

HEREFORDSHIRE PUBLIC REALM CONTRACT ANNUAL PLAN 2017/18

SERVICE OVERVIEW

Date: 01 April 2017

CONTENTS

| | |
|--|----|
| Service Overview | 1 |
| Contents..... | 2 |
| Key Updates in the 2017/18 service Overview | 4 |
| Introduction | 5 |
| Document Structure | 5 |
| Meeting Contract Requirements for Annual Plan | 7 |
| Policy Context | 9 |
| Organisation..... | 11 |
| Delivery Structure | 11 |
| Key Management Responsibilities..... | 11 |
| The Commissioning Cycle | 12 |
| Key Commissioning Principles | 12 |
| Commissioning Hallmarks..... | 12 |
| The Commissioning Cycle | 13 |
| The Annual Development Process..... | 14 |
| Prioritisation and Options Appraisal..... | 15 |
| Governance..... | 17 |
| Contract Governance..... | 17 |
| Cluster Groups | 17 |
| Contract Management Team..... | 17 |
| Change Management Approach Including Early Warning Process | 18 |
| Integrated Works Programme Approach | 19 |
| Notice of Access Acceptance or Material Requirements | 19 |
| Quality Assurance and Audit | 20 |
| Quality Assurance Approach and Plan..... | 20 |
| Self Audit..... | 20 |
| HC Contract Management Team Audit | 21 |

| | |
|---|-------------------------------------|
| Continuous Improvement..... | 22 |
| Continuous Improvement..... | 22 |
| Key Areas of Continuous Improvements in 2017/18 | 23 |
| Lessons Learned..... | 23 |
| Innovation..... | 23 |
| Social Value Considerations..... | Error! Bookmark not defined. |
| National Skills Academy for Construction | 25 |
| Ensuring a Sustainable Service | 25 |
| Equality and Diversity | 26 |
| Commercial/Financial Overview..... | 27 |
| Defined Cost Plus Fee | 27 |
| Local Management Overhead Costs..... | 27 |
| Supporting Herefordshire Councils 3% Savings Target | 28 |
| Payment Mechanisms & Service Order Schedule | 30 |
| Payment Mechanisms by Service | 30 |
| Performance Management | 33 |
| Performance Reporting | 33 |
| Strategic Performance Indicators..... | 34 |
| Operational Performance Indicators..... | 34 |
| Risk Management | 38 |
| Key Assumptions..... | 39 |
| APPENDICIES..... | 37 |
| Appendix: A, Organisation Structure..... | 39 |
| Appendix B, Commissioning Processes | 39 |
| Appendix C, Quality Management..... | 39 |
| Appendix D, Equality Impact Assessment | 39 |
| Appendix E, Financial Information..... | 42 |
| Appendix F, Performance Management Process | 43 |

| | |
|--|----|
| Appendix G, Indicative Strategic Performance Indicators..... | 44 |
| Appendix: H, Risk Register | 45 |
| Appendix I, Change Management Process | 47 |
| Appendix J, Continuous Improvement Register | 47 |
| Appendix K, National Skills Academy Employment and Skills Plan | 47 |
| Appendix L, HSES Action Plan | 47 |

KEY UPDATES IN THE SERVICE OVERVIEW

The service overview has been updated throughout to reflect changes in the way the service is delivered or to highlight an area of or opportunity for improvement in the service. For reference, the following areas have received significant changes:

- Key Areas of Continuous Improvements in 2017/18
- Commercial/Financial Overview
- Supporting Herefordshire Councils 3% Savings Target
- Payment Mechanisms & Service Order Schedule
- Appendix A, E, G, H, J, K, L

INTRODUCTION

This document, the Herefordshire Annual Plan 2017/2018 (Annual Plan) sets out how Hereford Council (HC or Council) supported by its partner Balfour Beatty Living Places will rise to the challenge of protecting and improving frontline services in the Public Realm in challenging economic times.

The challenge for the Council is to determine how it can best contribute towards improvements in the public realm, meeting its statutory obligations and providing for the needs of the people who live and work here, all within set budget constraints and fixed timescales.

A wide range of Council functions contribute towards public realm services, these include highway maintenance, street cleansing, regeneration, grounds maintenance, planning, traffic and parking management, and marketing to name but a few. This places significant importance on the ability of the Council to coordinate those functions, including partnerships with other organisations or groups, to create a high quality public realm.

The Annual Plan sets out how together Herefordshire and Balfour Beatty will:

- Deliver Herefordshire objectives, to produce an attractive environment for residents and visitors alike,
- Explore opportunities where the Council can create an incentive for community participation and empower communities, through community payback schemes within local communities, to tackle problem areas and enhance the environment,
- Coordinate works (including external contractors or utilities) in the public realm to create an environment that is perceived positively by those who use it,
- Manage all this activity in a cost effective way.

The Annual Plan sets out the priorities for provision of services for the plan period, the financial year 2017 – 2018. Annual Plans will be reviewed and published annually, allowing the Council to respond to changing priorities from residents, businesses and Council members. This is set within the context of a longer term Forward Programme.

DOCUMENT STRUCTURE

The Annual Plan consists of the service overview (this document) and fourteen technical annexes. The Service Overview captures the partnership principles and mechanisms that will allow the effective delivery of public realm services. It also summarises commercial and financial information for the service, providing a sign post to relevant detail captured elsewhere, for example in the Public Realm Contract. The Annexes set out the detail as to how the Council and Balfour Beatty Living Places will manage and provide each of the public realm services for the plan period. In other words, the Annexes provide information on the 'what', 'where', 'when' and 'how' for each of the services. The Service Overview provides the overarching principles that have helped shape the Annual Plan, the 'why' for the service.

