

Isle of Wight Council Highways PFI

District road show presentation

November 2012 to January 2013

Edward Giles

Stuart Love

Jay Jayasundara

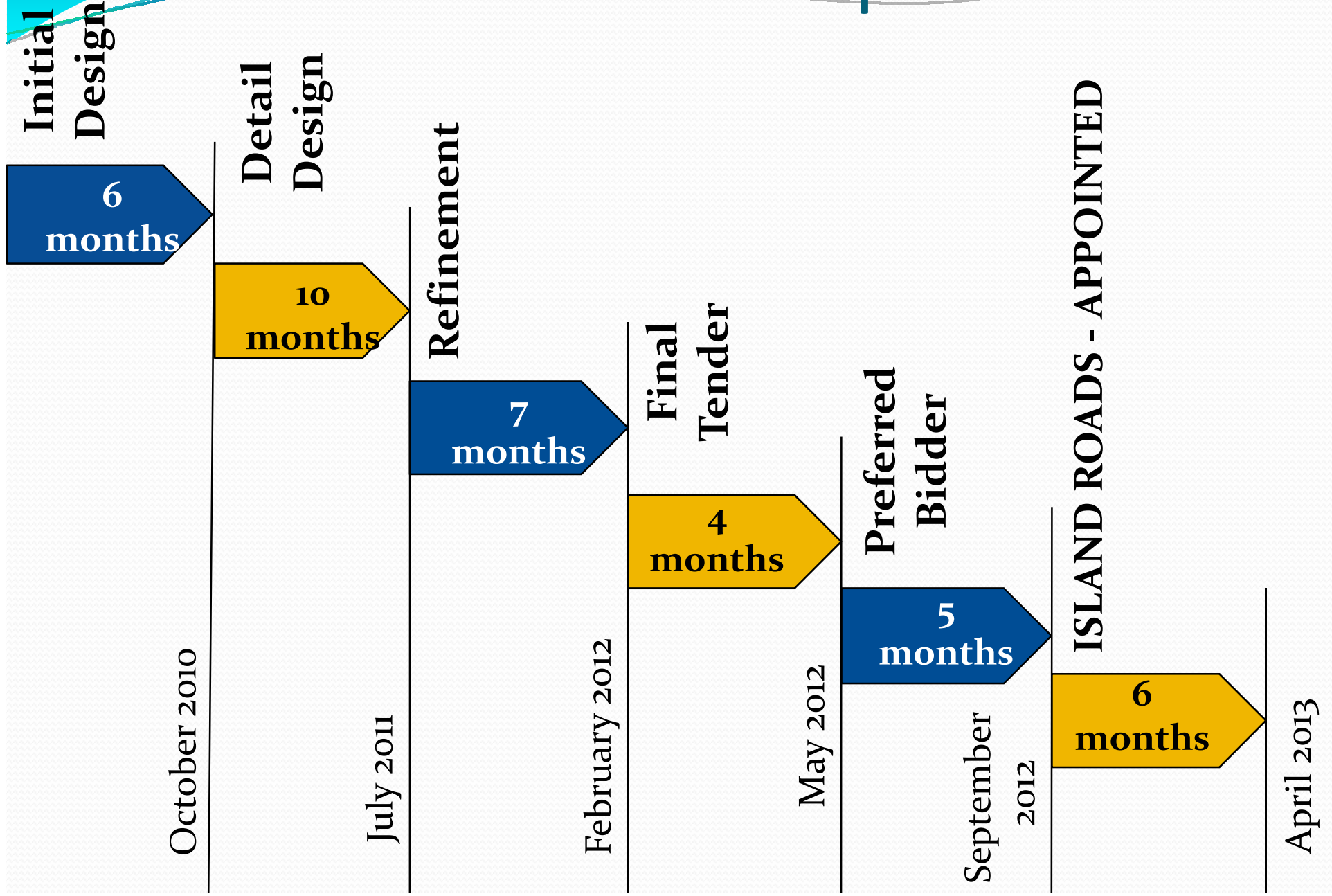
Marc Griffin



Purpose

- ❖ Give you an overview of Highways PFI Project
- ❖ Introduce ISLAND ROADS
- ❖ Give you a feel for what to expect from April 2013

Where are we in the process?



