

## Decision Report – Non-Key decision

Proposed decision date

– 2 December 2016

### **Hinkley Point C – Authority to appoint a supplier for assurance services in connection with a Travel Behaviour Change and Road Safety Training and Awareness Programme**

Cabinet Member(s): Cllr David Hall – Cabinet Member for Business, Inward Investment and Policy

Division and Local Member(s): All

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	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
<b>Report Sign off</b>	County Solicitor	Honor Clarke	04/11/2016
	Monitoring Officer	Julian Gale	22/11/2016
	Corporate Finance	Kevin Nacey	03/11/2016
	Human Resources	Chris Squire	04/11/2016
	Property / Procurement / ICT	Richard Williams	03/11/2016
	Senior Manager	Paula Hewitt	02/11/2016
	Local Member(s)	Cllr David Hall Cllr Richard Brown Cllr Mark Healey Cllr John Edney Cllr Ann Bown Cllr Dave Loveridge Cllr Leigh Redman	25/11/2016
	Cabinet Member	Cllr David Hall Cllr David Fothergill	22/11/2016
	Opposition Spokesperson	Cllr Simon Coles	25/11/2016
	Relevant Scrutiny Chairman	Cllr Tony Lock	25/11/2016
<b>Summary:</b>	This report seeks to appoint a supplier following a procurement process for assurance services to support delivery of an integrated Travel Behaviour Change and Road Safety Training and Awareness Programme in connection with the Hinkley Point C (HPC) development.		
<b>Recommendations:</b>	<p><b>That the Director of Commissioning and Lead Commissioner for Economic and Community Infrastructure</b></p> <p><b>(1) Agrees the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A (Reason: Information relating to the financial or business affairs of any particular person (including the authority holding that information)) and therefore to treat Appendix A in confidence, as it contains commercially sensitive information, and as the case for the public interest in maintaining the exemption</b></p>		

	<p>outweighs the public interest in disclosing that information.</p> <p>(2) Appoints Bidder A for the supply of the following services up to the value of £130,000 (to accord with Contract Standing Orders) to assure delivery of an integrated Travel Behaviour Change and Road Safety Training and Awareness Programme in connection with the Hinkley Point C development:</p> <ul style="list-style-type: none"> <li>• Requirement 1: Advise on the procurement</li> <li>• Requirement 2: Tender evaluation</li> <li>• Requirement 3: Formal gateway reviews</li> <li>• Requirement 4: Miscellaneous</li> </ul> <p>(3) To note that although ITP were successful in all Requirements, SCC only requires services for Requirement 1 at this stage in the project and that the need and extent of the Services for Requirements 2-4 will be reviewed dynamically as the project develops as part of Requirement 1.</p> <p>(4) To further note that ITP will not be able to bid for any work associated with the wider travel demand/ behaviour management programme to be assured by this procurement.</p> <p><b>See accompanying commercially confidential Evaluation Report (Appendix A) for further information.</b></p>
<p><b>Reasons for Recommendations:</b></p>	<p>To appoint an independent means of assuring, reviewing and informing the delivery of travel demand/ behaviour management in support of Hinkley Point C that will draw upon a wide understanding of best practice and the latest academic literature and thinking to ensure the project objectives are achieved.</p> <p>Appendix A to this report contains commercially sensitive information relating to the contract and the Council’s financial and business affairs. Officers recommend that this is treated as exempt information. “Exempt information” is defined by Section 100 of the Local Government Act 1972, by Schedule 12A to that Act.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>The Hinkley Point C Project is at the core of the County Council’s economic ambitions set out in the County Plan.</p>
<p><b>Consultations undertaken:</b></p>	<p>The assessment of HPC construction traffic impacts and the associated package of proposed improvements were the subject of extensive public scrutiny through the examination of the Hinkley Point C Development Consent Order by the Planning Inspectorate. The joint Council’s Local Impact Report and associated topic papers are also a matter of public record.</p> <p>In depth data analysis has been undertaken during the last year to explore the challenges and opportunities that the integrated Travel Behaviour Change and Road Safety Training and</p>