The annexes included in the Annual Plan are captured in Table 1:

| Service Information Annex's | |
|---|---|
| Annex Reference | Service |
| Annex 01 – Network resilience | Support During Civil Emergencies and Highways Winter Service |
| Annex 02 - Community Development and Stakeholder Management | Community Development, Customer Interface and Stakeholder Management |
| Annex 03 – End to End Network Improvement | Highways Network Improvement including surfacing, Local Transport Plan schemes and other major schemes |
| Annex 04 – Development Control & Devolved Services | Development control and third party commissioning of service |
| Annex 05 - Fleet Management | Fleet Management and Mechanical Workshop Services |
| Annex 06 - Parks and Open Spaces, Landscaping, Verges and Trees | Highways - Landscaping, Verges and Trees Parks and Open Spaces, including: <ul style="list-style-type: none"> • Management • Rehabilitation and Maintenance |
| Annex 07 – Managing Water on the Network | Highways Drainage, Land Drainage, Flood Risk Management |
| Annex 08 – Asset Management | Transport Asset Management Planning, Service Prioritisation, Asset Management |
| Annex 09 - Network Management and Traffic Regulation | Network Management and Traffic Regulation including Traffic Regulation Orders and Traffic Engineering |
| Annex 10 - Network Rehabilitation Maintenance | Network Rehabilitation and Maintenance including reactive and routine response to asset degradation |
| Annex 11 - Public Rights of Way | Highways - Public Rights of Way, including: <ul style="list-style-type: none"> • Management • Rehabilitation and Maintenance • Network Improvement • Structures |
| Annex 12 - Street Cleaning | Street Cleaning including bin emptying, fly tipping and road sweeping |
| Annex 13 – Street Lighting | Street lighting including asset maintenance and replacement |

| | |
|-----------------------|--|
| Annex 14 - Structures | Structures including inspection, capital maintenance and major schemes |
|-----------------------|--|

Table 1: Services and their corresponding annexes

The Annexes set out greater detail of the contribution each service will make to achieving the councils overall objectives.

MEETING CONTRACT REQUIREMENTS FOR ANNUAL PLAN

Table 2 outlines the criteria against which the Annual Plan will be assessed. Here the comments section of the table captures where reviewers should expect to find information to satisfy these criteria.

| Contractual Test | Comment |
|--|--|
| Meet the Council's objectives, as per the Contract; | Captured in each annex |
| Proposed expenditure must be within Capital and Revenue Budgets that have been assigned to Balfour Beatty Living Places (BBLP); | Captured in the 'Service Overview' in Appendix E, Financial Information Summary of costs included in each annex |
| Be capable of delivering 3% cashable savings for the Council against the prior year's spend; | Captured in 'Service Overview' in "Supporting Herefordshire Councils 3% Savings Target" |
| Be in accordance with the Service Information and contain any information that is required to be included in the Annual Plan by the Service Information; | Captured in each annex |
| Address any priorities set by the Strategic Partnering Board; | Captured in each annex |
| State the financial year to which it relates; | Captured in each annex |
| Provide estimated cost + fee for each activity in the plan; | Captured in 'Service Overview' in "Service Summary" Summary of costs included in each annex |
| Provide details of any risk contingencies in relation to each activity; | Captured in each annex Summarised in 'Service Overview' in "Risk Management" |
| State the estimated Local Overhead Cost; | Captured in 'Service Overview' in " LOCAL MANAGEMENT OVERHEAD COSTS " |

| | |
|--|--|
| Show the order and timing of the works, including works for Others; | Captured in each annex |
| Show any dates when BBLP will require access, acceptances, materials from the Council or information from Others to deliver the Annual Plan; | Captured in each annex where access or acceptances is required |
| Show the payment mechanism for each part; | Captured in 'Service Overview' in " PAYMENT MECHANISMS & SERVICE ORDER SCHEDULE " |
| Be practicable; and | Captured in each annex |
| Be a realistic reflection of BBLP's plans. | Captured in each annex |

Table 2: Annual Plan Sign off Criteria

POLICY CONTEXT

The following documents have been reviewed and contributed towards the formation of the Annual Plan.

LEGISLATIVE DOCUMENTATION / REFERENCE DOCUMENTATION

- National Planning Policy Framework (NPPF) 2012
- Civil Contingencies Act 2004,
- Highways Act, 1980
- Traffic Management Act, 2004
- Localism Act, 2011; Part 5
- New Roads & Street Works Act, 1991
- Freedom of Information Act 2000
- Legal Services Act 2007
- Data protection Act 1998
- DMRB – Design Manual Roads and Bridges
- Deregulation Act 2015
- Manual for Highway Works Spec for Highway Works
- Manual for Streets
- UK roads Liaison Group Highway Maintenance Efficiency Programme Infrastructure Asset Management Guidance Documents
- Code of Practice Well Managed Highway Infrastructure 2016
- Safety - HD 19/03 and IAN 152/11.
- CIHT Road Safety Audit guidelines
- Planning Advisory Service – Guides and codes of practice
 - Investing in our place - self assessment tool
 - Infrastructure Delivery Plans
- Town and Country Planning Act 1992 subsequent revisions and additions
- Manual for Streets 2
- The Traffic Signs Regulations & General Directions 2002
- The Road Vehicles (Construction and Use) Act, 1996
- The Road Transport (Working Time) Regulations, 2005
- Road Traffic Regulation Act, 1988
- The Removal and Disposal of Vehicles Regulation, 2012
- Well Managed Highways' 2016
- CIPFA guidelines
- Highway Infrastructure Asset Management Guidance Document
- Land Drainage Act 1991 & 1994
- Flood Risk Regulations 2009
- Flood & Water Management Act 2010
- The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996
- NRSWA Code of Practice for the Coordination of Street Works and ~Works for Road purposes and Related Matters 2008 (updated 2014)
- NRSWA Code of Practice for Inspections 2002

