

Decision Report - Executive Decision

Forward Plan Reference: FP/23/06/10

Decision Date - [12/09/23]

Key Decision - yes



Award of Contract for Delivery of Live Labs Programme

Executive Member(s): Lead Member for Transport and Digital

Local Member(s) and Division: All

Lead Officer: Mickey Green Executive Director for Climate and Place

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Summary / Background

1. The Council has successfully secured a place on the £30m national ADEPT/ Department for Transport Live Labs 2 programme seeking to reduce carbon emissions from local highways activity. The Council submitted a joint business case with Hampshire and Cornwall Councils under the banner of 'Wessex Live Labs Programme' which has been approved with a three-year funding package of £5.120m.
2. Somerset Council has agreed to procure these elements of the programme on behalf of the three local authorities and this decision authorises award of a contract for the programme management, knowledge/ research based, and carbon analytics work packages.

Recommendations

3. The Executive Director for Climate and Place:
 - a. Approves the award of a contract for £1.558m (excl VAT) to Colas Ltd through the Crown Commercial Services Framework for provision of Live Labs 2 programme management, knowledge/ research-based work packages and carbon analytics including sub-contracted activity to Circle Economy, Exeter University and Proving Services Ltd. A breakdown of services is set out in Appendix A.

b. Delegates authority to the Strategic Commissioning Manager for Highways and Transport to finalise the detailed terms of the contract within the Crown Commercial Services Framework requirements and complete the process of awarding the contract.

Reasons for recommendations

4. This is an innovation programme which includes demonstrator projects that will be delivered through the three councils' existing highways contracts, but requires additional programme management, research and knowledge-based activity which will be supplied by a range of research and innovation partners. Somerset Council has agreed to procure these elements of the programme on behalf of the three local authorities and this decision authorises award of the necessary contracts.
5. There is no exempt information attached to this decision.
6. Urgency provisions are not required.

Other options considered

7. A procurement approach whereby each of Somerset, Hampshire and Cornwall contracted separately with the knowledge partners was discussed and discounted on the basis that it required procurement strategies to be agreed within each council and back-to-back agreements to be developed and agreed. On balance it was considered to be much simpler and more efficient for Somerset to contract through the crown commercial framework on behalf of the programme. Various sourcing options were explored for these services including the following:
 - Bespoke open or restricted tender process: This was discounted due to the need to secure the embedded knowledge and the unique relationships provided by Colas as a key innovation partner in the development of the programme.
 - Existing contract with Liverpool City Council: This was considered as Liverpool are part of the Corridor and Place Based Consortium but was discounted due to uncertainty about the contract terms enabling this appointment.
 - Frameworks: Various frameworks were considered including ESPO, Pagabo Civils and Infrastructure Framework and Crown Commercial Construction Works and Associated Services Framework.
 - A direct award to providing services was considered and set out in the business case as the preferred approach, but subsequent discussion has concluded that

Colas will agree to sub-contract that element of service, and are doing so in other live labs projects.

Having considered the available frameworks, the Crown Commercial Framework was considered to offer an appropriate and compliant route to market, enabling direct award for values up to £3m which matches the needs of the programme.

Links to Council Plan and Medium-Term Financial Plan

8. The programme will play a key role in enabling highway services to deliver the Council Plan priority for a Greener More Sustainable Somerset through establishing how we can significantly reduce carbon emissions from our highways maintenance and management activities; and will also enable us to develop a framework for considering wider environmental impacts through Doughnut Economics.
9. Provision has been made in the Medium Term Financial Plan for the local funding contribution of £1m capital funding for decarbonising local highway maintenance activity which was set out in the business case to the Department for Transport. The Medium Term Financial Strategy will include a review of whether it is necessary for this sum to be fully deployed within the programme given the Council's financial situation.