	<p>Awareness Programme will need to address. The outcomes of this analysis have helped to inform the development of programme objectives and deliverables for the Programme. This exercise has been undertaken in consultation with EDF Energy and Sedgemoor District Council, and was presented/ discussed at an engagement event in June with those suppliers that are on the framework contract for Conceptual Design and Development of Non-Engineered Solutions in Travel &amp; Transportation.</p> <p>The procurement model and detailed documentation were developed in partnership with officers of the Highways and Transport Commissioning Team and the Commercial and Procurement Team.</p>
<p><b>Financial Implications:</b></p>	<p>Contributions have been secured within the Hinkley Point C Development Consent Order Section 106 Agreement that enable delivery and spend to be commissioned without financial impacts falling on the County Council.</p> <p>The proposed commissioning approach is consistent with the terms of the Deed of Obligations for Hinkley Point C (S106 agreement) relating to a contribution “for the purpose of undertaking travel behaviour activities to support a reduction in traffic in Bridgwater and along affected transport corridors”. The sum payable to the County Council is £1.6m. This contribution is index linked so the contribution actually received is £1,704,447.16.</p> <p>Requirements 1 and 2 (Advise on the procurement &amp; Tender evaluation) are fixed prices. Requirement 3 (Formal gateway reviews) has been priced on the basis of supporting a single review. Requirement 4 (Miscellaneous) is a rate for ad-hoc advice and support. The value of work that will be put through the contract is not therefore fixed at this stage, but it shall not exceed the Contract Standing Order (CSO) limit for services of £130,000, as the procedure did not include an OJEU notice which is required by CSOs for services contracts above that threshold.</p>
<p><b>Legal Implications:</b></p>	<p>The procurement has been conducted through the Pro-Contract system and in accordance with SCC Contract Standing Orders. A voluntary standstill period of ten (10) days’ has been observed following the communication of the award decision to all tenderers and contract award (signing of the contract documents, purchase order etc.). No challenges were received.</p>
<p><b>HR Implications:</b></p>	<p>The contract will be cliented by the Major Programmes Group. An officer will be appointed, also funded by the contribution detailed above, to manage the contract and delivery of the Programme. The Major Programmes Group is exempt from the current recruitment freeze given that all posts within the Group are entirely externally financed.</p>
<p><b>Risk Implications:</b></p>	<p>Given that Hinkley Point C is not due to be operational until 2025, the key risk relates to continuity of knowledge across the duration of the programme. The supplier proposes to mitigate this through:</p> <ul style="list-style-type: none"> <li>• Implementation of a ISO9001 project management system to</li> </ul>

	<p>ensure full records are kept and procedures are consistent</p> <ul style="list-style-type: none"> <li>• Use of a project deputy that will be kept aware of the project status at all times</li> </ul> <p>Financial exposure will be limited by reviewing the need and extent of services required dynamically as the project develops.</p>
<p><b>Other Implications (including due regard implications):</b></p>	<p>Due regard for impacts associated with equality and diversity and relevant human rights has been considered during the pre-application consultation phase of the HPC proposal. Each stage of consultation was assessed by Somerset County Council in terms of legal requirements and recommended guidance. After detailed consideration by the Councils directly affected by the Applicant's development and, following formal assessment (known as the assessment of Adequacy of Consultation), it was the Council's view that the consultations met the legal duties required by Sections 42, 47 and 48 of the Planning Act 2008 (as amended).</p> <p>The programme arises from the need to mitigate the construction traffic impacts associated with the HPC project. These impacts relate primarily to safety, network capacity, and severance. Due regard implications of any activities will be considered through the assessment of the responses in the tendering process and at the contract letting stage.</p> <p>No other due regard implications have been defined as a result of the decision to appoint a supplier to assure the Programme. Moreover, the assurance role will help to ensure that the due regard is given to implications during delivery of the Programme and during</p> <ul style="list-style-type: none"> <li>• development of the procurement strategy to secure suppliers for delivery of the Programme;</li> <li>• the tender review process; and</li> <li>• the proposed Gateway Reviews.</li> </ul>
<p><b>Alternative options considered and reasons for rejecting them</b></p>	<p>Other options considered:</p> <ul style="list-style-type: none"> <li>• Use internal officer expertise and resources to guide the programme. However, specialist resources and capacity no longer exists within the County Council in relation to Travel Demand/ Behaviour Management.</li> <li>• Appoint an officer.</li> </ul> <p>However, the key benefit of procuring assurance services is that it enables the appointment of an industry lead who is able to draw upon a wide understanding of best practice and the latest academic literature and thinking to ensure the project objectives are achieved. This is especially important given the complexity of the subject area, the significance of the Hinkley Point C project and the impacts which need to be mitigated, and the need to ensure the programme is flexed to meet need over an extended period.</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>

**Background /  
Context**

On 3 August 2016 the Strategic Manager (Major Programmes) took a decision to approve the commencement of procurement processes in respect of the following activities to support delivery of an integrated Travel Behaviour Change and Road Safety Training and Awareness Programme in connection with the Hinkley Point C development

- (1) Brand Development, Communications and Marketing
- (2) Programme Assurance

The relevant background/ context to this is repeated below:

EDF Energy submitted its Development Consent Order (DCO) application in relation to its proposed nuclear power station at Hinkley Point C (HPC) in October 2011. With the benefit of additional measures that were submitted by EDF Energy to the Examining Authority in early August 2012, the County Council concluded that the HPC Project would be acceptable when considered against relevant policy and all other material considerations, and that the adverse impacts of the development would not outweigh its benefits. On this basis, the County Council entered into a Deed of Development Consent Obligations (S106 agreement).