- Road Traffic Regulations Act 1984 as amended by the Road Traffic (Temporary Restrictions Act 1991)
- Department for Environment, Food and Rural Affairs (DEFRA), Clean Neighbourhoods and Environment Act 2005
- Street Lighting Code of Practice, 1980; Section 41
- Structural Eurocodes
- The Code of Practice for the Management of Highway Structures
- The Manual for the Inspection of Highway Structures
- Bridge Condition Indicators Guidance
- Natural England – Hedges and the Law

HEREFORDSHIRE COUNCIL DOCUMENTATION

- Herefordshire Corporate Plan
- Local Transport Plan
- Locality Strategy for Herefordshire – March 2011
- Herefordshire’s Equality and Human Rights Charter 2013-2016
- Customer Service standards
- Herefordshire design guides
- Herefordshire Transport Asset Management Plan (TAMP)
- HC Winter Service Policy
- HC Winter Maintenance Plan
- HC Sandbag Policy
- HMEP Guidance
- Herefordshire Highways Maintenance Plan 2016
- Herefordshire Draft Tree Guidance

CONTRACT DOCUMENTATION

- Herefordshire Council Contract, Public Realm Services, Baseline Specification
- Herefordshire Council Public Realm Tender Documentation

These documents should be considered according to the following hierarchy:

- Legislative Documentation
- Contract Documentation
- Herefordshire Council Documentation
- Reference Documentation.

ORGANISATION

DELIVERY STRUCTURE

Balfour Beatty Living Places will manage the delivery of the Annual Plan according to the following structure in Figure 1.

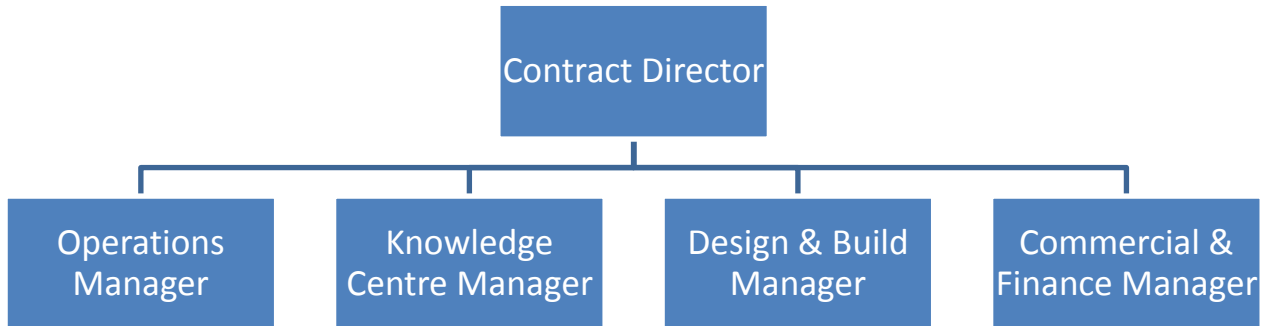


Figure 1 - Herefordshire Annual Plan Management Structure

The aim of the management structure is to efficiently and effectively deliver the services detailed in the Annual Plan whilst being best organised to respond to the needs of Council Members, Residents and Businesses. These individuals will be known as the BBLP Senior Management Team (SMT).

The structure and organisation of the teams that report into each of the managers captured in blue boxes is presented in greater detail in each of the Annual Plan annexes. A Summary is provided in Appendix: A, Organisation Structure.

The client structure is captured within the governance section of this document.

KEY MANAGEMENT RESPONSIBILITIES

The following are the key responsibilities of the BBLP senior management team:

- **Contract Director** – Overall accountability for delivery of the annual plan to the agreed budget;
- **Design and Build Manager** – Responsible for delivery of all capital works; including management of major projects, management of LTP and minor improvements, asset management (Bridges, Highways, Drainage and TAMP), and delivery of all associated works;
- **Commercial and Financial Manager** – Responsible for commercial and financial management of the contract; including supply chain management, commercial and financial reporting, risk management, cost management and forecasting;
- **Knowledge Centre Manager** – Responsible for performance management and reporting, works scheduling through Operational Control Centre, stakeholder management (including the public enquiries), location management, Locality stewardship, including asset inspections, warn and Parish Councillor liaison, public contact centre management and network regulation;
- **Operations Manager** – Responsible for all planned and reactive works (including highways maintenance, winter maintenance, drainage, street cleansing, grounds maintenance, traffic management and street lighting) and fleet services.