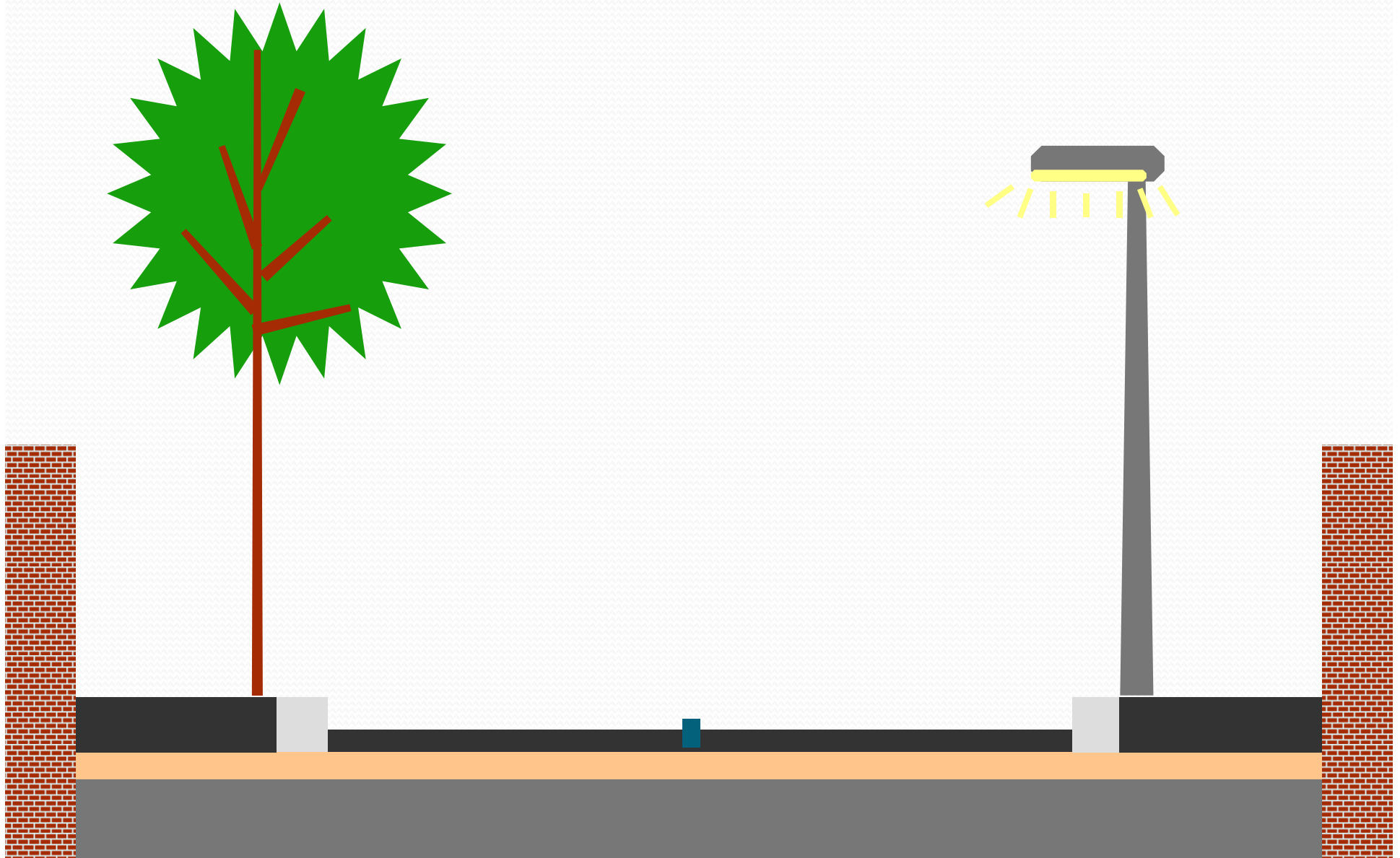
Good News!

