



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE &amp; PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.2</b>
<b>30th January 2019</b>	<b>PUBLIC REPORT</b>

## **TRANSPORT DELIVERY – APPOINTMENT OF INNER CIRCLE**

### **1. PURPOSE**

- 1.1 Transport has a vital role to play in helping the region fulfil its economic potential. In March 2018 the Combined Authority set out its ambitious transport plans for the area and is making progress across a range of projects which will provide transformational benefits for the area. Many of these projects are only possible through the additional funding the Combined Authority has unlocked through devolution.
- 1.2 As Local transport planning authority the Combined Authority is working with various organisations who make vital transport and infrastructure contributions to this area. These include organisations ranging from Highways England, Network Rail and the East-West Rail organisation, to more local bodies such as the highway authorities, district councils and the Greater Cambridge Partnership. Whilst the Combined Authority welcomes these contributions it is important that it provides a strategic overview to ensure that these interventions align with wider transport, housing and economic strategies. During the summer of 2018 the transport team was strengthened to deliver the transport priorities in line with the strategic overview as set out in the Mayor's Interim Transport Strategy Statement.
- 1.3 The purpose of this report is to provide the Board with a briefing relating to the appointment of Inner Circle Ltd as transport consultants to the Authority under delegated powers
- 1.4 On 31 March 2019 the contract with Inner Circle concludes and this report requests authority to carry out a procurement exercise and for an allocation budget to secure appropriate consultancy arrangements until the appointment of the permanent Transport Director and transport team

DECISION REQUIRED	
Lead Member:	Mayor James Palmer
Lead Officer:	Kim Sawyer, Interim Chief Executive
Forward Plan Ref: KD2019/011	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> <li>1. Note the arrangement with Inner Circle to date.</li> <li>2. Authorise the Chief Executive, in consultation with the Chair of the Transport Committee, to take whatever steps are necessary to secure appropriate consultancy arrangements after the end of March 2019 and until the appointment of the permanent transport team</li> </ol>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

## 2.0 BACKGROUND

- 2.1 On the 30<sup>th</sup> of May 2018, the Combined Authority Board approved the Mayoral Interim Transport Strategy Statement. The purpose of this statement is to guide the development of the new LTP and to provide strategic direction for the delivery of transport projects that were either underway or soon to be developed. The MITSS included 16 priority transport projects ranging in scale for transport studies through to the Cambridge Autonomous Metro System.
- 2.2 As part of the MITSS, the preparation of a new LTP is major undertaking which is currently under development and will be completed by spring 2019. This new document will address any shortfalls in the existing LTP and ensure full alignment with the Combined Authority's bold and ambitious transport aspirations and priorities for the region. This LTP will challenge traditional approaches in how our transport solutions are designed and move towards a new model which creates a world-class public transport system integrating metro, rail, bus and mobility services with walking and cycling facilities that supports more active travel choices.
- 2.3 In approving the MITSS, the Board requested a review of the features and timeframes for all transport corridors to ascertain their alignment with the MITSS. The review identified significant opportunities across the transport

programme to save money, accelerate delivery and remove interim solutions that divert public money away from delivery of the long-term transport ambitions.

#### 2.4 Procurement of Inner Circle Ltd (IC)

Having identified the requirement for immediate support to implement the Board's requirement to accelerate delivery of the schemes within the Transport Portfolio, Inner Circle were appointed to provide a transport team to the Combined Authority. This was due to their expertise in a number of areas, namely governance, funding and financing, transport, political negotiating, devolution policy and delivery. They also have extensive knowledge and experience of working in the region and with key partners.