THE COMMISSIONING CYCLE

Herefordshire Council's ambition is to move to a commissioner of outcomes. The Public Realm contract is a lead example of this move to commissioning. In support of this ambition the following commissioning principles, hallmarks and cycle have been proposed. The processes developed to date are captured in



Commercial.pdf



Operations.pdf



Knowledge
Centre.pdf



D&B Staff Chart.pdf

Appendix B, Commissioning Processes.

KEY COMMISSIONING PRINCIPLES

Together Herefordshire Council and BBLP will work to the following principles:

- **Outcomes** - we will focus on commissioning for Outcomes rather than commissioning of services, using the assessment of needs in *Understanding Herefordshire*;
- **Monitoring** – we will apply a robust contract and supplier monitoring and management regime to ensure benefits realisation and maximise continuous improvement;
- **Self-reliance** – we will work with residents, service users, volunteers and voluntary groups, community bodies, business and our partners to help people to be more self-reliant, devolve services and build stronger communities;
- **Local delivery** – we will focus on community engagement, service delivery and public access in our nine localities, working with parish councils, local businesses and the third sector;
- **Valued Services** – we will prioritise services that deliver outcomes for a better Herefordshire and focuses on vulnerable groups.

COMMISSIONING HALLMARKS

The following are considered hallmarks of good commissioning:

- We will employ a mixed economy of service provision ensuring use of the most appropriate delivery vehicle, whether in-house, third sector, private sector, public partnership to ensure the best outcome for Herefordshire;
- We will develop supply markets to meet the changing demand which also supports a vibrant Herefordshire economy;
- We will work to combined Commissioning and Decommissioning plans for all Directorates which will confirm our commissioning intentions and required outcomes;
- We will maximise opportunities for efficiencies through increased collaboration;
- We will ensure we base all our commissioning decisions on clear evidence of local need;
- We will use evidence of best practice and innovation in service delivery;
- We will develop our capability and capacity to support strategic commissioning;
- We will commission in partnership where this secures joint measurable outcomes;
- We will ensure commissioned services are effective and provide value for money.

THE COMMISSIONING CYCLE

The following commissioning cycle (Figure 2) is adapted from the Cabinet Office Commissioning Academy best practice documents for use by Herefordshire Council and BBLP.



Figure 2: Draft Commissioning Cycle Proposal

DEVELOPING THE COMMISSIONING PROCESS

Further work will be undertaken to finalise and implement a commissioning process for third party works during the 2017/18 Annual Plan Period. This work will support third parties in delivering services that are not funded in the Council’s Forward Programme. This could include traffic regulation orders, traffic engineering schemes and village gateways.

THE ANNUAL DEVELOPMENT PROCESS

Figure 3 shows the process, timeline and responsibilities for development of the annual plan each year.