- Highways PFI Project – now a reality – ISLAND ROADS appointed
- Funding & Contract – now in place
- Government grant over 25 years – worth £480m – not repayable
- Council paying £7.3m per year – inflation linked = £1m saving each year
- About £0.8bn investment on the Island – over 25 years
- No additional cost to Island Council tax payers; £25+m saving
- 25 year Contract – signed with Service Provider on 26 Sept
- Island Roads – Contractor to deliver services on the ground
- 1st April 2013 – date to remember!

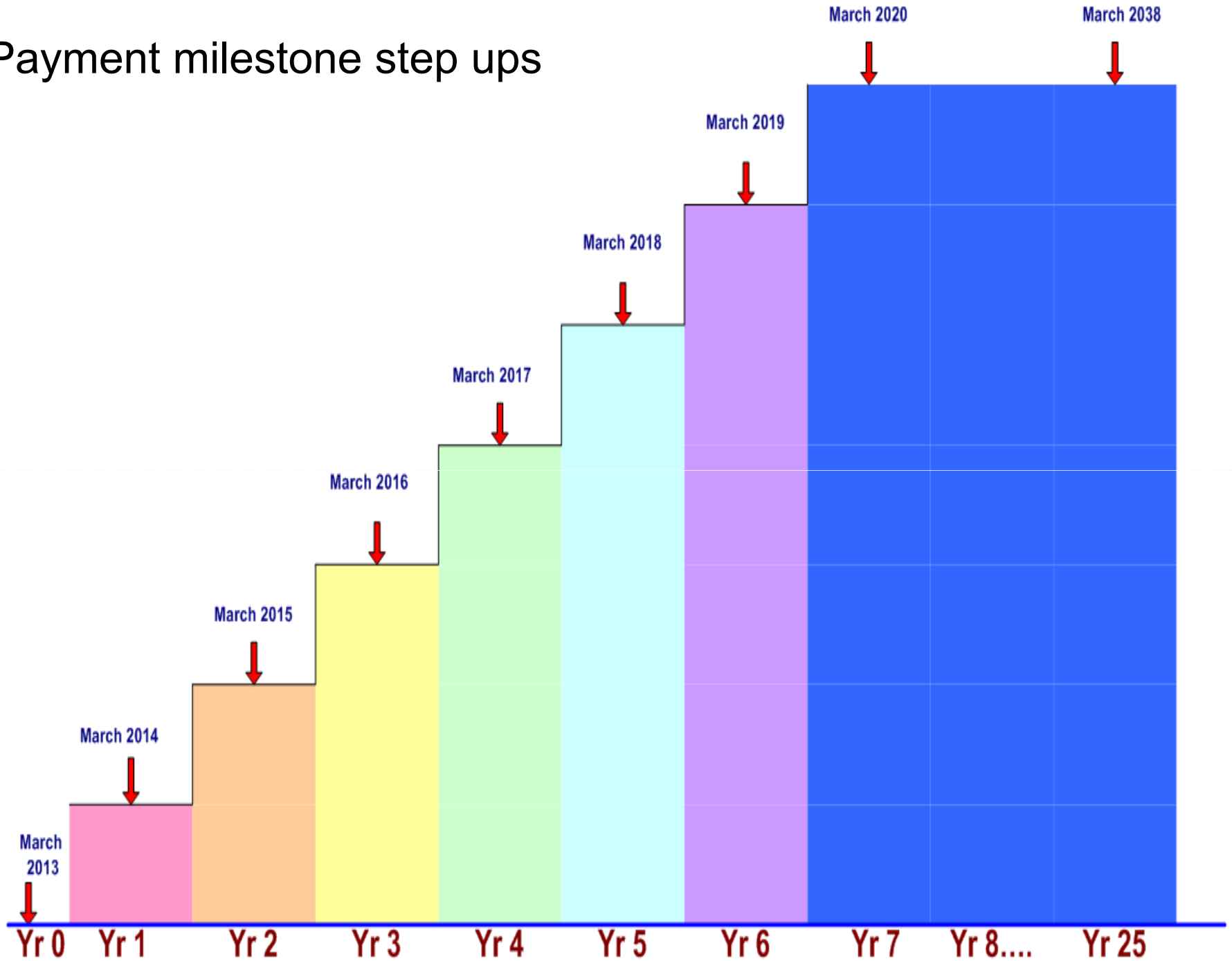
What is PFI?

