

Appendices

Appendix A – Scope Tables 1-3
Appendix B – Partnership Opportunities.....
Appendix C – Service Delivery, Detailed Options Appraisal Outputs
Appendix D – Partnership Model, Detailed Options Appraisal Outputs.....
Appendix E – Risk Assessment for Partnering Models, Options 1-4.....
Appendix F – Baseline Financial Assessment, Options 1 – 4
Appendix G - Example of Framework for Output Based Specification (OBS)

Appendix A – Scope Tables 1-3

Table 1 - The Public Realm

Service	Functions
Transport Engineering	<ul style="list-style-type: none"> • Project management, delivery of Integrated Transport Schemes in the Highways Capital Programme • Provision of transportation and highways advice on major new developments; • Undertake regular transport surveys to monitor progress against LTP objectives; • Undertake one-off traffic, speed, pedestrian, cycle and parking surveys as required to inform on specific issues and problems; • Lead role improving road safety • Approve and supervise the implementation of S.38 and S.278 highway schemes; • Answer queries from the general public, businesses and Members on a range of transportation matters including traffic, road safety and pedestrian issues.
City Centre & Major Projects	<ul style="list-style-type: none"> • Provision of project management, design and implementation services for major projects across the council
Engineering Implementation	<p>Responsible for the production of; detailed estimates, detailed design of kerb/footway and re-surfacing schemes and the implementation of the prudential maintenance programme. Further responsibilities include:</p> <ul style="list-style-type: none"> • Undertake detailed design and costings of some LTP schemes • Carry out small works for the S106 programme • Project management of schemes undertaken • Responsible for the delivery of the prudential street lighting spend:
Street Maintenance	<p>Management of the street maintenance service within a framework of statutory powers, duties and risk assessment, to provide safe, serviceable and sustainable roads, footways, street lighting and drainage for Southampton's residents and businesses by :-</p> <ul style="list-style-type: none"> • Carrying out an effective regime of Safety Inspections, assessments and recording • Reactive maintenance - timely response and repair of defects on roads, footways, street lighting • Highway drainage - ensuring drains are regularly cleaned and maintained • Emergencies - providing 24 hour response to highway and weather emergencies • Insurance claims - the effective and efficient processing of claims, hence assisting in protecting the authority against fraudulent claims • Winter service – providing salting and clearance of snow and ice • Vehicle crossings – manage applications and execute works where appropriate

Table 2 - Highways and Parking Services

The Public Realm Services fall within the remit of Highways and Parking Services and are detailed in the Public Realm table.

Service	Functions
<p>Network Management</p>	<p>Overall responsibility for the various Network Management Team ensuring that any works to the city road networks are carried out in accordance with relevant legislation and in a manner which will facilitate the smooth running of traffic across the city.</p> <p><u>Network Management Team</u></p> <p>Responsible for:</p> <ul style="list-style-type: none"> • Control of street, road and development works • Monitoring quality of reinstatements by utility companies and private developers. • Traffic Regulation Orders and use of temporary traffic lights. • Highways Act and Clean Neighbourhoods Act enforcement • Administration of licences to place items on and in the public
<p>Network Management</p>	<p><u>Intelligent Transport Systems Team (ROMANSE)</u></p> <p>Responsible for the works areas connected to:</p> <ul style="list-style-type: none"> • Design, installation, maintenance and operation of the Traffic Signals • Provision of technical assistance to the Authority and external bodies relating to the operation of Traffic Signals within the City and those from neighbouring Authorities and Agencies • Day to day operation of traffic signals • Traffic and Travel Information Centre(TTIC), monitoring the network 7 days a week to assist in the real-time management of traffic and the provision of information to the travelling public • Design, installation, maintenance and operation of the STOPWATCH Real Time Public Transport Information • Management of the various systems that link to the common database (COMET) which provide the central control system and the main front-end user interface for TTIC operators.
<p>Network Management</p>	<p><u>Principal Officer Traffic Management</u>The Traffic Team is responsible for:</p> <ul style="list-style-type: none"> • Making traffic orders for yellow lines/resident parking • Other traffic regulation orders • Renewal and maintenance of all traffic signs • Processing applications for disabled parking bays • Customer correspondence responses E=mails, letters, telephone • Design and Procurement of new road markings • Design and Procurement of new traffic signs
<p>Transformation</p>	<p>Overall responsibility for the Performance Management and forward planning of the Division. As a group these teams work with the operational team managers making</p>