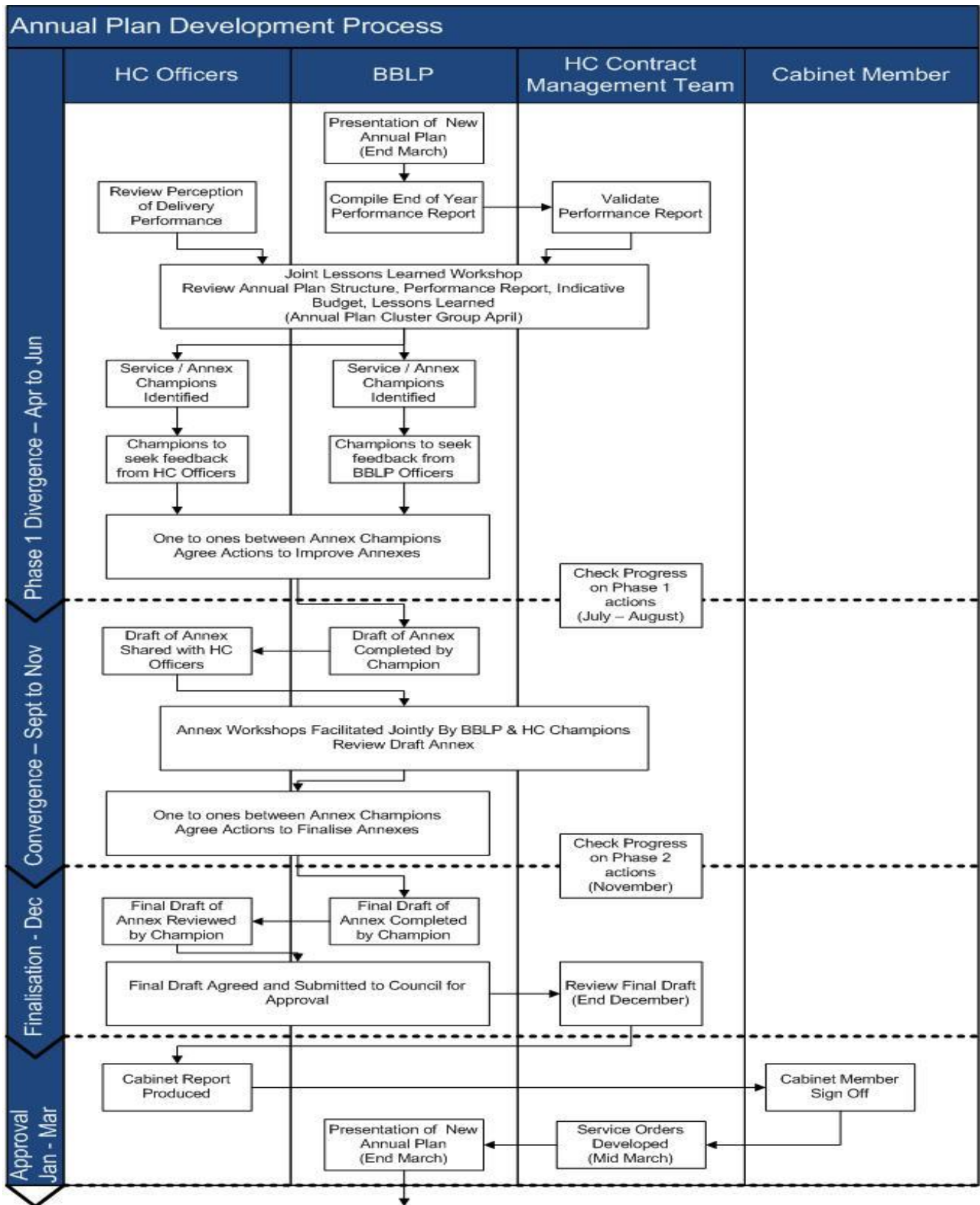


Figure 3: Annual Plan Development Process

PRIORITISATION AND OPTIONS APPRAISAL

In the development of each annual plan a process of prioritisation of service needs in line with the forward programme will be conducted against the context of the desired outcomes and available budget. The aim is to inform the decision as to allocation of funding to each part of the service, in order to maximise delivery of Herefordshire’s outcomes. A bottom up budgeting mechanism has been used for prioritisation. The budget has been allocated according to the following hierarchy:

- Provision of statutory services as required by law (for example the Highways Act 1980);
- Provision of contractually obligated service (for example Annex 2 Community Development);
- Provision of all other services (for example Grounds Maintenance).

Allocation of budget to all other services, where there are less onerous or extensive legal or contractual obligations, is on the basis of community and asset need. Community need is determined through an on-going process of community consultation, through the Locality Stewards, Ward Members, attendance at Parish Council Meetings and customer enquiries. During the 2017/18 Annual Plan period a drop in sessions for members and parishes were held to support this process. Asset need is determined through condition surveys and the whole life cycle asset management model captured in the TAMP.

Once budget has been allocated, the design of the service is considered. Possible options for delivery are appraised. This options appraisal ensures that the service is designed to achieve the maximum level of outcome delivery for the available budget. This guarantees that the use of the public purse demonstrates best value.

Prioritisation also takes place within each service. An example of spend prioritisation is demonstrated in Annexe 3 End to End Network Improvement. Here the improvement programme has used criteria related to safety, serviceability, community benefit and risk, to establish a priority list of schemes from a long list compiled from community consultation and network survey. See Figure 4.

The following criteria have been used in the prioritisation:

- **Safety** – Technical Appraisal, Insurance Claims
- **Serviceability** – Highways Drainage, Revenue Spend, Maintenance Need
- **Community Benefit** – Traffic Use, Community Access
- **Risk** – Level of Engagement, Program integration

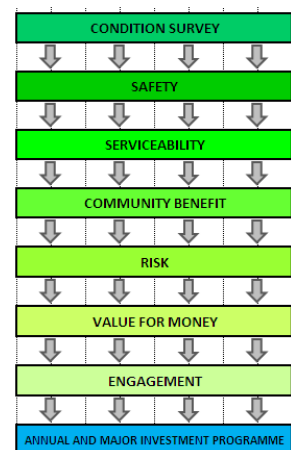


Figure 4: Scheme Prioritisation Process

OUTCOME OF PRIORITISATION AND OPTIONS APPRAISAL

In the 2017/18 annual plan period, the following major works are planned:

- **Herefordshire City Centre Transport Package** works including: Supervision of link road construction, completion of Royal Mail Car Park construction, Active Travel Measures including detailed design and consultation and City Link Road TRO consultation and implementation.
- **High Town Public Realm Refurbishment** works including: project management; design; construction and consultancy services related to the upgrade of High Town Public Realm.

- **South Wye Transport Package**, Planning – discharge of remaining planning conditions, CPO/ Land Acquisition process, development of transport model, design and consultation of Active Travel Measures, SLR Procurement.
- **Herefordshire Relief Road** works including: Option Appraisal, options Consultation, ES Scoping Report and development of Outline Business Case.

A programme of major works can be found in Annex 3 (End to End Network Improvement).

In the 2017/18 annual plan period, the following capital maintenance programmes are planned:

- **C&U Road Investment Programme**, works including: surfacing; surface dressing micro-asphalt and footway works on C and U roads across the county agreed following consultation.
- **A&B Road Investment Programme**, works including: surfacing; surface dressing micro-asphalt and footway on A and B roads across the county agreed following consultation.
- **Pothole Fund**, works including carriageway patching repairs and drainage repairs.
- **Drainage and Structures Capital Maintenance Programme**, works including: project management; design and consultancy; and construction services.
- **Specific Improvement Schemes**, works including: project management; design and consultancy; and construction services.

GOVERNANCE

CONTRACT GOVERNANCE

The formal governance mechanisms are described in the contract and illustrated in Figure 5. Any change that impacts upon the contract must be raised as a minimum to the Operations Board for Approval.



