

DECISION-MAKER:	CABINET
SUBJECT:	DELIVERY OF INTELLIGENT TRANSPORT SYSTEM AND COMMUNITY SAFETY CLOSED CIRCUIT TELEVISION SERVICES
DATE OF DECISION:	4 JULY 2011
REPORT OF:	LEADER OF THE COUNCIL

STATEMENT OF CONFIDENTIALITY

Appendix 1 of this report is not for publication by virtue of category 3 (financial and business affairs of the Authority) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the appendix contains details of the financial assumptions, revenue and capital estimates related to the project which could, if made available to the public or commercial sector in advance of competitive tender invitations, influence the tender process, prejudice negotiations with potential contractors and result in the Authority not obtaining best value in procuring the services necessary to deliver the project.

BRIEF SUMMARY

A review of the Council's Intelligent Transport System service (ITS) and Public Safety CCTV service concluded that for strategic, operational and financial reasons these services should be co-located. The review determined that on balance a private sector partnership would provide the most suitable and sustainable way of achieving this objective.

This report therefore seeks approval from Cabinet to commence a procurement process to select a private sector partner to relocate the Council's Intelligent Transport System ("ROMANSE") and Public Safety CCTV services, preferably to the City Depot, and to operate and maintain these services for up to a 15 year period.

RECOMMENDATIONS:

- (i) To commence a competitive dialogue procurement process to select a private sector service provider to relocate the Council's Intelligent Transport Systems and Public Safety CCTV services and to maintain and operate the services for a period of up to 15 years as set out in this report and Appendix 1.
- (ii) To delegate authority to the Director of Environment, following consultation with the Leader of the Council, Head of Legal and Democratic Services, the Head of Finance and Director of Corporate Services, to take any necessary action to give effect to recommendation (i) above, including but not limited to undertaking any and all necessary procurement activities in compliance with Contract Procedure Rules, and consulting upon and implementing all necessary service, staffing and organisational structure changes necessary to implement the project.

REASONS FOR REPORT RECOMMENDATIONS

1. A recent review of the Council's ITS and CCTV services culminating in the Outline Business Case (OBC), attached as Appendix 1 concluded that these services should be co-located, preferably to the Council's City Depot site, and transferred to a private sector partner in order to: continue to deliver these services which benefit the City economically; secure the required level of investment in the services and deliver efficiency savings.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 2 The following options were considered:
 - Do Minimum
 - Co-locate by the Council
 - Co-locate with Private Sector Partner (PSP)
- 3 On balance the considered view is that tendering the services on the competitive market will drive down the cost of relocation (through innovation and risk transfer) and ensure service levels are protected to a greater degree than if delivered internally.
- 4 A PSP provides the opportunity for the private sector to build a service based on the need to deliver key outcomes and outputs which benefit the customer. New technology, wider infrastructure support and innovative ways of working can all be brought to bear by the private sector which is harder for the Council to lever in.

DETAIL

- 5 The Intelligent Transport System service (ITS) is currently based in third party premises at Town Quay. The service manages traffic and travel information and transport management systems such as traffic signals and variable message signs. The Public Safety CCTV service is similarly currently based at St Mary's Football Stadium. The service proactively monitors and manages the City's CCTV network as well as providing the virtual help point for the Council's multi-story car-parks.
- 6 The review identified a number of synergies between the two service areas as well as opportunities for them to work more closely together. It is anticipated that the recommended option will therefore provide the following benefits:-

Strategic Benefits	Operational Benefits
<ul style="list-style-type: none"> • Retention of key services which are important to the economic well being of the City • Services brought into the City Council's property portfolio • Security of tenure and protection from rent increases • Control over accommodation costs • Enhanced ability to provide strategic command base in emergencies. 	<ul style="list-style-type: none"> • Significant space rationalisation • Accommodation costs savings • Renewal/modernisation of assets (e.g. new technology) • Improved sustainability/reduced carbon footprint of service • Shared Communications and infrastructure • Shared Control room supervision

Strategic Benefits	Operational Benefits
<ul style="list-style-type: none"> Opportunity for further integration/joint working with other City Depot services in the future 	<ul style="list-style-type: none"> Enhanced joint working between service areas Improved commercial offering - more attractive, diverse offering to other organisations

- 7 In order to realise these benefits this project will:-
- select a private sector partner to relocate ROMANSE and CCTV from Town Quay and St Mary's respectively to a new, modern and upgraded control room, preferably at City Depot, with new, upgraded and modern technology (e.g. an interactive video display wall) and provide operational synergies between the services.
 - reduce the revenue/operation expenditure of the two services
 - secure value for money for local residents and business by ensuring that service outputs and outcomes are set at an appropriate level within the available financial envelope.
 - place the customer first by focussing on the core service purpose(s), value-added functions and outputs and outcomes.
- 8 The scope of this project covers all tasks and functions which are currently delivered by the Council's ITS service and Community Safety/Crime Prevention CCTV service. In addition through the procurement process the Council will seek to establish the benefit, or not, of including the Council's Housing Concierge Service within the partnership.
- 9 Following approval of a partnership approach by Cabinet the outline timetable for this project would be as follows:-