Service	Functions
<p>& Performance</p>	<p>transformational changes to the Division a reality through strong financial and project management.</p> <p><u>Service Futures</u> The Service Futures Team is responsible for:</p> <ul style="list-style-type: none"> • Producing a Transport Asset Management Plan (TAMP) for the council • Acting as custodian for all the road and footway condition data held on Confirm • Organising the road and footway annual condition surveys • Managing the pavement management system • Maintaining the recently revised Highways Register • Providing advice on highway ownership and responsibilities • Maintaining and reviewing the Highway Maintenance policy documents • Assembling the annual highways planned maintenance programmes • Providing advice on scheme material selection • Providing advice on highway condition queries from Members and the Public • In addition the team also currently manages the highways S106 agreement improvements. • Local land charge searches for Highways
<p>Transformation & Performance</p>	<p><u>Business Support</u></p> <p>This team provides a support service to all of the different teams within the Division.</p> <p>These can be summarised as follows:</p> <ul style="list-style-type: none"> • Performance Management for the division • Co-ordination and monitoring of all complaints and correspondence • Business & Financial Planning co-ordination • Finance - including timely payment of the partnership and other invoices, payroll for the Highways staff and processing other income to the Division • Monitoring all aspects of Learning & Development • Business Continuity Planning • Equality Standards • IT support & training for the CONFIRM system • Highways operational support • Highways website development and maintenance • Secretarial support to the service • All administration for vehicle crossings • All administration for Insurance claims • Administration from street lighting maintenance • Street Lighting office support • Payroll for manual workers • All other HR for manual workers • Recruitment

Table 3 – The Environment Directorate

Highways and Parking Services (including the Public Realm) form part of the Environment Directorate

Service	Functions
Planning & Sustainability	<p><u>Building Control</u></p> <p>Responsibility for management of Building Regulations, dealing with dangerous structures, demolitions, entertainment, safety at sports grounds and ensuring buildings are accessible for disabled persons</p>
	<p><u>Travel & Transport</u></p> <ul style="list-style-type: none"> • Transport Policy • Sub-regional transport issues (TFSH) South Hampshire • Public Rights of Way • Cycling Promotions • General Active Travel • Road safety education training publicity • School travel plan • Work travel plan Zone Plan • School Crossing patrol plan • Public transport Liaison • Concessionary Fares • Support bus Services • Transport Smart Cards

Service	Functions
	<p style="text-align: center;"><u>Sustainability</u></p> <p>In Southampton, these objectives are integrated into planning through the policy and development control processes. The Sustainability Team have produced two guidance documents that set out sustainable development policy requirements for planning applications and practical measures to suggest how these might be achieved. Guiding principles include:</p> <ul style="list-style-type: none"> • Living within environmental limits • Ensuring a strong, healthy and just society • Achieving a sustainable economy • Promoting good governance • Using sound science responsibly <hr/> <p style="text-align: center;"><u>Development Control</u></p> <p>Responsible for the processing of planning applications, taking account of the council's policies and briefs, government guidance and the individual merits of each scheme, in order to control development within the city in the public interest and to help safeguard the environment. Planning is about what a building looks like, how it impacts on the surrounding environment.</p>
	<p><u>Transport Coordination</u></p> <ul style="list-style-type: none"> • Home to school transport • Personalised journey planning • Use of transport improvement plan • SCC staff travel plan
	<p><u>Environmental Health & Consumer Protection</u></p> <p>Environmental Health (pollution& Safety)</p> <p>Environmental Health Services u=influence the basic quality of life for the people of Southampton from birth to death. Responsibilities include:</p> <ul style="list-style-type: none"> • Air, land and water quality • Noise nuisance • Basic public health standards • Food Quality • Disease control and protection from unsafe practices • Marriage and /birth registration

Service	Functions
<p>Waste & Fleet Management</p>	<p style="text-align: center;"><u>Waste Management</u></p> <p>The Waste & Fleet Transport teams provide a wide range of high profile services to residents, the local community and businesses in Southampton as well as internal customers based at the Council. The range of services provided is as follows:</p> <ul style="list-style-type: none"> • Weekly Waste Collection Residents in 94,000 domestic dwellings, including flats, supported housing and housing associations • Fortnightly collection of Recyclable Household Waste and Green Waste Residents in 93,500 domestic dwellings, including flats, supported housing and housing associations • Assisted Collection of Waste and Household Recycling Approx 3,000 residents who are unable to present their waste container at the curtilage in order for it to be collected • Chargeable collection of Bulky Household Waste • All residents in domestic dwellings, flats, supported housing, housing associations and schools • Collection of Commercial Waste All public and private businesses in Southampton and the local area and Eastleigh Borough Council • HWRT (Voids/house clearance) Housing division in the Neighbourhoods directorate and residents in public sector housing • Waste Disposal All residents and businesses in Southampton and the local area • Waste/Recycling Policy, Education and Enforcement All residents, Schools, Further Education, Higher Education, Nurseries, Charitable Organisations, Community Groups, Members • Procurement and Hire of Vehicles/Plant Southampton City Council • MOT of Vehicles owned/ leased by Southampton City Council • SCC departments with vehicles • Public who use the MOT facility • Driving Standards Enforcement Employees of SCC who drive vehicles as part of their job • Depot Facilities Staff based at the town depot. • Visitors to the town depot • Vehicle & Plant maintenance. Vehicles supplied to user departments at SCC • Planning Enforcement; Highways Development Control Advice, and Conservation and Heritage Advice.
	<p><u>Open Spaces</u></p> <p>Responsibilities that have a direct link to Highways include:</p> <ul style="list-style-type: none"> • Street Cleansing • Grounds Maintenance • Gully Cleansing • Tree Management • Fly tipping • Graffiti removal