Figure 5: Formal Governance Structures

CLUSTER GROUPS

The following cluster groups have been established and will continue to operate in the 2017/18:

- Annual Plan Cluster Group – Charged with overseeing the delivery of the Annual Plan
- Commercial Cluster Group – Charged with overseeing risk management and the process of change (early warning and compensation events)
- Financial Cluster Group - Charged with overseeing the delivery of the Annual Plan within the available budget envelope
- Communications Cluster Group – Charged with leading the communication of the annual plan, thereby managing community expectations and promoting the service
- Continuous Improvement Cluster Group – Charged with identifying and managing the realisation of benefits for continuous improvement projects
- Major Projects Cluster Group – Charged with overseeing the management of Major Project Delivery
- Network Risk Cluster Group – Charged with highlighting identified network works and advising on how this risk be managed.
- Sustainability Cluster Group - Charged with developing and implementing the joint sustainability action plan and associated plans eg Involved, community engagement, volunteering and skills academy ESP

CONTRACT MANAGEMENT TEAM

The client contract management team is illustrated in Figure 6.



Figure 6 Client Contract Management Team

CHANGE MANAGEMENT APPROACH INCLUDING EARLY WARNING PROCESS

Each year on the agreement of the annual plan, a baseline will be established for service delivery, including the scale, timing, cost and quality of the service. Where changes are necessary either as a result of operational issues or reprioritisation, a formal change process will be followed, this is documented in the Contract under Clause 21.5.

Risk Management will form a major part of the change management approach and includes the following mechanisms as documented in Clause 17 and Clause 60 of the Contract:

- Early Warning Notices (EW) – issued by either client or contractor and servicing notice of perceived issues/performance that could:
 - increase the cost of providing the service;
 - affect the progress or performance of the service;
 - impair the performance of the Public Realm in use;
 - result in the aggregate of all amounts due exceeding budget.
- Compensation Events (CE) – a means of capturing and agreeing alterations to agreed costs, usually following an Early Warning Notice.

A schedule of early warning notices and compensation events is maintained by the BBLP commercial team. The processes of managing early warnings and its compensations events are captured in Appendix I, Change Management Process.

INTEGRATED WORKS PROGRAMME APPROACH

The broad range of services included under the Public Realm contract necessitates an Integrated Works Programme approach if delivery is to be efficient and achieve the Council's objectives. For example, the pavement improvement programme planned for the 2017/18 period will need to be coordinated with statutory undertakers to prevent excessive interventions in new laid surfaces. Another example of this is the coordination between grass cutting and street cleansing services to achieve an attractive look in urban areas.

The Integrated Works Programme will be created and maintained by the Delivery Programme Manager using activity schedules that will be developed for each annex. It will be a live programme identifying individual schemes and schedules of work for planned and reactive maintenance, capital improvement works, third party works (neighbouring authorities, Highways Agency, developers) and utilities works. This programme will be used in the following ways:

- Information will be used for communication purposes with Ward and Parish Councillors and through the council website with the community.
- To manage road space booking, by coordinating works to happen at the same time where possible, ensuring the availability of the road space is maximised and congestion minimised.
- To coordinate provision of service across all annexes in order to deliver the council objectives within the agreed budget.

NOTICE OF ACCESS ACCEPTANCE OR MATERIAL REQUIREMENTS

In line with the contract requirement:

21.3.2 The Provider shows on each Annual Plan which he submits for acceptance the dates when, in order to Provide the Services in accordance with the Annual Plan, the Provider will need:

- access to the Public Realm;
- acceptances;
- Materials, equipment and other things to be provided by the Employer; and
- information from Others.

BBLP will ensure that ample notice is provided where access, acceptances, materials from the Council or information from others are required to deliver the Annual Plan.

QUALITY ASSURANCE AND AUDIT

QUALITY ASSURANCE APPROACH AND PLAN

All Balfour Beatty Contracts operate an approach to quality assurance based upon the BBLP Quality Manual (a copy of which is available on request). A Quality Plan specific to Herefordshire Public Realm Contract can be reviewed in Appendix C, Quality Management

Quality audits of all BBLP contracts are carried out by our internal auditors. Our management systems are certified independently by DNV GL Ltd. See Appendix C, Quality Management for details. DNV GL have supported us in achieving Sector Scheme Accreditation in Traffic Management and Street Lighting in 2014/15 and Installation/ maintenance of Highway Electrical Equipment in 2015/16. We will consider further areas for accreditation early in 2017.

SELF AUDIT

To build trust within the partnership and ensure the quality of work that is being provided, BBLP will perform a self-audit of work undertaken. This will be used as a tool of continuous improvement. This will be reported to Herefordshire Council Contract Team. A summary may also be made available to Statutory Undertakers, to demonstrate a consistent approach to protection of the asset through all New Road and Street Works.

On a monthly basis a sample of works carried out will be inspected.