Milestone	Date
PQQ complete and bidders shortlisted for dialogue	21 st July
Commence Dialogue/Issue Invitation to Submit Outline Solutions (ISOS)	22 nd July 2011
Cabinet Approval to close dialogue and call for final tender	January 2012
Close Dialogue & Call for Final Tender (CFT) Issued	January 2012
CFT evaluation complete and Preferred Bidder identified	March 2012
Contract Formed	April 2012
Mobilisation complete	September 2012
Service Commencement	September 2012

10. The achievement of a contract award in April 2012 will be heavily dependent upon the Council committing an appropriate level of resources to this project as well as the level of market engagement. The outline timetable set out above therefore enables members to confirm whether they wish to proceed with a partnership approach at key milestones during the project's progress in the Autumn and in January 2012. This will ensure that value for money is secured for local residents by balancing the achievement of key milestones against the need for a robust and deliverable contract being formed.
11. Members, Senior Officers, Trade Unions, Staff, key partners and stakeholders have been initially consulted on this project and offered the opportunity to comment. Trade Unions and staff will be regularly consulted throughout the project and at key project milestones set out above.

RESOURCE IMPLICATIONS

Capital/Revenue

12. The implementation of a partnership approach to secure the co-location of the services will require approximately £270,000 of revenue to meet the estimated project support costs. This expenditure will be met from the Efficiency Fund. The Outline Business Case attached at Appendix 1 demonstrates that this investment should be paid back as a result of the proposed tendering process and that a higher level of efficiencies should be secured over the lifetime of the contract than if the in house option is pursued.

Property/Other

13. This project would require the Council to vacate third party premises at Southampton FC St Mary's and Town Quay. Space has been made available at City Depot for the services. The project timetable has been structured to coincide with key dates in existing leases.
14. It is expected that the Transfer of Undertakings, (Protection of Employment) Regulations 2006 (TUPE) will apply. Any staff working in the services immediately prior to service commencement would therefore transfer on the Terms and Conditions in place at that time. Currently, approximately 19 staff would be eligible for transfer. However, this number will depend upon the final scope of the services to be provided and any efficiency measures unrelated to this project, which occur in the interim period.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. Procurement of goods and services necessary to implement this project will be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2006.
16. The power to enter into contracts for the delivery of a Council function is contained in s1 of the Local Government (Contracts) Act 1997 and s.111 Local Government Act 1972 (power to do anything calculated to facilitate, ancillary to or conducive to the discharge of a primary function). Regard must be had to the Part 1 (Best Value) provisions of the Local Government Act 1999, the National Procurement Strategy and public procurement law including the Public Contracts Regulations 2006.

- 17 Part II (Contracting Out) of the Deregulation and Contracting Out Act 1994 is the primary legislation which allows a Minister to make an Order enabling certain statutory functions to be carried out by persons on behalf of the local authority.

Other Legal Implications:

- 18 The Council will remain the Data Controller for the purposes of the capture, storage and use of all CCTV images, including primary and third party access rights to those images. If the Service is outsourced, any contractor will be acting as Data Processor on behalf of the Council and will be required, as part of the contractual arrangements, to fully adopt and comply with the Council's existing Data Protection and CCTV use policies in this regard.
- 19 The use of CCTV is strictly controlled and monitored to ensure the Council meets it's duties under the Data Protection Act 1998, the Human Rights Act 1998 and the Regulation of Investigatory Powers Act 2001 and to ensure that Subject and Statutory access requests are dealt with in accordance with the legal requirements. There have been a number of high profile cases of breach of the Data Protection Principles in England arising from the use and misuse of CCTV and as such, this service area is considered a high risk area in terms of need for control, monitoring and regulation of access and use. Statutory liability for the use of cameras will remain with the Council regardless of contract provision and therefore it will be necessary to ensure contractual arrangements include strict co-operation and compliance provisions along with appropriate levels of indemnity in favour of the Council in relation to the consequences of breach of any of the relevant Acts (whether intentional or otherwise).

POLICY FRAMEWORK IMPLICATIONS

- 20 The services will continue to be delivered in line with the Council's existing Policy Framework.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Outline Business Case - Confidential
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Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: Included with PID, also available from Highways Infrastructure Services, 5th Floor, One Guildhall Square

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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