Service	Functions
	<p style="text-align: center;"><u>Action Line</u></p> <p>“A free phone contact centre for Street lighting, potholes, refuse collections, recycling, unsafe roads and pavements, abandoned vehicles, graffiti, litter and dog fouling enforcement, damaged or broken bus shelters, council housing repairs, trees and City patrol. “</p>

Appendix B – Partnership Opportunities

Authority (and Contact)	Highways Contract/s	End Date	Break/Review Clause	Can SCC use existing contract?	Future opportunities for partnership working/collaboration?
Portsmouth City Council Contact: Andy Finch – Client Manager 02392834620 afinch@portsmouthcc.gov.uk ,	Highways Maintenance Private Finance Initiative	31/01/2030	n/a	No. PFI credits from central government for Portsmouth only. No provision in OJEU	No due to PFI.
Isle of Wight Council Contact: Malcolm Smith / Peter Taylor 01983 823777	Term Maintenance	Start 2004 3 year contract	Extended 2007 as bidding for PFI credits.	No. Fixed and OJEU ltd	No due to PFI
Hampshire County Council Contact: Philip Samms 01962 847072 phil.samms@hants.gov.uk ,	Term Maintenance	30/4/15 plus possibility to extend in single years up to 30/4/18	30/4/15	No. The OJEU notice does not provide for SCC to use the contract	No. In addition to the limitations of the OJEU notice HCC do not wish for the focus of the contract to be taken away from HCC
	Hampshire County Council Improvement Works Framework (minor highways work <£500k; highway and structures work £50k to £3.6m)	30/04/12	n/a	OJEU notice does not explicitly allow for other authorities to join in.	No. While there may be limited potential for SCC to use this during the interim period the authority is pursuing an alternative strategy.

Authority (and Contact)	Highways Contract/s	End Date	Break/Review Clause	Can SCC use existing contract?	Future opportunities for partnership working/collaboration?
	Professional Services Contract	31/3/10	n/a	OJEU notice does not explicitly allow for other authorities to join in.	No. While there may be limited potential for SCC to use this during the interim period the authority is pursuing an alternative strategy.
	Temporary Technical Resources Framework	Commences 09/07/08	n/a	Available for use by all authorities in Hampshire	Yes. SCC to explore
<p>Bournemouth Council</p> <p>Contact: Stuart Best 01202 451451 or Paul Ambrose 01202 415380</p>	<p>Contractor: Mildrens</p> <p>Contract: Term Maintenance + in house DLO contract</p> <p>Type of work: Structural, Potholes, White lining,</p> <p>In partnership with Poole Borough Council: New Works, Traffic Management, Special Projects</p>	<p>4 year contract</p> <p>Start 2006</p>	n/a	No. Fixed and OJEU limited.	Would be interested in Highways
<p>Dorset County Council</p> <p>Contact: Rod Turner / Jon Munslow</p> <p>01305 225335</p>	Term Maintenance in house DLO contract	Up for renewal end 2008	n/a	No.	Already in process of procuring replacement contract.

Authority (and Contact)	Highways Contract/s	End Date	Break/Review Clause	Can SCC use existing contract?	Future opportunities for partnership working/collaboration?
<p>West Sussex County Council</p> <p>Contacts: Andy Ekinsmyth 01903878508 or Tony Collins 01243 836986</p>	<p>Term Maintenance May-Gurney (£25million per annum) Form: new engineering contract option 'C'</p> <p>Type of works: Routine maintenance, Cyclic maintenance, Improvement schemes up to £500k</p> <p>Exceptions: Street Lighting, Grass cutting, Traffic signal maintenance</p>	<p>Start 11/07/2006</p> <p>5 year contract</p>	<p>Review after 3 years to extend for a further 3 years maximum 10 years</p>	<p>Fixed</p>	<p>Looking at smart working with neighbouring East Sussex</p>
<p>Wiltshire County Council</p> <p>Contact: Paul Gerard 01225 756182</p>	<p>Term maintenance</p> <p>Consultant: Mouchel Parkman</p> <p>Contractor: Ringway</p>				
<p>Highways Agency Contracts</p> <p>08457 504030 or 0121 335 8300</p> <p>ha_info@highways.gsi.gov.uk</p>	<p>Maintenance: Southeast Region</p> <p>Contractor: Balfour Beatty</p> <p>Type of work: Special Projects (Individually tendered)</p>	<p>5 year contract</p> <p>End August 2008</p>	<p>Open.</p>	<p>Open.</p>	<p>No synergy for Highways Partnership but potential for using as contingency for interim.</p>