- **Private Finance Initiative (PFI)**
- Private funding for delivering public services
- A means by which
 - Private sector makes capital investment in a public asset – front up
 - Private sector provides service over life time of contract
 - Public sector makes service payments – over the project lifetime
- Performance – is rewarded through “Service Payments”
 - Service - making highway assets available at the required standard
- Funding
 - Government Grant
 - IWC Contributions

What is included in the PFI?



Payment milestone step ups



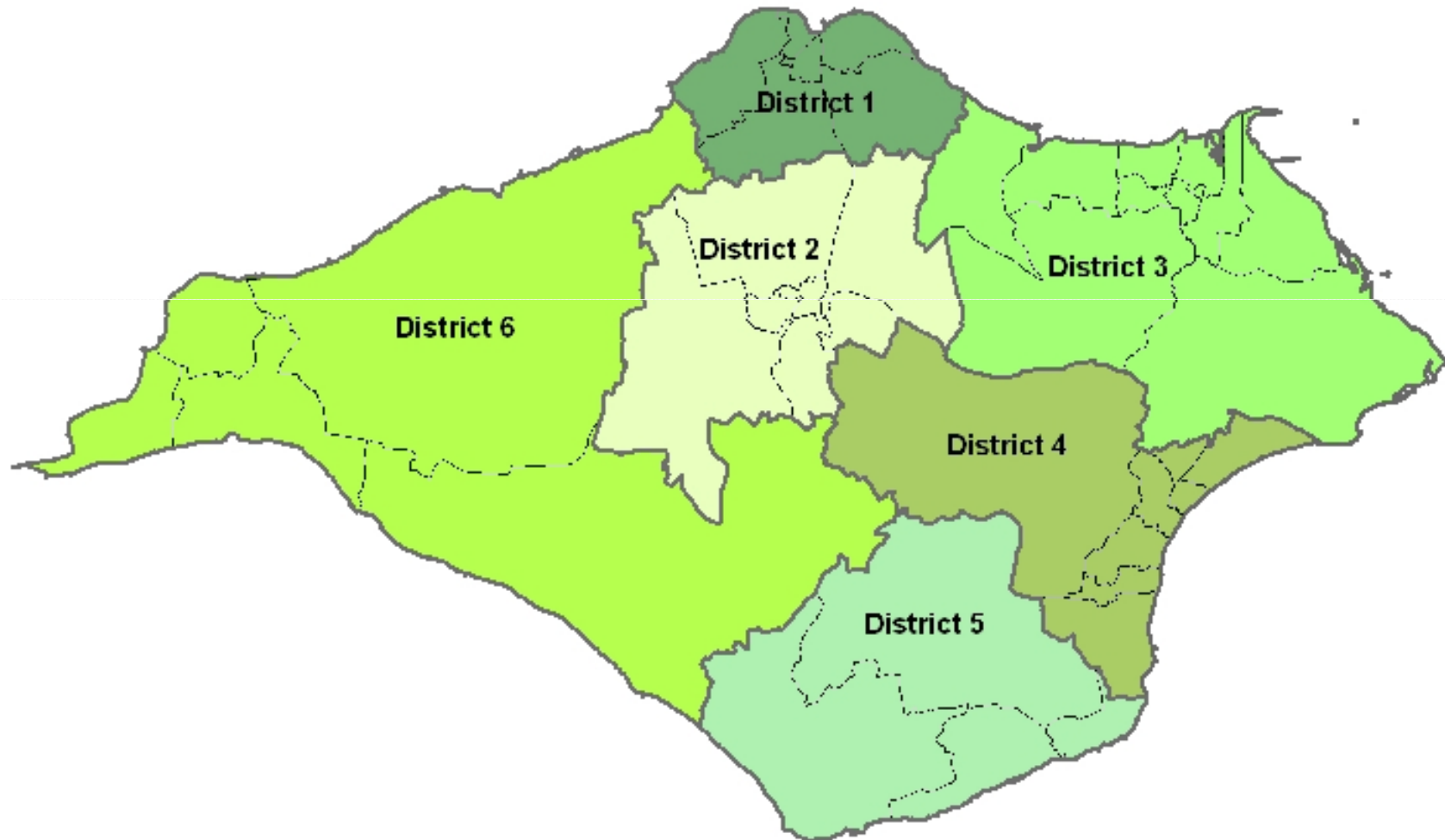
What changes will you see?

