contract and as such the PFI agreement would undergo regular reviews in order to ensure that the programme was being carried out to the specification set.</p> <p>If the contractor was able to obtain a better performance owing to efficiencies or improvements in technology, the council would receive seventy five percent of the financial gain and the contractor would receive twenty five percent.</p> <p>It was also noted that Vinci Concessions would not be able to sell the contract on. Furthermore, Vinci had also agreed to share any benefits that may arise from any sale of shares, should they choose to exercise this right.</p> <p>Members were advised that Vinci were keen to be involved with not just the Isle of Wight Council but also Town and Parish Councils as and when appropriate. Regular reports on the PFI progress would also be submitted to the relevant Scrutiny Panel</p> <p>With regard to the external scrutiny of the quality of work, the Cabinet Member advised that the contract stipulated that independent external assessment would take place.</p>

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Decision taken	<p>I. THAT Cabinet notes significant progress had been made in the development of this Project since August 2009, delivering excellent value for money.</p> <p>II. THAT the Final Business Case for submission to the Department for Transport and HM Treasury be approved.</p> <p>III. THAT the PFI Programme Director's decision, supported by the Project Sponsor, the Project Board and the Member Review Board on the selection of a Preferred Bidder be endorsed.</p> <p>IV. THAT the delegations set out in paragraph 58 of the report be approved</p> <p>V. THAT a further report be received by Cabinet prior to the formal signing of the Contract.</p> <p>VI. THAT, owing to the urgency of obtaining the approval from DfT/HMT of the Final Business Case whilst the Preferred Bidder's lending terms remain current, the provision for "Call In" be disapplied.</p>
Reason for the decision and corporate objective it aligns with	<p>To improve and maintain the Isle of Wight's highway network.</p> <p>To increase the capability and capacity of the Island and improve its attractiveness for inward investment.</p> <p>To create a road construction and maintenance industry on the Island using local natural and physical resources as well as bring significant economic benefits, both directly and indirectly through the supply chain.</p> <p>To align with the following Corporate Themes:</p> <ul style="list-style-type: none"> • A thriving Island • An inspiring Island
Options considered and rejected	To reject the reports recommendations
Declarations of Interest	None

Agenda item	<u>Members Question Time</u>
Decision reference	14 (12/13)
Questions	There were no public member questions submitted during the deadline set.

*** POST MEETING NOTE**
Following further clarification the car park at Seaview Duver is included in the PFI.