Financial and Risk Implications

10. Somerset was allocated an initial £50k grant from DfT to develop an outline business case on behalf of the Wessex Partnership which was submitted in May 2023. Somerset County Council Financial Challenge Board 09/02/23 approved an award of £25k of this business case grant to Colas to enable them to assist in preparing the business case. The remaining £15k of the grant was used to task the Council's engineering consultants WSP to undertake the economic case element of the business case which required specialist input from economists.

Somerset Council s151 officer approved submission of the business case on 20/04/23 and this has now been approved by DfT, with year 1 grant funding of £1.888m now received by the Council on behalf of partners.

Year 1 funding has now been received and the Council also has an additional £1m capital fund set aside for the programme (subject to review under the Medium

Term Financial Strategy) so there is sufficient funding in place to undertake the activity set out in the business case.

Live Labs funding will fund the 'extra-over' costs for achieving a greater level of carbon reduction than otherwise achievable under business as usual. The expectation is that costs will reduce as new materials and methods normalize. The learning from the demonstrators would be captured in a decarbonisation toolkit.

The DfT funding confirmation letter received in May 2023 confirms that the grant funding can be used for the research activity as set out in the live labs proposal as well as capital delivery on the ground.

An initial purchase order of £25k has been issued to Circle Economy to enable them to undertake initial work on Doughnut Economics whilst the longer-term agreement through crown commercial framework is agreed.

The second and third year payments will be made in future financial years depending on satisfactory progress being made as determined through the monitoring and evaluation framework and consideration of findings by the Live Labs 2 Commissioning Board

A Live Labs 2 commissioning board has been set up including ADEPT, DfT and other industry experts to oversee delivery of the programme, ensure learning is disseminated and adopted, and confirm suitable progress is being made by the participants.

11. Risks have been considered and no significant risks have been identified in awarding these contracts. The commercial and procurement service advise that this framework is a compliant route to market for these services. The council will agree fixed fees for the activity based upon the framework rates and the values of the activity set out in the suppliers proposals which have informed the business case. There is a low risk that funding for years 2 and 3 may not be awarded by DfT. Such a decision would need to be based on a lack of progress by the promoting authorities. We are putting in place the resources to ensure that good progress is demonstrated and as such it is unlikely that future funding will be withheld. Contracts will be based upon a projected annual spend profile from suppliers and years 2 and 3 will only be commissioned if funds are available.

There is a risk that the Council's Medium Term Financial Strategy review may impact on deliver of the programme if insufficient resource is provided to achieve

the necessary reductions in carbon emissions. There is also a risk that new ways of working and necessary changes in operational behaviour might not be achieved or adopted.

Likelihood	2	Impact	3	Risk Score	6 (Low)
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Legal Implications

- 12. Construction and highways management works associated with the demonstrator projects will be delivered through the Council’s existing highways contracts (and through their replacement contracts which are currently being procured). It is proposed to award a contract for programme management, carbon analysis support, and academic research into carbon budgeting and doughnut economics on behalf of partners through Crown Commercial which is a national framework which has been competitively procured and has terms which allow direct award to contractors and their sub-contractors who are available through the framework for values up to £3m.

Colas is on Lot 1.2.2: Civil Engineering Works & Minor Associated Building Works & Services – South England. Colas has agreed to sub-contract carbon budgeting research to Exeter University, Doughnut Economics research to Circle Economy, and work related to a carbon analytics tool to Proving Services; and is working on the necessary agreements.

Circle Economy through their association with the Doughnut Economics Action Lab (DEAL) are a unique supplier of the relevant services in relation to Doughnut Economics, having developed and retained ownership of the intellectual property related to the model.

Exeter University has been a key partner in delivering the programme to meet DfT and ADEPT’s explicit requirement for active private sector and academic collaboration.

Proving Services has developed what is becoming the industry standard carbon analyser tool and associated highways industry carbon profiles and facilitate the Future Highways Research Group of local authorities and academia, so are uniquely placed to undertake this role in the programme.

13. Internal legal advice has been obtained on Somerset Council's obligations under the Subsidy Control Act, which are summarised in section 4.4 of the business case and that advice will be followed in the proposed contract award to Colas.