- All Publicly maintained Highway Network upgraded
- First 7 years – Significant investment - Major Improvement Phase
 - ❖ Roads – roads will be refurbished
 - ❖ Footways, cycle ways/tracks - surfacing upgraded
 - ❖ Drainage – new major & minor schemes implemented
 - ❖ Bridges & retaining walls - upgraded & all weight restrictions removed
 - ❖ Car parks – resurfaced
 - ❖ Street lighting - replacing all 12,000+ lighting units with energy efficient LED lighting
 - ❖ Well known areas – historical failures addressed – 18 Capital schemes – Undercliff Drive, Brook, Newport Road, Bouldnor Road
 - ❖ New Highway depot - to facilitate new, improved services
- Maintain upgraded assets – maintain at this high level for next 18 yrs
- No New Roads/Footways/Cycle ways in this Contract

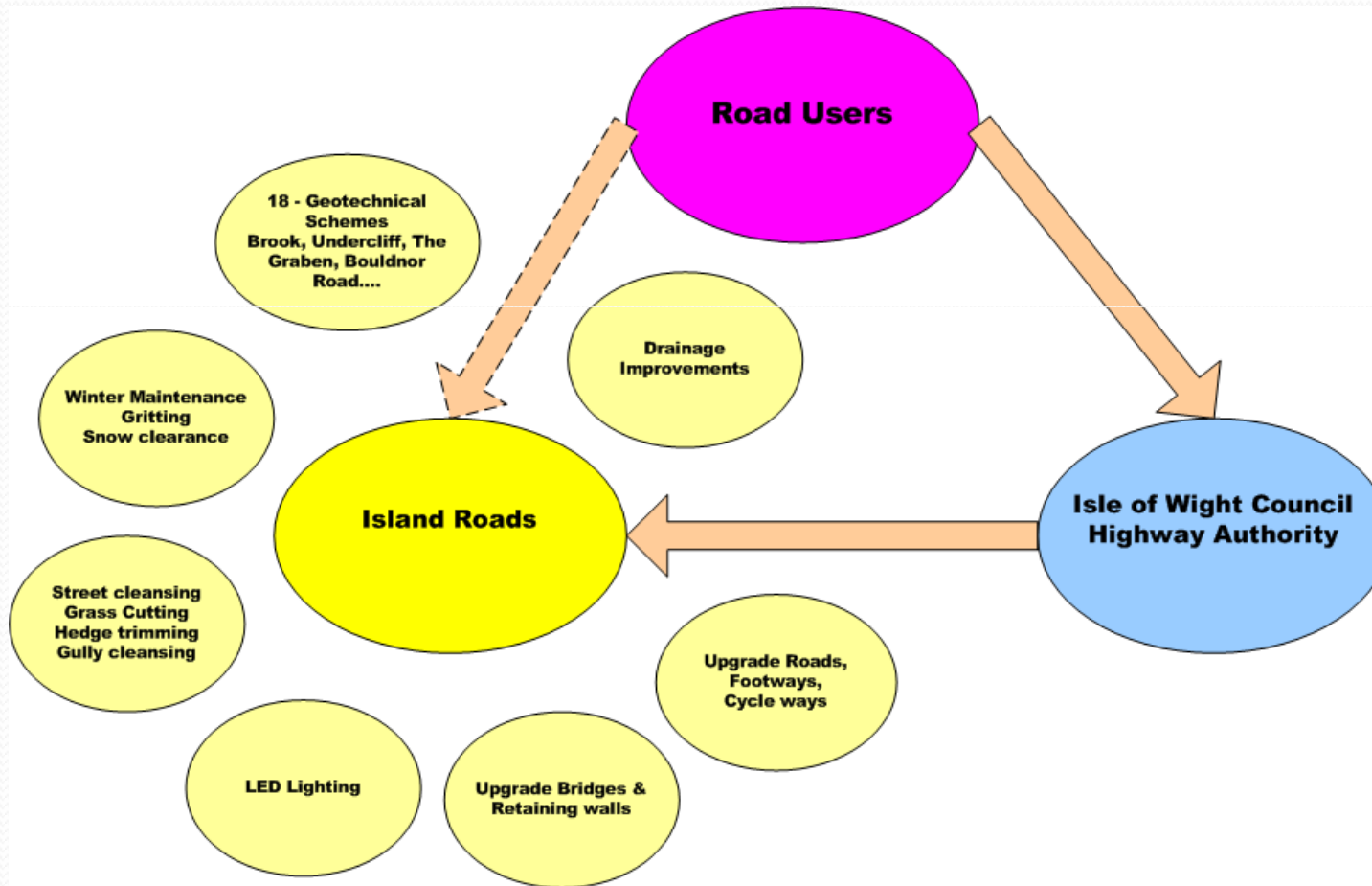
What else will Island Roads do?