On 18 March 2013 the Leader of the Council and Cabinet Member for Economic Development, Infrastructure and Innovation

- (1) approved expenditure of the contributions to Somerset County Council within the Hinkley Point C Site Preparation Works and Development Consent Order Section 106 Agreements in accordance with the terms of the Agreements and the spending intentions that were set out in the Local Impact Report and accompanying topic papers;
- (2) delegated authority to the Strategic Commissioning Manager – Major Programmes to commission delivery of all the financial contributions set out at (1) above, after consultation with the relevant Cabinet Member.

In light of the current instruction that any officer decisions that propose a commitment to spend over £10k can only be approved by a relevant Strategic Manager and spend over £25k by a relevant Director, the decision must rest with the Director of Commissioning and Lead Commissioner for Economic and Community Infrastructure.

The following contributions in particular are included in the DCO S106 agreement to deal with the transport impacts of the project:

- £1.6m to undertake travel behaviour activities to support a reduction in traffic in Bridgwater and along affected corridors
- £5.16m for Bridgwater Safety and Capacity Works
- £3.175m for walking and cycling infrastructure along corridors throughout Bridgwater and surrounding area

- £500,000 as a contingency to deal with any unforeseen issues which arise in connection with traffic management and/ or parking control with the intention of limiting unauthorised parking, deterring rat running and maintaining traffic flow

A package of workstreams is being developed as follows:

- Corridor Improvement Schemes - road safety improvement measures, and walking and cycling infrastructure along corridors throughout Bridgwater and surrounding areas
- An integrated Travel Behaviour Change and Road Safety Training and Awareness Programme

The workstreams will be procured separately but they will need to complement and have regard to each other in order to

- Deal with road safety risks, in particular for non-motorised users including particular pedestrians and cyclists
- Maximise the opportunities for managing travel, in particular to encourage modal shift through increased walking and cycling
- Achieve reliability and consistency of journey times across the HPC HGV corridors during construction of HPC

A significant proportion of the contribution for Bridgwater Safety and Capacity Works will be used for strategic capacity improvements within the town but a small proportion may be allocated to undertake driver awareness training and road safety education campaigns. Together with the contribution of £1.6m to undertake travel behaviour activities, these contributions will comprise the funding to deliver the integrated Travel Behaviour Change and Road Safety Training and Awareness Programme

In 2011 the Department for Transport launched the Local Sustainable Transport Fund (LSTF) to encourage projects to respond to the challenge of growth, road congestion and inactivity by increasing alternatives to single occupancy car use. With the predicted impact on the highway network as a result of Bridgwater's growth, Somerset County Council developed a sustainable travel behaviour change strategy for the town and secured £3.9m of investment for the town. Albeit that the Hinkley Point C Behaviour Change Programme will have a different focus, the Bridgwater Way Programme is an important reference and starting point. Through focus groups in 2015, The Bridgwater Way project and brand were tested. The exercise demonstrated strong and positive recognition and affiliation to the project and brand so the intention is for the brand to be retained and evolved.

A review of successful LSTF projects has highlighted the importance of independent assurance that can draw upon a wide understanding of best practice and the latest academic literature

to support defining the scope of activities as well as ongoing monitoring, and project development/ modification.

The County Council has a framework contract for the provision of Conceptual Design and Development of Non-Engineered Solutions in Travel & Transportation that may be used to appoint suppliers for the early delivery of the required travel demand, behaviour, and safety/ awareness activities.

Two additional workstreams are therefore envisaged:

- **Brand Development, Communication and Marketing Programme** that would involve
  - rebranding/ evolving The Bridgwater Way with associated communications and artwork
  - design activity to support messaging, producing print and collateral to support campaign promotion, script writing and recording for radio adverts, website design and delivery
  
- **Programme Assurance** that would involve
  - Advice on procurement
    - Review market feedback during soft market testing to provide assurance around any key themes materialising
    - Feed in knowledge of best practice and wider academic literature to the development of procurement documents
    - Identify measures for success across that would feed into contracting model
  - Tender evaluation
    - Support the evaluation of the quality submissions from suppliers during tender stage
    - Provide assurance of preferred tenderers solution, helping to identify any aspects of the proposal that should not be taken forward
  - Formal gateway reviews
    - Assist in reviewing the extent to which solutions being deployed are delivering success on the ground and where solutions need to be stopped or modified
    - Assuring the potential of new initiatives and solutions
  - Ad-hoc advice and support

The Council does not currently have access to contracts to support the delivery of these workstreams. Separate tendering processes are required for each workstream given that the supplier audience is very different.

This report deals only with the appointment of a supplier for programme assurance and the successful supplier will not be able to bid for any work associated with the wider travel demand management programme being delivered and assured by this procurement.

**Background papers**

- Key Decision on 25 March 2013 regarding the contributions to Somerset County Council within the Hinkley Point C Site Preparation Works and Development Consent Order Section 106 Agreements
- Non-Key Decision Report by Strategic Manager – Major Programmes on 3 August 2016 - Authority to commence procurement for services in connection with a Travel Behaviour Change and Road Safety Training and Awareness Programme associated with the Hinkley Point C development