

# Appendix 1 – Contract Review – Project Set-up and Delivery

## 1.1. Project Set-Up and Charter

1.1.1. In early 2024, a project Steering Group was established to undertake the review of the PFI contract, identify areas of improvement and take responsibility for delivering improvement plans and strategies. This Steering Group included representatives from Amey, the SPV and SCC at Operational Leadership level. An Independent Project Manager was appointed to steer the progress on this project.

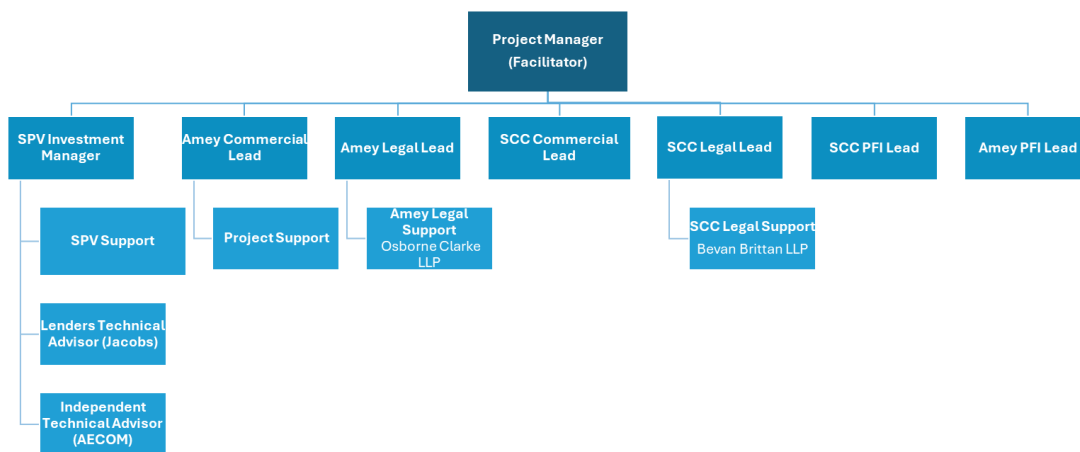


Figure 1 - Contract Review Org Chart

1.1.2. An escalation process was established to report outputs, escalate issues and finalise agreements. This structure is presented in Figure 2 below.

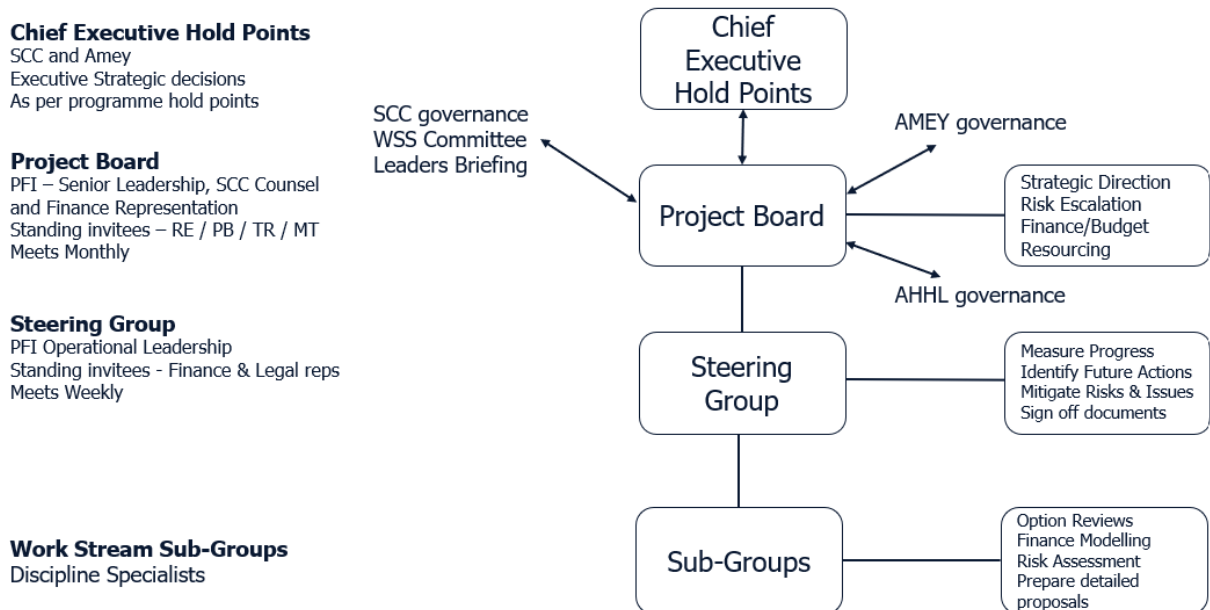


Figure 2 - Project Escalation Process

1.1.3. A Project Vision Statement was agreed by all parties, this was underpinned by the Council Plan to ‘Help maintain great neighbourhoods that people are happy to call home and support a city on the move – growing, connected and sustainable’:

*‘Refreshing the Streets Ahead Contract to ensure we maintain a stable sustainable partnership, delivering a flexible exemplar highways PFI service, through a customer focused local approach allowing communities to thrive.*

*Ensuring the right quality and standards in those areas important to residents and ensure the city has a fit for purpose, well maintained highways infrastructure that is free from defects now and at the end of the contract period*

*We will do this whilst ensuring best value to Sheffield residents maximising the ability to attract and deliver capital investment opportunities across the City.’*

1.1.1. The Steering Group developed a benefits register outlining key areas where further review could potentially lead to improvements. This was agreed at Project Board and is summarised in the Table below.

	Item	Service Area
1	Need for local flexible resource to deliver agile, tailored Services in street cleansing	Street Cleansing and Grounds Maintenance
2	Current criteria for condition based asset scoring is not flexible enough for communities	Carriageways
3	Improve 'Customer Experience' offering. Overall Amey's Customer Experience standards are good, however this is let down by a small number of generic repeat acknowledgements	Customer Experience

	Item	Service Area
4	'Hair trigger' Performance Requirements could place the PFI in default even if overall performance at a service level is good	Commercial
5	Ability to terminate without an ability to remedy service through a Rectification Plan	Commercial
6	The performance regime does not promote working collaboratively to make sure the contract is successful rather the mitigation of some punitive performance measures. This works against the overall desire to promote flexibility.	Management
7	Streamline Contract Change Process, enable temporary Performance Requirement changes for projects/needs	Commercial
	Need for PFI to be flexible in the future to allow changes when asset or city requirements change. Number of Performance Requirements do not allow this as it promotes rigidity	
8	Surety of future Non-Core Services workload for ALG	Corporate/Strategic
	Ensure that Amey is SCC's partner of choice for Highway Schemes, allowing flexibility, procurement and delivery savings	

Table 1 - Proposed Benefits Register

- 1.1.2. As the project has progressed, the Steering Group agreed to proceed with several benefits as part of the 1st phase of delivering improvements of this Contract Review. Benefits presented in Table 4 and highlighted in green will proceed as part of this committee decision report. Benefits highlighted as yellow will continue to proceed through early 2025 in accordance with the outline plan presented in Table 5 below:

	Item	Service Area	Plan To Complete
1	Need for local flexible resource to deliver agile, tailored Services in street cleansing	Street Cleansing and Grounds Maintenance	Establish Project Team from HMD, Amey and SPV. Appoint Members Working Group. Report Through Knowledge Briefing and WSS Committee (if Reqd)
2	Improve 'Customer Experience' offering. Overall Amey's Customer Experience standards are good, however this is let down by a small number of generic repeat acknowledgements	Customer Experience	Establish Project Team from HMD, Amey and SPV. Appoint Members Working Group. Report Through Knowledge Briefing and WSS Committee (if Reqd)
3	The performance regime does not promote working collaboratively to make sure the contract is successful rather the mitigation of some punitive performance measures. This works against the overall desire to promote flexibility.	Management	Ongoing activity promoted by both Amey, SPV and SCC Operational and Strategic Leadership
4	Surety of future Non-Core Services workload for ALG	Corporate/Strategic	Review to be undertaken and Corporate/Strategic Level with Legal Input. Amey's quality offering to be reviewed, decision sits outside the scope of the WSS Committee.
	Ensure that Amey is SCC's partner of choice for Highway Schemes, allowing flexibility, procurement and delivery savings		

Table 2 - Benefits to be Delivered Through 2025

- 1.1.3. The remaining benefits identified in Table 4 will be addressed in this Committee Decision Report.
- 1.1.4. These areas are expected to derive a cash benefit from Amey LG if implemented. The size of the benefit will be determined by the outcome of the negotiations on the priority areas for example different levels of risk transfer may result in a higher cash benefit. The proposed benefit will be weighed against the proposals made within this paper as part of the overall considerations.