



Task and Finish Group Report

Balfour Beatty Living Places -
Public Realm Services



Balfour Beatty Living Places - Public Realm Services - Review Report

1. Chairman's Foreword

Public realm services are recognised as vital to the citizens of Herefordshire and its visitors; it is also a key factor in supporting one of council's core strategic aims of securing growth of the local economy. It covers a range of services to maintain and improve public areas and highways in the county, including a number of high profile frontline services such as highway maintenance, street cleaning and grounds maintenance. Like many other local authorities, the council procures these services through an industry specialist contractor - in Herefordshire's case, Balfour Beatty Living Places (BBLP).

The contract was awarded to BBLP in July 2013 following an EU compliant, competitive tender process and the contract went live on 1st September 2013. The contract is a long-term, strategic contract (10 years + 10 years, subject to performance). The planned annual expenditure through the contract is £20million, however, a significant investment in the council's road infrastructure is underway, funded directly by the council and various central government grants; this has seen an additional £20m investment made.

In undertaking this review members met with council officers, representatives of parish councils, officers from BBLP and contractors from BBLP's supply chain, all of whom were knowledgeable and helpful and wanting to do a good job for the people of Herefordshire. Mechanisms for robust contract management were evident and therefore provide reassurance that the appropriate continuous improvement conditions are in place to deliver a successful contract over its term. A number of good ideas for improvement of the service have already been identified and therefore the group supports the implementation of these as soon as possible.

It is hoped that this review will provide essential information to inform the future service delivery and strategic direction of public realm services. These recommendations are hopefully self-evident and in many cases already in the process of being implemented by the Executive. There may be other recommendations that could be suggested and council and BBLP should look to consider these and where appropriate implement these as the contract goes forward.

This review report should be seen as an enabling document, whereby betterment of the service should continue to be considered and if ideas are found to be capable of providing a better service, they be put in place. Where we in Herefordshire Council are able to make the service better then let us carry out the changes.

Finally, I would like to put on record my thanks for assistance. I would like to thank my elected member colleagues that made up the group, for their assistance and support in the completion of this task. Thanks also go to the people interviewed in undertaking this review including officers from the council and BBLP. I would particularly like to thank colleagues from the parish councils and representatives from BBLP's supply chain for their support. The candour of all these contributors to our thoughts and questions has proved to be very helpful in coming to our conclusions.

Finally, our sincerest thanks go to both Clive Lloyd and Wayne Welsby for their support in undertaking this task and finish review.

2 Executive Summary

- 2.1 Herefordshire Council is responsible for the delivery of public realm services that includes a number of high profile frontline services including highway maintenance, street cleaning and grounds maintenance. In June 2012 members decided not to take up the option to extend its contract with its then contractor and thus an EU compliant tender process was initiated.
- 2.2 In July 2013 the tender process was concluded with the recommendation to award the public realm contract to Balfour Beatty Living Places (BBLP). Cabinet approved this recommendation and therefore a new contract was awarded which went live on the 1st September 2013.
- 2.3 The contract is a long-term, strategic contract (10 years + 10 years, subject to performance).
- 2.4 The planned expenditure through the contract is £20million per annum, however, a significant investment in the council's road infrastructure is underway, funded directly by the council and various central government grants; this has seen an additional £20m investment made covering works to be delivered within financial years FY 14/15 and FY15/16.
- 2.5 The task and finish group was established to consider progress made with the delivery of public realm services since the start of the new contract and make recommendations to Cabinet regarding improvements which could be made to inform services planning and delivery for the financial year 2015/16.
- 2.6 As a result of undertaking this review the group has identified a number of recommendations contained herein to improve the delivery and performance of the BBLP contract.

3. Composition of the Task and Finish Group

- 3.1 Members of the task and finish group were:
 - Councillor WLS Bowen (Chair of General Overview and Scrutiny Committee and Chair of this task and finish group)
 - Councillor ACR Chappell
 - Councillor TM James
 - Councillor PJ McCaull
 - Councillor A Seldon
 - Councillor DB Wilcox
- 3.2 Lead Officer - Wayne Welsby
- 3.3 Democratic Services Officer - Clive Lloyd

4 Context

Why did we set up the group?

- 4.1 Balfour Beatty Living Places commenced the Council's new public realm contract on 1 September 2013. This is a long term, strategic contract (10 years + 10 years, subject to performance). It covers a range of services to maintain and improve public areas and highways in the county, including a number of high profile frontline services such as highway maintenance, street cleaning and grounds maintenance.
- 4.2 During the General Overview and Scrutiny Committee of the 30 June 2014 committee members noted that an agenda item was scheduled for the September 2014 meeting but felt that more in depth work was required and proposed that a Balfour Beatty Task and Finish Group be established, particularly to look at how the contract was working and how the new system was operating. Other committee members commented on the need to learn lessons from contract design and a high level approach should be taken to contract management issues.
- 4.3 As a result of the members suggestions, this task and finish group was commissioned with the following brief:

To consider progress made with the delivery of public realm services since the start of the new contract and make recommendations to Cabinet regarding improvements which could be made to inform services planning and delivery for the financial year 2015/16.

