

* Name of proposal/policy	PFI Schemes – Review of Contract Management Costs	* Budget number	15-009-09
* Service area responsible	Place – Asset & Capital Management	* Cabinet meeting date	14 th February 2017
* Name of completing officer	A Parry	* Approved by Director / Assistant Director	Tony Ciaburro
* Version	1.0	* Date	2 February 2017

PART A

* Section 1a: Description of proposal under consideration/development	* Section 1b: Is this new or existing? Does it link to current provision?
<p>The move to the Next Generation Council will see the creation of the Place Directorate led by the Strategic Commissioner for Place. As a result the Place Directorate will be responsible for the management of all of NCC's assets. This will include the assets which are currently the subject of PFI and PPP arrangements. These include:</p> <ul style="list-style-type: none"> - NSLP (Grouped Schools PFI) - Wooldale (Caroline Chisholm PFI) - Shaw PFI and PPP - Streetlighting PFI <p>Currently each of these contracts is managed in a different way in different</p>	<p>This is relates to reducing the on-going costs of managing the existing PFI contract.</p>

parts of NCC e.g. EDT, ASC, or LGSS Property for the Schools PFI schemes. With the NGC model and the creation of the Place Directorate it is planned to bring all of the PFI contract management arrangements into a single team responsible to the Strategic Commissioner for Place.

As a result, the consolidation of the contract management arrangements will strengthen our management of these high value and complex contracts, creating additional resilience whilst at the same time providing the opportunity to fundamentally review how we manage these contracts, the levels of resources and whether the right skills are currently in place to manage the arrangements. Efficiencies will be delivered through the bringing together of the management of these contracts.

Improved contract management arrangements will lead to enhanced VfM and the ability to manage the contracts better to deliver savings such as tighter management on the deductions and application of the payment mechanisms, challenge on change requests and variations, general performance by the contractors etc. A separate briefing note has been prepared that has started this process, which can be shared as required.

*** Section 2: How does this align with the Council Plan/ corporate priorities/ partnership strategies and plans/ Next Generation Council?**

Delivers increased wellbeing and/or safeguarding by ensuring that...	✓
People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities	
People have the information and support they need to make healthy choices and achieve wellbeing	
People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development	
Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure	
Resources are utilised effectively and efficiently, in coordination with partners and providers	✓

Does it align with any NCC/ partnership strategies and plans? (if so, please list below)
Management of an existing contractual arrangement. This links to the PEOPLE Strategy for Adult Social Care and Education.
Does it support the transformation into a Next Generation Council? (if so, please explain below)
Yes – contractual arrangement part of the commissioning principles of Next Generation Working and will encourage closer collaboration between the PEOPLE & PLACE Directorates as well as the federated models.

*** Section 3: If this relates to a statutory duty, please give details of the relevant legislation below:**
 Legally binding agreement to meet PFI contractual arrangements to provide the Schools and Social Care – which is itself a statutory requirement.

Section 4: Have other alternatives been considered?
 The PLACE Directorate is still evolving and work will be on-going to develop the new operational model for the PFI contracts.

*** Section 5: Financial / resource implications**

a) Costs (e.g. invest to save)
 Transformation funds needs to be available to meet the required annual saving.

b) Staffing implications
 Yes because staff currently not in the PLACE Directorate will need to transfer to allow opportunities for economies of scale.

c) Savings
 Proposals seek to achieve an annual revenue saving of £200k

Section 6: Has a similar initiative/proposal been implemented elsewhere? What were the benefits or risks? Are there lessons that can be learned?
 Yes under the HALO initiative and in other local authorities.

THIS SECTION HAS REPLACED THE EQUALITY IMPACT ASSESSMENT FORM AND MUST BE COMPLETED TO DEMONSTRATE COMPLIANCE WITH THE EQUALITY DUTY

*** Section 7: Who will be affected by this proposal? (this may be service user data, or be based on a particular geographical area or more general population data depending on the proposal) Include demographic information where this is available e.g. breakdown by gender, age, ethnicity, disability etc. BIPI can support with the provision of data.**

You may include staff, partner organisations and any other stakeholders who might be affected by the proposal.