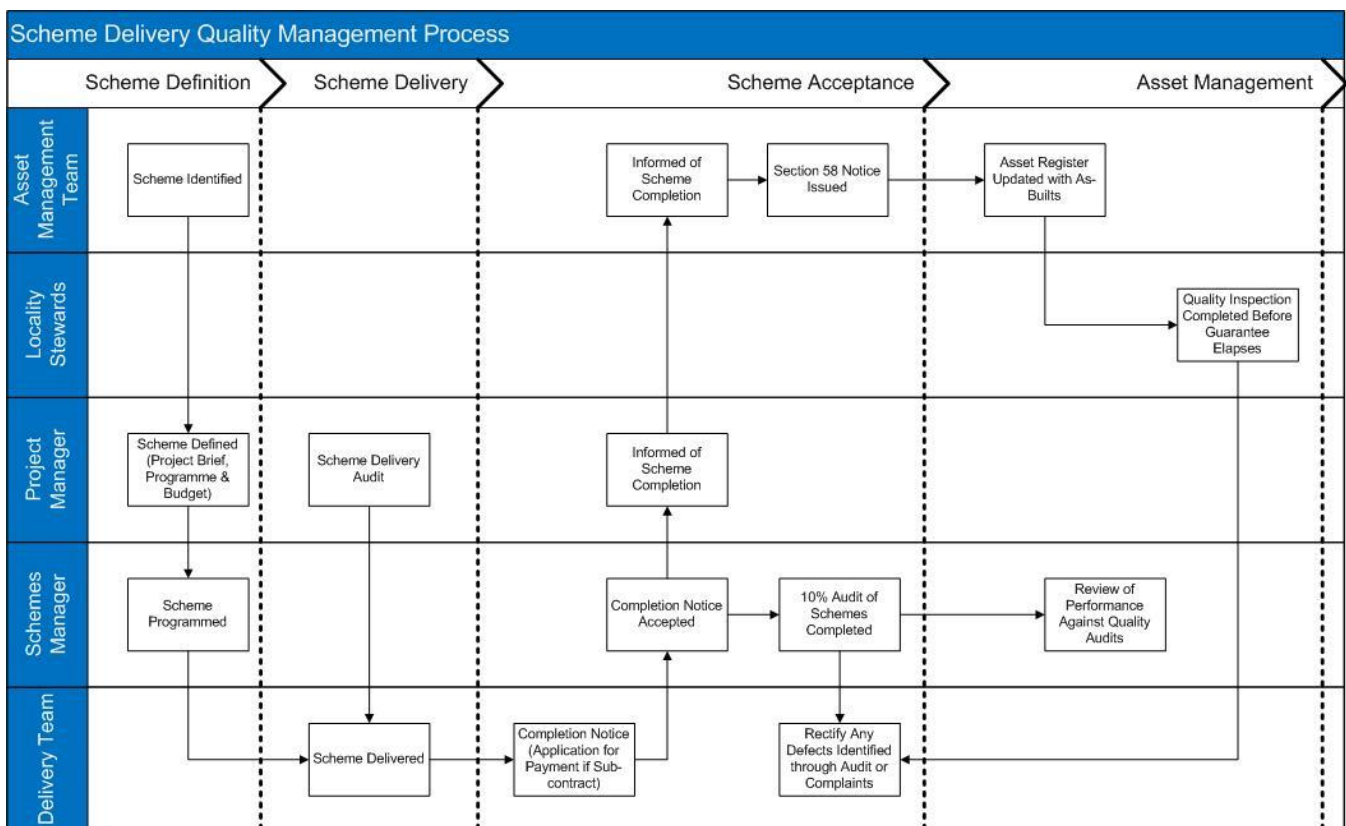


Figure 7: Scheme Delivery Quality Management Process outlines how self-audit of works will be performed.

The process for managing the resurfacing works is captured in Figure 7.

If desired, audit sites can be notified to the Herefordshire Contract Team to perform spot checks.

HC CONTRACT MANAGEMENT TEAM AUDIT

As part of ensuring value for money, the HC Contract Management team will also perform an audit of works conducted by BBLP. The audit process is captured in Appendix C, Quality Management.

CONTINUOUS IMPROVEMENT

Continuous Improvement is written into the Contract terms as illustrated by the responsibilities of the Strategic Partnering Board, set out in Clause 19 of the Contract Document. The processes of continuous improvement, innovation and lessons learned have been captured here, along with Transition Projects already identified. Each annex captures the specific improvement plans for that part of the service. Continuous Improvement and Innovation on the contract is overseen by the Continuous Improvement Cluster Group. A copy of the current continuous improvement register is included in Appendix J, Continuous Improvement Register.

CONTINUOUS IMPROVEMENT

Each member of the BBLP Senior Management Team will be responsible for driving improvement in the service for which they have responsibility. They will be supported by the Performance and Improvement Manager and the Management Info / KPI Analyst.

The principles of continual service improvement are set out in Figure 8 and described below.

Service Strategy: As part of the annual planning process the team will shape service strategy in response to key drivers, including budget, legislation and changes in Herefordshire’s objectives. This will include review of customer perception (effectiveness) and service performance (efficiency) and will be set in the context of the Forward Programme.

Service Design: Identify the changes needed to respond to the driver, e.g. introduction of new products or approach, re-mapping of process and/or removal of activities. Compare these to the strategy review outputs. Determine if investment is appropriate and the benefits from the change.

Service Transition and Planning: Design the change management process to move the service from the current to future state through new methods, approaches and/or services. Key considerations will be organisational design, trials of products or methods, and plant modification, purchase and specification.