Appendix C – Service Delivery, Detailed Options Appraisal Outputs

Highways Post 2009 Strategy - Partnership Models								
<i>CRITICAL SUCCESS FACTORS-Key factors required for the successful delivery of the project objectives through partnership within the private sector</i>		WEIGHTING	OPTION 1	OPTION 2	OPTION 3	OPTION 4		
Flexibility - ability to support both the "flexible" and the long term delivery model		5	1	5	2	10	3	15
Ability to respond positively and rapidly to changes in service requirements and demands		5	1	5	2	10	3	15
Ability to deliver improved value for money (Includes added value and Com benefits)		5	1	5	2	10	3	15
Ability to improve financial control		4	1	4	2	8	3	12
Ability to improve asset management		4	1	4	2	8	3	12
Ability to improve maintenance management		4	1	4	2	8	3	12
Ability to derive economies of scale		3	1	3	2	6	3	9
Ability to provide additional investment in technology		3	1	3	2	6	3	9
Ability to deliver an innovative, customer focused, quality driven service		3	1	3	2	6	3	9
Ability to deliver reduced environmental impact and carbon foot print for service		3	1	3	2	6	2	6
TOTAL SCORES			39	60	78	114		
%AGE SCORE (= SCORE divided by (WEIGHTING x SCORE))			33%	51%	67%	97%		
DELIVERY OPTIONS								
OPTION 1	Virtual Partnering							
OPTION 2	Co-located							
OPTION 3	Partial Integration							
OPTION 4	Full Integration							
WEIGHTING is a range from 0 to 5 where 0 = no impact and 5 is major impact								
SCORING is a range of 4 from 0 to 3 where 0 = no impact; 1 = peripheral contribution; 2 = some contribution; 3 = major and demonstrable delivery of objective								
Areas shaded in grey are data input cells. The rest of the calculations are automatic								
A red total score is the best case scenario but should be balanced against the whole life cost and the risk analysis elements								
Project objectives shaded green are "gateway" objectives and require a score of 1 or more for the appraisal to continue. A score of 0 against any gateway objective automatically rules out and option								

Appendix D – Partnership Model, Detailed Options Appraisal Outputs



Highways Post 2009 Strategy - Partnership Models

CRITICAL SUCCESS FACTORS -

Key Factors required for the successful delivery of the project objectives through partnership with the private sector

	WEIGHTING	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6	OPTION 7	OPTION 8	OPTION 9	OPTION 10
Sustained commitment of Both Parties at a senior level	4	2.00 8.00	2.00 8.00	1.00 4.00	2.00 8.00						
Drives cultural synergy and shared values	3	1.00 3.00	1.00 3.00	2.00 6.00	3.00 9.00						
Secures genuine and effective empowerment	5	1.00 5.00	1.00 5.00	2.00 10.00	3.00 15.00						
Supports effective alignment of structure and processes	5	1.00 5.00	1.00 5.00	2.00 10.00	3.00 15.00						
Maximises potential benefits to both parties	4	1.00 4.00	1.00 4.00	2.00 8.00	3.00 12.00						
Secures appropriate resource capacity and capacity building	4	1.00 4.00	1.00 4.00	2.00 8.00	3.00 12.00						
Enables learning and development within the partnership and internal and external networking	3	1.00 3.00	1.00 3.00	2.00 6.00	3.00 9.00						
Supports effective communication, engagement and management of expectations,	5	1.00 5.00	2.00 10.00	3.00 15.00	3.00 15.00						
TOTAL SCORES		37	42	67	95						
%AGE SCORE (= SCORE divided by (WEIGHTING x SCORE))		37%	42%	68%	96%						

DELIVERY SOLUTIONS

INPUT DESCRIPTION OF ALL OPTIONS (These will cascade through all worksheets)

OPTION 1	Virtual Partnering
OPTION 2	Co-located
OPTION 3	Partial Integration
OPTION 4	Full Integration
OPTION 5	
OPTION 6	
OPTION 7	
OPTION 8	
OPTION 9	
OPTION 10	

WEIGHTING is a range from 0 to 5 where 0 = no impact on delivery of project objectives, 1 = Negligible Impact, 2 = Minimal impact, 3 = Significant Impact 4= Major Impact and 5 is catastrophic impact;

SCORING is a range of 4 from 0 to 3 where 0 = no impact; 1 = peripheral contribution; 2 = some contribution; 3 = major and demonstrable delivery of objective

Areas shaded in grey are data input cells. The rest of the calculations are automatic

A red total score is the best case scenario but should be balanced against the whole life cost and the risk analysis elements