The terms of the grant will be complied with. In particular, (1) the funds may only be used in accordance with regulations made under section 11 of the LGA 2003 and (2) the Chief Executive and Chief Internal Auditor of each of the recipient authorities must sign and return to the Local Transport Funding team no later than 30 September 2024 a declaration that the grant conditions have been complied with. Failure to comply with these conditions may impact the grant funding (including potentially requiring immediate repayment of the grant funds).

Legal services will be involved in the finalisation of the contract with Colas.

HR Implications

14. There are no implications for Somerset Council staff although a new 'project enabler' post will be put in place utilising some of the live labs funding that Somerset Council has received (as a separate process to this contract award). It is not considered that the award of this discrete package of work constitutes a transfer of services or undertakings.

Other Implications:

Equalities Implications

15. Implications for people with protected characteristics have been considered through the Equality Impact Assessment undertaken for the project, and no adverse impacts have been identified. The assessment has highlighted that a well-maintained highway network includes roads, footways, lighting and other assets which provide a safe environment for potentially vulnerable people who are typically older or younger people and may include women or girls.

A well-maintained highway network also provides a safe environment for people with disabilities, particularly wheelchair users or those with impaired vision. Any proposed changes to working practice or specification arising from this programme will need to carefully consider impacts on these groups, for instance if changes to lighting, design, materials or signing etc. are proposed.

Suppliers will be required to make information available in accessible formats where appropriate.

The precise changes that will be made are not known at this stage but will be identified as the programme is undertaken, based upon a carbon assessment identifying where the greatest opportunities to reduce carbon are within existing operations.

The project enablers will ensure that an equality impact assessment is undertaken in association with any significant proposed change to working practice or specification arising from the programme. Relevant stakeholder groups including people with protected characteristics will be consulted as part of this process. Any identified impacts on people with protected characteristics, together with any necessary mitigation, will be considered by the programme board prior to adopting new practices.

Community Safety Implications

16. A well-maintained highway network also provides a safe environment for communities. Any proposed changes to working practice or specification arising from this programme will need to carefully consider impacts on these groups, for instance if changes to lighting, design, materials or signing etc. are proposed.
17. We will also be embedding a Doughnut Economics Model into decision making, to inform decisions on how we decarbonise highways services. The model encourages a holistic view of both social and environmental outcomes.
18. It is not considered that this programme will impact upon any existing projects/services that other community safety partners may have.

Climate Change and Sustainability Implications

19. This programme will be a key mechanism for the highways service to establish how to decarbonise our local highway maintenance activity and therefore has climate change mitigation as its core purpose.
20. The programme will challenge existing ways of working to promote sustainable use of resources, minimise the impact on the environment, minimise the impact on climate change and promote sustainability in the workforce.

22. As this programme is related solely to maintenance of the existing highways network there is no specific linkage to delivery of the spatial strategy for development in the area assuming these networks continue to function appropriately.

Health and Safety Implications

23. Health and Safety implications have been considered and any demonstration projects on the ground will be subject to the usual robust approach to health and safety for highways works delivery, both within Somerset Council and our contractors.
24. Any changes in ways of working designed to reduce carbon emissions will also consider any change in risk to the workforce and also the users of the highway.
25. The programme governance includes control mechanisms via a programme board to consider risks to health and safety, and agree whether any increased level of risk can be tolerated and if necessary what control and mitigation will be required.

Health and Wellbeing Implications

26. Health and wellbeing implications have been considered and any demonstration projects on the ground will be subject to assessment in respect of any impacts on health and wellbeing.
27. We will also be embedding a Doughnut Economics Model into decision making, to inform decisions on how we decarbonise highways services. The model encourages a holistic view of both social and environmental outcomes and will include specific metrics on health and wellbeing.