What were we looking at?

- 4.4 In September 2014, a scoping statement was agreed for the task and finish group. The full scoping statement is attached at Appendix A.

Who did we speak to?

- 4.5 In undertaking this review the group spoke to the following people:
 - Richard Ball, Assistant Director, Place Based Commissioning, HC
 - Walter Longden, Interim Procurement and Contracts Manager, HC
 - Clive Hall, Head of Highways and Community Services, HC
 - Roger Horton, Customer Services Area Manager, HC
 - Ben Proctor, Head of Web Based Communications, HC
 - Mrs Chris Bucknell, clerk to Wellington Parish Council
 - Cllr Geoffrey Vaughan, Chair of the Pyons Group Parish Council
 - Andy Williams, Contract Director, BBLP
 - Ceri Fenner, Finance/Commercial Manager, BBLP
 - Rachel Rice, Knowledge Centre Manager, BBLP
 - Rachel Davis, BBLP
 - Alistair MacDonald, Design and Build and Locality Manager, BBLP
 - Locality Stewards, BBLP – Rachel Dixon, Shane Hancock and Phil Pankhurst
 - Mike McAndrew, Tarmac
 - Andrew Prosser, Owen Pell

How did we engage with people?

- 4.6 The task and finish group wanted to use as many different ways as possible of engagement with interviewees. The methods used were:
- Face to face interviews
 - Site visits to Balfour Beatty Thorn Depot
 - Email correspondence

What did we read?

- 4.7 The group was provided background information to undertake this review, including performance information from BBLP and details of service requests from the council's contact centre.

5. Key Themes

- 5.1 Through the task and finish review the following key themes were identified:
1. Communications and the relationship between Herefordshire Council and BBLP
 2. The complaints procedure
 3. Locality Stewards
 4. Enhanced Lengthsman Scheme
 5. Local Suppliers and Local workforce

Communications and the relationship between Herefordshire and BBLP

- 5.2 Effective communications and relationship management between Herefordshire and BBLP is key to the success of the public realm services contract and requires appropriate measures at both strategic and operational levels. Effective contract performance is secured through the management made by the dedicated contract management Client Team. This team comprises eight council officers who provide a range of specialist performance and costs management skill-sets. The NEC contract terms used for this contract provide a robust, industry standard mechanism to apply effective contract management. The formulation of an Annual Plan, which is subject to Cabinet approval, and the creation of groups such as the strategic partnership board are key strategic measures to support this. At an operational level the management of urgent reactive works and the planned maintenance programme are effective. In addition, potential issues or disputes are managed through the early warning process embedded within the NEC contract. The use of improvement 'cluster groups' also provide mechanisms to embed a continuous improvement approach. Finally, the implementation of Locality Stewards provides effective engagement with elected members and parish councils and is seen as a key feature in supporting effective contract performance at a locality level.
- 5.3 During the task and finish review, the group heard about the challenges faced in mobilising the contract and the contract management arrangements that have been established to ensure effective contract delivery.
- 5.4 The group heard that the period between contract award and contract go-live was 6 weeks which whilst challenging was sufficient to ensure effective handover and meet TUPE obligations. It heard that the initial key priority was to ensure safe TUPE transfer of

c463 staff and ensure urgent provision was met - this objective was achieved. What did present greater challenges, however, related to the training and induction of newly transferred staff. It was discovered that in addition to normal induction training requirements, typical whenever BBLP receive TUPE staff, there were a significant number of transferred staff that did not hold the appropriate training certification to the level BBLP would expect for their staff. As a result an unforeseen training programme was initiated that impacted on the operational capacity in the short-term.

5.5 In addition, at the point of transfer all telephone contact numbers with the service were disconnected. This presented unreasonable delays in contacting BBLP with regards to complaints and/or issues whilst new numbers were established.

Recommendation 1: The group is encouraged by the level of active and robust contract management in place for management of the BBLP contract. It is recommended that the council maintains this in order to ensure that there is no slippage in the quality of delivery to the people of the county.

Recommendation 2: It was noted that the BBLP Public Realm contract contains appropriate terms and conditions requiring them to provide applicable information in good time at the end of the contract in order to support effective TUPE transfer. The group recommends that similar terms are used for other suitable future contracts and that an effective exit strategy is embedded which includes provision for a comprehensive transition to the new contract.

Recommendation 3: It is recommended that as part of any decommissioning / commissioning process the council should undertake an assessment of any key dependencies required to ensure safe and efficient transfer of responsibilities from one contractor to another. To support this requirement it is recommended that contract managers should maintain a clear asset register and business continuity plan. It is expected, as an example, that such practices would have addressed the telephone issues described above.

Recommendation 4: That the council and BBLP continues to work together to keep citizens informed of contract changes and manage citizen's service expectations. Regular online updates on council websites, and newsletters are options to achieve this.