Appendix E – Risk Assessment for Partnering Models, Options 1-4

Highways Post 2009 Strategy
RISK ASSESSMENT

Risk profile

LIKELIHOOD	IMPACT
A Very high	1 Catastrophic
B High	2 Critical
C Significant	3 Significant
D Low	4 Marginal
E Very low	5 Negligible
F Almost impossible	

TYPE OF RISK

- Legislative
- Social
- Customer / Citizen
- People
- Political
- Economic
- Professional/Managerial
- Environmental
- Information
- Fraud
- Legal
- Physical
- Financial
- Technological
- Partnerships/Contractual/Competitive

Option 1 - Virtual Partnering

OWNED BY	Highways Post 2009 Project Team	Last Review Date:	15/11/07
OVERALL RISK	MEDIUM	Next Review Date:	

A					
B			3	5	
C			1	4,15	
D		2	14,16	11,12	
E		8,10,19,20		9	6,13
F	7		18	17	
	5	4	3	2	1
	IMPACT				

Ref No	Description of Risk	Type of Risk	Risks Rating	Existing Risk Controls	Lead Person	Action to Manage Risk
1	Change of Political Arrangements	Political	C3	Delivery model selection process	HHPS	Options Appraisal Process
2	Reduction in pre-cotted funding levels	Economic	D4	Likey to be minimum funding requirements in underlying contracts	HHPS	Financial appraisal of service model
3	Failure to recruit and retain staff	Social	B2	Recruitment and selection process	HHPS	TBC
4	Failure to invest in technology	Technological	C2	Existing business planning and investment processes	HHPS	TBC
5	Failure to integrate technology	Technological	B2	Internal IT selection & Procurement Processes	HHPS	Comply Is Internal Process
6	Failure to comply with legislation	Legislative	E1	Managed compliance with legislative and statutory requirements	HHPS	Existing controls
7	Failure to apply TUPE regulations	Legislative	F5	Non required	HHPS	Non required
8	Increase in Environmental impact	Environmental	E4	Compliance with environmental legislation and policy	HHPS	TBC
9	Lack of Staff Capacity and Skills	Professional/Managerial	E3	Recruitment and selection process & training and development	HHPS	TBC
10	The misappropriation of assets	Fraud	E4	Financial Regs and Standing Orders	HHPS	Ensure compliance
11	Failure to plan & control expenditure	Financial	D2	Capital monitoring controls and Board	HHPS	Ensure compliance
12	Increase in liability from 3rd party claims	Legal	D2	Compliance with H-way Inspection Regime	HHPS	Ensure compliance
13	Failure to manage health and safety	Physical	E1	Compliance with H & S management framework	HHPS	Ensure compliance
14	Partnership fails to deliver required performance	Partnerships/Contractual/Competitive	D3	Existing Partnering Framework and Management Arrangements	HHPS	non required
15	Failure to demonstrate or maintain competitiveness	Partnerships/Contractual/Competitive	C2	Limited VFM measures	HHPS	Introduce comprehensive effective VFM measures
16	Failure to meet customer expectations	Customer / Citizen	D3	Non in place	HHPS	service specific requirement and satisfaction surveys
17	Inability of SCC to deal with the required cultural change	People	E2	Non	HHPS	Change/Improvement to include staff engagement and development
18	Failure to effectively manage procurement process	Partnerships/Contractual/Competitive	F3	Internal procurement experience and advice, existing external		
19	Failure to implement effective governance arrangements	Partnerships/Contractual/Competitive	E4	Non in place		
20	Failure to effectively apportion and manage risk within the partnership	Partnerships/Contractual/Competitive	E4	SCC Risk management Framework		

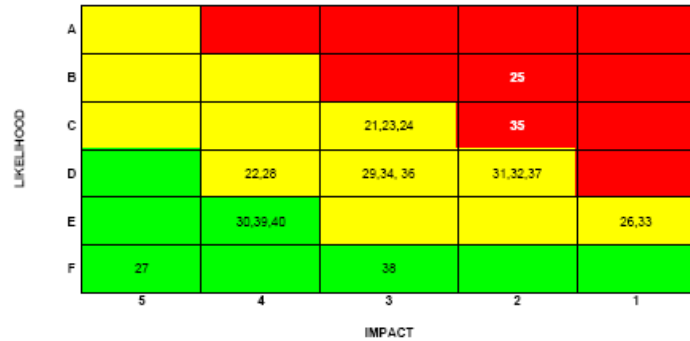
TRIBAL

Option 2 - Co-location

OWNED BY Highways Post 2005 Project Team
 OVERALL RISK MEDIUM

Last Review Date:
 Next Review Date:

16/11/07



Ref No	Description of Risk	Type of Risk	Risks Rating	Existing Risk Controls	Lead Person	Action to Manage Risk
21	Change of Political Arrangements	Political	C3	Delivery model selection process	HHPS	Options Appraisal Process
22	Reduction in predicted funding levels	Economic	D4	Likely to be minimum funding requirements in underlying contracts	HHPS	Financial appraisal of service model
23	Failure to recruit and retain staff	Social	C3	Recruitment and selection process	HHPS	TBC
24	Failure to invest in technology	Technological	C3	Existing business planning and investment processes	HHPS	TBC
25	Failure to integrate technology	Technological	B2	Internal IT selection & Procurement Processes	HHPS	Comply is Internal Process
26	Failure to comply with legislation	Legislative	E1	Managed compliance with legislative and statutory requirements	HHPS	Existing controls
27	Failure to apply TUPE regulations	Legislative	F5	Non required	HHPS	Non required
28	Increase in Environmental Impact	Environmental	D4	Compliance with environmental legislation and policy	HHPS	TBC
29	Lack of Staff Capacity and Skills	Professional/Managerial	D3	Recruitment and selection process & training and development	HHPS	TBC
30	The misappropriation of assets	Fraud	E4	Financial Regs and Standing Orders	HHPS	Ensure compliance
31	Failure to plan & control expenditure	Financial	D2	Capital monitoring controls and Board	HHPS	Ensure compliance
32	Increase in liability from 3rd party claims	Legal	D2	Compliance with H-way Inspection Regime	HHPS	Ensure compliance
33	Failure to manage health and safety	Physical	E1	Compliance with H & S management framework	HHPS	Ensure compliance
34	Partnership fails to deliver required performance	Partnerships/Contractual/Competitive	D3	Existing Partnering Framework and Management Arrangements	HHPS	non required
35	Failure to demonstrate or maintain competitiveness	Partnerships/Contractual/Competitive	C2	Limited VFM measures	HHPS	Introduce comprehensive effective VFM measures
36	Failure to meet customer expectations	Customer / Citizen	D3	Non In place	HHPS	service specific requirement and satisfaction surveys
37	In ability of SCC to deal with the required cultural change	People	E2	Non	HHPS	Change/Improvement to include staff engagement and development
38	Failure to effectively manage procurement process	Partnerships/Contractual/Competitive	F3	Internal procurement experience and advice, existing external		
39	Failure to implement effective governance arrangements	Partnerships/Contractual/Competitive	E4	Non In place		
40	Failure to effectively apportion and manage risk within the partnership	Partnerships/Contractual/Competitive	E4	SCC Risk management Framework		

Option 3 - Partial Integration

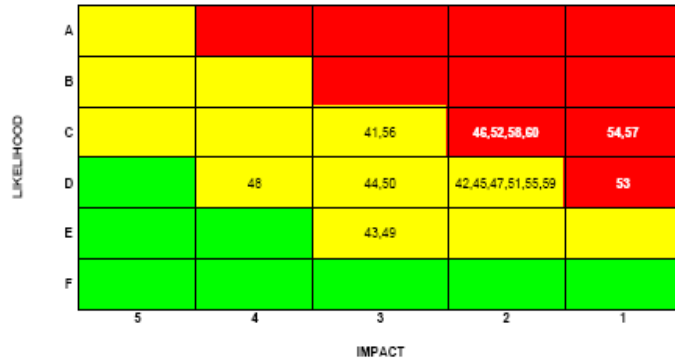
OWNED BY Highways Post 2005 Project Team

Last Review Date:

30/04/07

OVERALL RISK **MEDIUM**

Next Review Date:



Ref No	Description of Risk	Type of Risk	Risks Rating	Existing Risk Controls	Lead Person	Action to Manage Risk
41	Change of Political Arrangements	Political	C3	Delivery model selection process	HHPS	Options Appraisal Process
42	Reduction in predicted funding levels	Economic	D2	Likey to be minimum funding requirements in underlying contracts	HHPS	Financial appraisal of service model
43	Failure to recruit and retain staff	Social	E3	Recruitment and selection process	HHPS	TBC
44	Failure to Invest in technology	Technological	D3	Existing business planning and investment processes	HHPS	TBC
45	Failure to integrate technology	Technological	D2	Internal IT selection & Procurement Processes	HHPS	Comply is Internal Process
46	Failure to comply with legislation	Legislative	C2	Managed compliance with legislative and statutory requirements	HHPS	Existing controls
47	Failure to apply TUPE regulations	Legislative	D2	Internal HR support and national guidance	HHPS	Non required
48	Increase in Environmental Impact	Environmental	D4	Compliance with environmental legislation and policy	HHPS	TBC
49	Lack of Staff Capacity and Skills	Professional/Managerial	E3	Recruitment and selection process & training and development	HHPS	TBC
50	The misappropriation of assets	Fraud	D4	Financial Regs and Standing Orders	HHPS	Ensure compliance
51	Failure to plan & control expenditure	Financial	D2	Non	HHPS	Ensure compliance
52	Increase in liability from 3rd party claims	Legal	C2	Compliance with H-way Inspection Regime	HHPS	Ensure compliance
53	Failure to manage health and safety	Physical	D1	Compliance with H & S management framework	HHPS	Ensure compliance
54	Partnership fails to deliver required performance	Partnerships/Contractual/Competitive	C1	Non	HHPS	non required
55	Failure to demonstrate or maintain competitiveness	Partnerships/Contractual/Competitive	D2	Limited VFM measures	HHPS	Introduce comprehensive effective VFM measures
56	Failure to meet customer expectations	Customer / Citizen	C3	Non in place	HHPS	service specific requirement and satisfaction surveys
57	In ability of SCC to deal with the required cultural change	People	C1	Non	HHPS	Change/Improvement to include staff engagement and development
58	Failure to effectively manage procurement process	Partnerships/Contractual/Competitive	C2	Internal procurement experience and advice, existing external		
59	Failure to Implement effective governance arrangements	Partnerships/Contractual/Competitive	D2	Non in place		
60	Failure to effectively apportion and manage risk within the partnership	Partnerships/Contractual/Competitive	C2	SCC Risk management Framework		