Data Source (include link where published) and summary of what it tells us for example “X number of people use this service, X are male, Y are female etc”	Why is this relevant to the proposal?
PFI/PPP arrangements as set out in section 1a.	Outlines the arrangements in scope

*** Section 8: Based on the above information, will this proposal have an impact on the following? ✓ the relevant box for each line and then expand on the reasons why in Section 9**

	Positive	Negative	Neutral	Unsure
<u>Age</u>			✓	
<u>Disability</u>			✓	
<u>Gender reassignment</u>			✓	
<u>Marriage and civil partnership</u>			✓	
<u>Pregnancy and Maternity</u>			✓	
<u>Race</u>			✓	
<u>Religion or Belief (or No Belief)</u>			✓	
<u>Sex</u>			✓	
<u>Sexual orientation</u>			✓	

* Section 9: Initial impact	
* Section 9a: From your analysis in section 8 above, please explain the positive implications	
N/A	
* Section 9b: From your analysis in section 8 above, please explain why you have categorised any of the implications as neutral	
Relates to the internal management of a function.	
* Section 9b: From your analysis above, please explain the negative implications	* Section 9c: What actions have you identified to mitigate any negative implications?
N/A	N/A
* Section 9d: From your analysis above, please explain the areas where you are unsure of the impact	* Section 9e: What actions have you identified to fill gaps in information?
N/A	N/A

* Section 10: Internal considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
Staff	x	This involves consolidating staff from around the county Council into a single function into the PLACE Directorate.
Financial (NCC)		
Legal	✓	Specialist commercial legal input required
NCC Policy		
Performance		
Data quality / information security		
IT		
Strategic assets		

LGSS / federated bodies		
Procurement		
Project support		
Other (if appropriate)		

* Section 11: External considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
Community impact		
Impact on the consumer (e.g. communication needs, access, rurality, complaints)		
Reputation		
Political		
Partners		
Human Rights		
Health impact – individual		
Health impact – wider community		
Economic impact - individual		
Economic impact – wider community		
Community Safety impact		
Environmental impact		

Consultation		
Other (if appropriate)		

Based on the impacts and considerations above, please identify the RAG status

RAG Status	Overall RAG	Time	Proposal Delivery	Cash Saving	Risk	Issue	Dependency

* Section 12a: What are the risks associated with NOT implementing the proposal? (tick if applicable)		* Section 12b: What actions have you identified to mitigate the risks? Will anything in the current arrangements need to be changed to acknowledge this risk? Is implementing the proposal the only way to mitigate the risks?
Non-compliance with legislation or NCC policy	✓	
Financial	✓	By not undertaking the re-organisation, other services would have to be cut.
Change in performance/ data quality/ information security		
Reputational/ Political		
Increase in complaints and/ or legal challenge		
Other		

* Section 13: Budget Delivery Programme Highlight Report information – total amount allocated to savings proposal 2017-18 through to 2020-2021; profiled budget; 2017-18 action plan extended savings narrative; cost code information	
Total amount allocated to savings proposal 2017-18	
2017-18 (£000)	200

Impact of saving within the budget profile			
Q1	Q2	Q3	Q4
			200

	Milestone	Owner	By when
1	ASC staff required to transfer by March 2017	I Boll	March 2017
2	CFI staff required to transfer by March 2017	I Boll	March 2017

*** Section 14: Do you need to undertake further work (e.g. consultation, further proposal development, further equality analysis) based on the impact and actions identified above? If yes, set this out below and then carry out the work and complete Part B:**

This proposal will form part of the overall budget consultation process. Any feedback received (as well as any further intelligence gathered in the course of developing the project) will inform a final analysis of the impact of the proposal which will be considered by Cabinet and Council in February when taking a final decision on the budget. The EqIA will be updated accordingly.

PART B

Section 15: Consultation, follow up data and information gathered from actions identified above	
	What does this information tell us?
This proposal formed part of the overall budget consultation process.	We received no comments specifically on this proposal.

Section 16: Final impact analysis (taking the findings from Part B into account) – including review date if required

The final impact has been assessed as neutral because this proposal relates to the internal management of a function.