Social Value

28. Much of the demonstrator activity on the groups will be delivered through existing contracts or The Council's suite of new highway contracts which are currently being procured. These include social value commitments, and we will discuss with contractors the extent to which the live labs programme spend will enable additional social value to be delivered in addition to the regular highway maintenance spend through these contracts.

29. It is likely that as this is an innovation programme, there will be opportunities for developing particular skills and training, and opportunities for small and medium enterprises to test new products and techniques within the 'test-bed' that we will have available.

Scrutiny comments / recommendations:

30. The proposed decision has not been considered by a Scrutiny Committee.

Background

31. Live Labs 2 will focus on the 'hidden' carbon agenda in national, regional and local thinking – a major challenge facing the local roads sector. Some £2bn is spent every year in the UK on maintaining our local highway assets.

32. Somerset Council are part of the 'Wessex' live labs programme which will broadly comprise the following:

- Project and Programme management resource to deliver a three-year programme.
- Delivery of demonstration projects on 9 corridors where all planned and reactive maintenance programmes will be challenged to deliver decarbonised solutions, aiming to get as close as reasonably possible to net-zero emissions.
- Differences in geography, access to materials and different contracting models will also be explored due to having three different authorities.
- Innovation will be supplied by private sector partners including the term maintenance contractors for the authorities and Colas who have helped coordinate the bid.
- Carbon analysis (baseline, optioneering, monitoring, certification and carbon budgeting) to further develop and optimize an emerging highway sector carbon analyser tool developed by the Future Highways Research Group.
- Development of a doughnut economics model through the Doughnut Economics Action Lab (DEAL) and Circular Economy. This is to ensure that decarbonization decisions are taken in the round with other impacts on ecology and society. This will be developed for local level decision making and also a highways sector level.
- Up to 3 corridors in Somerset will be part of the programme depending on affordability including A38 Taunton to Devon Boundary, B3139 Wells to Highbridge, and Taunton Queensway/College Way/ Galmington Road.

Background Papers

33. Wessex Live Labs Programme Outline Business Case 19 May 2023.
34. Officer Non-Key Decision - Procurement of Contracts for Delivery of Live Labs Programme 8th August 2023.




Appendices: None

Report Sign-Off (if appropriate) (internal use only - not for publication)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark /Scott Wooldridge Jill Byron (Adam Ozdowski)	23/08/23 25/08/23
Communications	Chris Palmer	22/08/23
Finance & Procurement	Jason Vaughan Claire Griffiths	30/08/23 17/08/23
Workforce	Chris Squire	24/08/23
Asset Management	Oliver Woodhams (Keith Pennyfather)	17/08/23
Executive Director / Senior Manager	Mickey Green	25/08/23
Strategy & Performance	Alyn Jones	24/08/23
Executive Lead Member	Cllr Mike Rigby – Executive Lead Member Transport and Digital	15/08/23
Consulted:	Councillor Name	
Local Division Members	All	
Opposition Spokesperson	Cllr Diogo Rodrigues – Opposition Spokesperson Transport and Digital.	15/08/23
Scrutiny Chair	Cllr Martin Dimery – Chair Climate and Place Scrutiny Committee	23/08/23

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or
www.somerset.gov.uk/impactassessment

Organisation prepared for (mark as appropriate)	 Somerset Council	 NHS Somerset	 NHS Somerset NHS Foundation Trust
Version	1.2	Date Completed	14/08/23
Description of what is being impact assessed			
<p>Procurement of knowledge-based activity for live-labs programme to reduce carbon emissions from local highways maintenance activity.</p> <p>Live Labs is a research and innovation programme seeking to reduce carbon emissions from local highway maintenance activity. The programme will utilise government funding to review planned and reactive highway maintenance activity on up to 9 corridors across the study area. Where possible, existing working practices, scheme designs, specifications, and materials etc will be replaced with lower carbon alternatives seeking to get as close as possible to net-zero carbon emissions. The precise changes that will be made are not known at this stage but will be identified as the programme in undertaken, based upon a carbon assessment identifying where the greatest opportunities to reduce carbon are within existing operations.</p> <p>Any significant change to working practice or specifications arising from the programme will be reviewed through a ‘doughnut economics’ assessment which will consider the wider impacts of the new approach on society and ecology etc. Developing a highways sector doughnut economics model is a key output from the programme and this will be used to inform decision making.</p>			

The impact on people with protected characteristics will also be undertaken through an equality impact assessment related to any significant change to working practice or specification.