Appendix F – Baseline Financial Assessment, Options 1 – 4

	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	19/20	20/21	21/22	Total
Capital			3756	7512	7512	7512	7512	7512	7512	7512	7512	7512	3756	75120
Revenue			3346	6693	6693	6693	6693	6693	6693	6693	6693	6693	3346	66929
Total			7102	14205	14205	14205	#####	14205	14205	14205	14205	14205	7102	142049
Implementation Cost	-200	-300	-200											-700
Client Cost			-142	-284	-284	-284	-284	-284	-284	-284	-284	-284	-142	-2840
Total	-200	-300	-342	-284	-284	-284	-284	-284	-284	-284	-284	-284	-142	-3540
VIRTUAL INTEGRATION														
Gross Savings Optimistic - 3%	0	0	213	426	426	426	426	426	426	426	426	426	213	4261
Gross Savings Realistic - 2%	0	0	142	284	284	284	284	284	284	284	284	284	142	2841
Gross Savings Pessimistic - 1%	0	0	71	142	142	142	142	142	142	142	142	142	71	1420
Net Savings Optimistic	-200	-500	-629	-487	-345	-202	-60	82	224	366	508	650	721	
Net Savings Realistic	-200	-500	-700	-700	-700	-700	-700	-699	-699	-699	-699	-699	-699	
Net Savings Pessimistic	-200	-500	-771	-913	-1055	-1197	-1339	-1481	-1623	-1765	-1907	-2049	-2120	
CO-LOCATION														
Gross Savings Optimistic - 4%	0	0	284	568	568	568	568	568	568	568	568	568	284	5682
Gross Savings Realistic - 3%	0	0	213	426	426	426	426	426	426	426	426	426	213	4261
Gross Savings Pessimistic - 2%	0	0	142	284	284	284	284	284	284	284	284	284	142	2841

TRIBAL

Net Savings Optimistic	-200	-500	-558	-274	10	295	579	863	1147	1431	1716	2000	2142	
Net Savings Realistic	-200	-500	-629	-487	-345	-202	-60	82	224	366	508	650	721	
Net Savings Pessimistic	-200	-500	-700	-700	-700	-700	-700	-699	-699	-699	-699	-699	-699	
PARTIAL INTEGRATION														
Implementation Cost	-200	-300	-300											-800
Client Cost			-142	-284	-284	-284	-284	-284	-284	-284	-284	-284	-142	-2840
Total	-200	-300	-442	-284	-284	-284	-284	-284	-284	-284	-284	-284	-142	-3640
Gross Savings Optimistic - 6%	0	0	426	852	852	852	852	852	852	852	852	852	426	8523
Gross Savings Realistic - 4%	0	0	284	568	568	568	568	568	568	568	568	568	284	5682
Gross Savings Pessimistic - 2%	0	0	142	284	284	284	284	284	284	284	284	284	142	2841
Net Savings Optimistic	-200	-500	-516	52	621	1189	1757	2326	2894	3462	4031	4599	4883	
Net Savings Realistic	-200	-500	-658	-374	-90	195	479	763	1047	1331	1616	1900	2042	
Net Savings Pessimistic	-200	-500	-800	-800	-800	-800	-800	-799	-799	-799	-799	-799	-799	
FULL INTEGRATION														
Implementation Cost	-300	-400	-300											-1000
Client Cost			-142	-284	-284	-284	-284	-284	-284	-284	-284	-284	-142	-2840
Total	-300	-400	-442	-284	-284	-284	-284	-284	-284	-284	-284	-284	-142	-3840
Gross Savings Optimistic - 8%		0	568	1136	1136	1136	1136	1136	1136	1136	1136	1136	568	11364
Gross Savings Realistic - 6%		0	426	852	852	852	852	852	852	852	852	852	426	8523
Gross Savings Pessimistic - 5%		0	355	710	710	710	710	710	710	710	710	710	355	7102