Recommendation 5: That the council and BBLP continues to work together to host a 'members seminar/member briefing' every six months, or earlier if circumstances dictate, to keep members up to date on contract performance and any potential service changes. These sessions to be chaired by the Chair of the General Overview and Scrutiny Committee with the Cabinet Member with responsibility for the BBLP contract present. In addition, any major issues should be reported to the chair of the GOSC immediately.

The complaints procedure

5.6 The group heard that the telephone complaints procedure appeared confusing and ineffective for the public. It was noted that the council has a 'Digital by Default' strategy to maximize communications via online systems; however, the group noted that a number of Herefordshire citizens could struggle with this approach due to their inexperience of such IT tools or limited Broadband coverage. Where communication is received by telephone, the group heard that all calls are received by the corporate customer service team that forward these enquires to BBLP. The use of an 'out of hours' service located outside of the

county had also incurred frustrations when citizens had made complaints about certain roads but the call handler had struggled to identify the location.

Recommendation 6: The group notes the recent changes by the council to transfer customer contact to Balfour Beatty Living Places (BBLP) for areas of service for which they are responsible for. The group is supportive of this approach and recommends these changes are kept under review to monitor its effectiveness. In addition, it was recommended that BBLP communications were aligned with council policy, e.g. a 10 day deadline to provide a response.

Recommendation 7: That when receiving an insurance claim as a result of a potential road defect, the complainant receives an acknowledgement to the claim and be advised of the process and anticipated response times. In addition, it is recommended that a clear definition with regards to categorisation of road defects is also provided. It is noted that a number of key dependencies apply to such cases, not least that the details received include clear information of the location of the road defect, that the defect is on a council maintained road, etc.

Locality Stewards

5.7 The group heard that that BBLP had established a Locality Stewards approach with the recruitment of a locality manager and thirteen locality stewards, each covering the nine localities across the county. These stewards work directly with elected members, parish councils and citizens to address problems that arise and ensure specific local needs are met. Whilst it was noted it is early days, the group was very encouraged by this approach and very supportive of its introduction. The use of the handheld tablets by the stewards to engage directly with the BBLP management system CONFIRM was also welcome although it was noted not all applicable staff had tablets which was limiting the effectiveness of their use and the benefits of the CONFIRM system.

Recommendation 8: The group is highly supportive of the locality steward approach. The group recommends that all applicable BBLP staff have handheld tablets to support communication and maximise the effectiveness of the CONFIRM system.

Recommendation 9: Where member's requests are raised with locality stewards the group recommends that members are kept informed of status, particularly where schemes are not to be delivered or are to be delayed. In the event a decision is made not to undertake a particular request then the member is provided with a brief on the reasons and a transparent appeal process is introduced if necessary.

Enhanced Lengthsman Scheme

5.8 As part of the review the group met with two representatives from parish councils that had piloted Enhanced Lengthsman Schemes. The group heard that these pilots had been very successful and extremely welcome to the parish councils involved. The group heard that the parish councils saw the introduction of the Enhanced Lengthsman Scheme, working collaboratively with locality stewards and the wider BBLP services, as very effective and welcomed the formal roll out of this approach.

Recommendation 10: The group is highly supportive of the council's recommendation to roll out the use of the Enhanced Lengthsman Scheme and recommends that as many parish councils as possible takes up this option.

Local suppliers and local workforce

- 5.9 The group heard about BBLP arrangements to engage with local suppliers to support the BBLP supply chain. BBLP confirmed they were wholly supportive of engaging with local suppliers but had experienced difficulties in identifying suitable organisations. As part of the review the group did meet with Owen Pell (Hereford based organisation) and Tarmac (with offices in Kington). Both were very complimentary of the business relationship with BBLP and particularly noted that the use of the Annual Plan provided increased visibility and effective forward planning of scheme management as a result.
- 5.10 The group also heard about the requirements embedded within the contract to support the use of apprenticeships and increased engagement with local colleges on training schemes. The group noted this had resulted in the council's recent accreditation by the Constructions in Skills Training Board (CITB).

Recommendation 11: The council to work with BBLP to make it easier for small, local organisations to engage with BBLP and bid for sub-contractor opportunities. To support this it is recommended that the council adds a forwarding note to its eTendering portal, providing BBLP contact details for interested sub-contractor organisations.

Recommendation 12: As a general recommendation, the group also noted that typically reports detail distances in kilometres, it is recommended that BBLP include miles as well.

6. Appendices

6.1 Appendix A - Scoping Statement

6.2 Link to the Herefordshire Public Realm Contract Annual Plan 2014/15:

<http://councillors.herefordshire.gov.uk/documents/s50020612/2014-2015.TR.004%20Appendix%20B.pdf>

7 Summary of Recommendations

Recommendation 1: The group is encouraged by the level of active and robust contract management in place for management of the BBLP contract. It is recommended that the council maintains this in order to ensure that there is no slippage in the quality of delivery to the people of the county.

Recommendation 2: It was noted that the BBLP Public Realm contract contains appropriate terms and conditions requiring them to provide applicable information in good time at the end of the contact in order to support effective TUPE transfer. The group recommends that similar terms are used for other suitable future contracts and that an effective exit strategy is embedded which includes provision for a comprehensive transition to the new contract.

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