Evidence

What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/or [area profiles](#), should be detailed here

Professional knowledge of the typical impacts of this type of activity. This is a regional programme and will impact on the general population in the study areas.

Who have you consulted with to assess possible impact on protected groups and what have they told you? If you have not consulted other people, please explain why?

During the development of the proposal, we engaged diverse partners including local authorities, contractors and academic/research bodies. This broad range of backgrounds has ensured that we are inclusive of ideas from different demographics, as well as individuals both inside and outside the highways sector. For example, our collaboration with the University of Exeter will drive success by bringing insight from their work in the energy, transport, manufacturing and food sectors and Circle Economy bring worldwide experience.

Local consultations with communities or people with protected characteristics affected by specific schemes will be undertaken, if necessary, as the programme is undertaken. Many of the changes will be to processes/ operational approaches, or materials used so may not directly be visible to, or impact on local communities.

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> A well-maintained highway network includes roads, footways, lighting and other assets which provide a safe environment for vulnerable road users who are typically older or younger people. Any proposed changes to working practice or specification will need to carefully consider impacts on these groups, for instance if changes to lighting or signing etc. 	□	⊗	□
Disability	<ul style="list-style-type: none"> A well-maintained highway network includes roads, footways, lighting and other assets provide a safe environment for people with disabilities, particularly wheelchair users or those with impaired vision. Any proposed changes to working practice or specification will need to carefully consider impacts on these groups, for instance if changes to lighting, design or signing etc. 	□	⊗	□

Gender reassignment	<ul style="list-style-type: none"> • None identified 	□	⊗	□
Marriage and civil partnership	<ul style="list-style-type: none"> • None identified 	□	⊗	□
Pregnancy and maternity	<ul style="list-style-type: none"> • None identified 	□	⊗	□
Race and ethnicity	<ul style="list-style-type: none"> • None identified 	□	⊗	□
Religion or belief	<ul style="list-style-type: none"> • None identified 	□	⊗	□
Sex	<ul style="list-style-type: none"> • A well-maintained highway network includes roads, footways, lighting and other assets which provide a safe environment for vulnerable people which may include women or girls. Any proposed changes to working practice or specification will need to carefully consider impacts on the safety of these groups, for instance if changes to lighting or design of facilities etc. 	□	⊗	□

Sexual orientation	<ul style="list-style-type: none"> None identified 	□	⊗	□
Armed Forces (including serving personnel, families and veterans)	<ul style="list-style-type: none"> None identified 	□	⊗	□
Other, e.g. carers, low income, rurality/isolation, etc.	<ul style="list-style-type: none"> Rurality and isolation. Funding allocation will help maintain a large rural transport network in a steady state of repair whilst meeting requirements for a reduction in carbon emissions. 	□	□	⊗

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Ensure equality impact assessment undertaken in association with any significant change to working practice or specification arising from the programme. Assessments should have a particular focus on maintaining a safe environment for potentially vulnerable people who may be older, younger, women or girls; and for people with disabilities.	Select date	Project Enablers	Programme Board will consider impact of any changes to working	□

			practice or specification	
	Select date			<input type="checkbox"/>
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	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
If negative impacts remain, please provide an explanation below.				
Completed by:	Mike O'Dowd-Jones			
Date	14/08/23			
Signed off by:	Mike O'Dowd-Jones			
Date	14/08/23			

Equality Lead sign off name:	Tom Rutland
Equality Lead sign off date:	16/08/23
To be reviewed by: (officer name)	
Review date:	