- Operate & Maintain the Highway
 - ❖ Street cleansing – to a standard appropriate for tourist
 - ❖ Grass cutting, hedge trimming, ornamental planters
 - ❖ Cleaning bus shelters, maintain signs, street lights, energy payments...
 - ❖ CCTV monitoring – 24 hour Central Control Room
 - ❖ Raise or lower lighting level – based on need
 - ❖ Winter maintenance – gritting, snow clearance
 - ❖ Attending road traffic accidents, emergencies (flooding..)
 - ❖ Maintain traffic lights, car park ticketing machines
 - ❖ Issue licences, permits, manage Utilities accessing highway
 - ❖ Remove graffiti, any animal carcasses...

Isle of Wight Districts



How will it operate?



Managing the Services

- Isle of Wight Council (IWC) – Highway Authority
- ISLAND ROADS will deliver services - on behalf of IWC
- IWC – dedicated Contract Management Team
 - ❖ Monitor ISLAND ROADS' performance
 - ❖ Make payments in line with performance
- Public – will have direct access to
 - ❖ ISLAND ROADS & IWC Websites
 - ❖ Dedicated Highways Tel No from 1st April 2013

About the Contract....

- 25 Year Fix Price contract – for everything in scope – only inflation is applied to the fixed price
- Best Value Reviews – savings shared 75:25 in Authority's favour
- Future changes to technology, innovation, efficiencies gain share 75:25 in Authority's favour
- 3rd Party income – 75:25 in Authority's favour
- If additional works are required - fully priced works schedule obtained competitively - available
- Requirement for market testing or external competition

The Big picture....

- State of Highway – biggest concern for the Islanders
- Isle of Wight Council – privileged to have got £480m grant
- About 15 times more work – over the next 7 years
- In 7 years - Best Highway – in the whole of UK
- Island Economy today = around £1bn
- PFI Project Investment = £0.8bn over 25 years
- Opportunity for the Islanders to get involved





Island Roads



The Highways PFI is the single largest engineering project the Island has ever committed to





ISLE *of*
WIGHT
C O U N C I L

www.iwight.com