T R I B A L

Highways Future Project – Outline Business Case, Phase One

Net Savings Optimistic	-300	-700	-574	279	1131	1983	2836	3688	4541	5393	6245	7098	7524
Net Savings Realistic	-300	-700	-716	-148	421	989	1557	2126	2694	3262	3831	4399	4683
Net Savings Pessimistic	-300	-700	-787	-361	66	492	918	1344	1771	2197	2623	3049	3262

Appendix G - Example of Framework for Output Based Specification (OBS)

Topic	Detail
Introduction	<p>Section headings to include:</p> <ul style="list-style-type: none"> ■ Introduction to customer organisation ■ Introduction to OBS: purpose, composition ■ Disclaimers, caveats etc ■ Confidentiality, IPR
Background to the requirement	<p>Section headings to include:</p> <ul style="list-style-type: none"> ■ Organisational business - overview ■ Business Strategy ■ Current functions and structure relevant to procurement ■ Current IS/IT relevant to procurement ■ Policies, standards ■ History relevant to procurement - recent developments ■ Future developments relevant to procurement ■ Objectives of PFI for procurement (where relevant) ■ Role of this procurement in business plans ■ Scope of this procurement - summary: <ul style="list-style-type: none"> ■ Core service provision (Basic and Business-Specific) ■ Core Service provision - business services ■ Optional extensions for which proposals will be considered ■ Services, business activities excluded from procurement
Specification of requirement	<p>Section headings to include:</p> <ul style="list-style-type: none"> ■ Description of business area affected by procurement ■ Business environment: related activities, stakeholders ■ Overview of business objectives relevant to procurement ■ Description of the business activities in the area affected by procurement: <ul style="list-style-type: none"> ■ business functions and processes ■ organisation and staffing: roles and responsibilities ■ information flows ■ current service support ■ quantitative aspects of current operations ■ Scope of procurement (initial view) ■ Basic/Infrastructure services to be provided ■ Business-specific services to be provided ■ Business services to be provided ■ Other services required (e.g. training) ■ Specification of services, products and states/conditions desired ■ Requirements to be met - essential outputs, measures, quality attributes, performance ■ Possibilities, options for variation in scope of procurement: <ul style="list-style-type: none"> ■ extension to encompass additional business activities within specified business functions ■ extension of scope of support for specified business activities ■ extension of scope to include support for other business functions ■ Future developments required, options ■ Constraints on solutions (minimum set), e.g.: <ul style="list-style-type: none"> ■ compatibility ■ interfacing, interworking ■ standards

Topic	Detail
	<ul style="list-style-type: none"> ■ interaction with other business activities ■ Requirements/constraints for migration, implementation, cutover, start-up ■ Requirements for additional services, e.g. further development, consultancy ■ Scope for transfer of assets, staff ■ Risks to be considered by providers
Contract and service management requirements	<p>Sections to include:</p> <ul style="list-style-type: none"> ■ Expected nature of contracts; proposed terms and conditions ■ Opportunities for suggesting different contract scopes ■ Proposed arrangements for management of contract ■ Requirements/constraints for service management, customer liaison ■ Roles and responsibilities
Procurement procedures	<p>Sections to include:</p> <ul style="list-style-type: none"> ■ Procurement timetable ■ Implementation timetable - requirements ■ Procurement procedures ■ Information required on costs ■ Evaluation criteria, procedures
Response required	<p>Sections to include information required, such as:</p> <ul style="list-style-type: none"> ■ Corporate capability, e.g. <ul style="list-style-type: none"> ■ such as nature of consortium ■ Response to service requirements <ul style="list-style-type: none"> ■ service provision ■ business service provision ■ other services offered ■ Description of approach to service provision (Method Statement) <ul style="list-style-type: none"> ■ specific topics to be addressed (checklist) ■ project management and implementation ■ plans and timetable ■ organisation and staffing ■ Commercial proposals (indicative/budgetary); response of provider: <ul style="list-style-type: none"> ■ funding arrangements ■ basis of charging ■ budgetary costs ■ incentives in contract: provider's proposals ■ transfer of assets, staff ■ other revenue streams ■ Response to contract requirements ■ Management of Risk; Risk transfer: response of provider ■ Options, alternative proposals
Format for responses	<p>Details of layout required for ease of comparison, evaluation</p>
Annexes	<p>Details not included in main document, e.g.:</p> <ul style="list-style-type: none"> ■ Details of business activities ■ Business facts and figures ■ Organisational details ■ Details of current services, technical environment ■ Requirements for compatibility, interfacing