- 2.5 Under the Constitution the Chief Executive has delegated authority to enter into contracts up to £500k under the Contract Procedure Rules (which form part of the Authority's Standing Orders). This decision has been reflected in an Officer Decision Notice (ODN 2018-78)
- 2.6 The contract is based on a proposal sent by Inner Circle in April which was a call off contract from the Crown Commercial Services framework, which includes a schedule of rates. Under the framework, Inner Circle could be procured without competition to provide consultancy services for a period of up to nine months. It is important to note that, to comply with procurement rules, after the initial period, a mini competition must be held. Whilst current spend on the contract to date is within officer delegations, if Inner Circle are successful in the mini competition, overall spend on this contract will exceed officer delegations. Hence the request for the Board to give authority to officers to carry out whatever procurement steps are necessary to secure specialist consultancy advice beyond March 2019 and until a permanent transport team can be recruited.
- 2.7 Inner Circle commenced work for the Authority in June 2018. In July 2018, Chris Twigg, who is a Director of Inner Circle, was asked to carry out the role of interim Director of Transport at the Authority. This is a secondment agreement which is a separate contract to the call off contract for Inner Circle but is reported to Board for transparency.
- 2.8 At the time of Chris Twigg's secondment, Inner Circle provided an addendum proposal to ensure that there were no potential or actual conflicts of interest and since that point another Inner Circle Director, Andrew Starkie, has been the relationship manager. Mr Starkie has been the only point of contact in relation to the contract and all dealings have been with him.
- 2.9 In order to formalise the arrangement and to protect the Authority, the interim Monitoring Officer prepared a secondment agreement between the Authority and Inner Circle which ensures that there is no conflict of interest. The agreement also specifically provides that Chris Twigg does not have authority to enter into contracts, commit the Authority to resources or bind the Authority in any way. This ensures that he cannot enter into any contractual

arrangements with Inner Circle whilst acting as a Director of the Combined Authority.

- 2.10 An important point for members to note is that there has been no additional work commissioned or any changes to the scope of the call off contract with Inner Circle since its inception. Officers will need to take steps to comply with procurement rules by carrying out a mini competition at the end of March in line with the rules governing the framework.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 To the end of December 2018, the Authority has spent the following sums with IC:

IC Team costs	£	278,456.50
Chris Twigg Secondment		121,191.50
Total		399,648.00

- 3.2 Whilst the amount of time spent on the contract varies from month to month depending upon the demand for programme management, the predicted spend for the remaining 3 months to 31 March is:

IC Team costs	£	104,421.18
Chris Twigg Secondment		51,939.21
Total projected costs		156,360.39

- 3.3 The total costs under the consultancy contract to the end of March are estimated to be £382,877.69, which is within officer delegations.
- 3.4 As stated, these numbers relate only to the IC team costs and the costs for the secondment of the interim Director of Transport relate to a separate contract, but the figures are shown for information.

### **4. LEGAL IMPLICATIONS**

- 4.1 The Combined Authority assumed the role of the Local Transport Authority by virtue of Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority must exercise the statutory functions of the local transport authority under Part II Local Transport Act 2000 and Parts 4 & 5 of the Transport Act 1985 so as to achieve effective and efficient transport within the area.
- 4.2 Part II of the Transport Act 2000 introduced new requirements for the preparation of local transport plans, replacing transport policies and programmes. Each local transport authority must (a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area; (b) carry out its functions so as to implement those policies.

- 4.3 Procurement of Inner Circle was under a framework agreement. Framework agreements are pre-tendered lists of suppliers from which various authorities can 'call-off' contracts based upon the terms of the framework agreement. This can be by direct award or mini-competition. Frameworks are fully compliant with procurement legislation and save considerable time and costs of tendering individually for contracts.
- 4.4 The Combined Authority appointed Inner Circle under a Call-Off Contract from the Crown Commercial Services Framework Agreement which, along with a Single Supplier Exemption - permissible under the relevant Framework Agreement - ensures that the Authority follows both internal governance for procurement of Contracts as well as EU Procurement Law. However, the framework only allows for a nine month call off and a mini competition will have to be held to ensure arrangements are in place after the 31<sup>st</sup> March 2019. This will be an open competition with no supplier being given any preference.
- 4.5 A mini competition is where several suppliers on the framework are invited to bid against a set scope of works. The process is usually utilised to place a call-off contract under a framework agreement where the best value (cheapest) supplier has not been specified. It allows one to further refine requirements to be wider than just financial, whilst retaining the benefits offered under the framework agreement
- 4.6 The process is faster and less onerous than a full tender process as there is no need to assess successful suppliers' capacity and capability to be able provide the service (which is done when they sign-up to the Framework Agreement). It does however allow the client to use a wider selection criterion than just price, including; financial standing, technical capability, staffing, health and safety, environmental aspects, accreditations etc.
- 4.7 In addition, the financial limits on the delegated arrangements are likely to be exceeded once the contract is placed following the mini competition. The Board must therefore approve any further delegation of budget to the Chief Executive to authorise the contract.

## **5. SIGNIFICANT IMPLICATIONS**

There are no additional significant implications to consider in this paper. Equalities impacts are addressed in the framework contract terms.

## **6. APPENDICES**

None

## **7. BACKGROUND PAPERS**

None