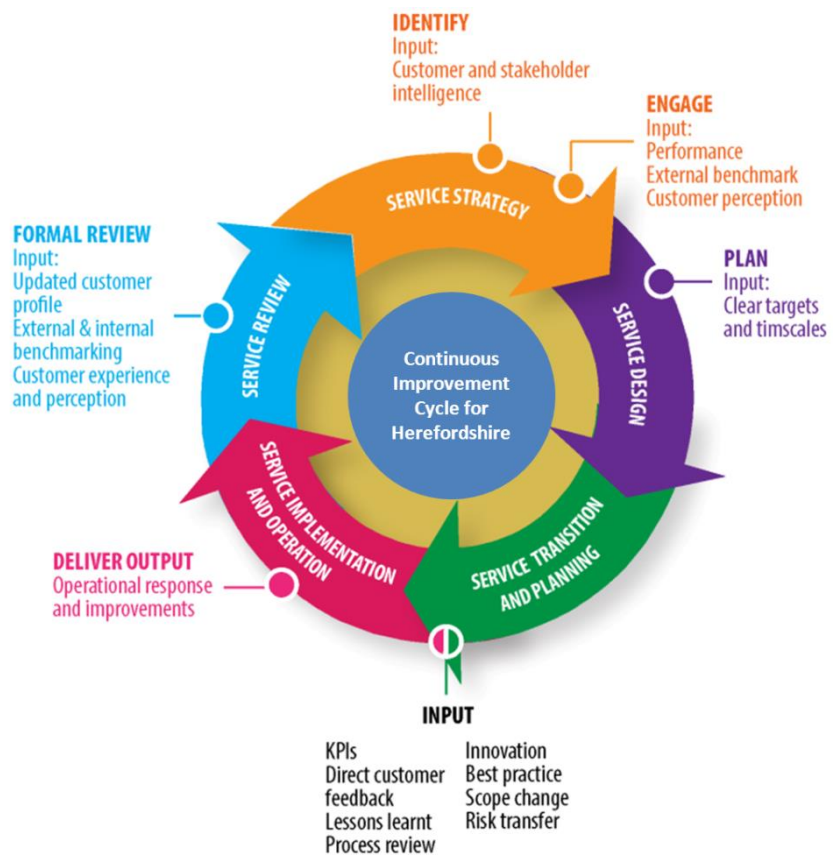


Figure 8: Continuous Improvement Cycle

Service Implementation and Operation: Implement changes to the service ensuring the team have the right capability and tools to deliver the new service design. Where appropriate this will require recruitment, reorganisation and training.

In addition to service changes, operations will undergo regular review to improve efficiency. This will be achieved through benchmarking of outputs with BBLP contracts and employment of Lean techniques such as Day-In-The-Life-Of and 5S studies.

The Locality Team will also consult with Ward and Parish Councillors to identify expected levels of quality and perception of the service received, which will be fed into method statements for each aspect of service delivery.

Service Review: Review improvement in service performance and customer perception, reporting on benefits realisation to the Operations Board and where appropriate publicise improvements to Ward and Parish Councillors.

CONTINUOUS IMPROVEMENTS IN 2017/18

In addition to the process outlined above for service improvement, outlined below are some of the activities that will be undertaken to support improvement across the entire Public Realm Service. Business cases will be developed for other areas of improvement identified through the continuous improvement cluster group.

Areas for Continuous Improvement:

- Further Operational control centre developments including live dashboards by service area
- Implementation of visual management centre in Kingsland depot
- Close working with Town Councils to improve efficiency around delivery of local services (e.g coordination of litter bin emptying)

LESSONS LEARNED

Continuous improvement in service delivery will be informed by lessons learned.

The service will be informed through regular Councillor Consultation; feedback as part of the implementation of improvement plans and through consultation in the community by Locality Stewards.

Capital Works will also be informed by lessons learned workshops after each scheme.

INNOVATION

Innovation on the contract will be considered in three ways:

- Strategic Innovations – Major changes in the way outcomes are achieved through business model innovation, service re-design or Inward Investment.
- Operational Innovations – Changes in the way the service is delivered
- Grass Routes Innovations – Changes proposed by those delivering the service through the Balfour Beatty My Contribution Scheme.

Strategic Innovations: As part of the review and update of the Forward Programme, innovation opportunities will be identified where these can be shown to better deliver the Council's outcomes. These might include proposals for inclusion of new services in the Public Realm Contract, or major

schemes that capitalise revenue costs (e.g. Street Lighting LED investment and Capital Improvement Schemes).

Where considered valid a formal business case will be developed and submitted to the Council for agreement. These innovations may be funded by the Council or by BBLP on an 'Invest to Save' basis. An appropriate mechanism will be proposed to the Council to incentivise BBLP to look at investment in these strategic innovations.

Operational Innovations: The senior management team will be responsible for driving innovation in their service areas as captured in their service annex. As an example, Annex 10 Network Rehabilitation and Maintenance will focus on:

- Delivering operational efficiencies through improved scheduling by the Operational Control Centre and visibility of gangs on the network through the use of Masternaut.
- Exploring the potential use of alternative materials which could improve efficiency.

Grass Route Innovations: Balfour Beatty operates a suggestion scheme called 'My Contribution' across all Balfour Beatty contracts. The scheme rewards staff for sharing ideas on improving the ways in which we work.

Any idea that may benefit the business will be reviewed and rewarded including improvements in Health and Safety, Customer service/customer perception, Waste reduction, Sustainability or Productivity/business efficiency.

SOCIAL VALUE CONSIDERATIONS

NATIONAL SKILLS ACADEMY FOR CONSTRUCTION

Year 3 of the Skills Academy project was successfully completed in January 2017 with positive feedback received from the Construction Industry Trade Board (CITB). Strength has been in the positive links established with local high schools and joint agencies supporting young people in Herefordshire who are looking for work experience and opportunities to develop work ready skills. We also continue to support development of our employees and our local eligible subcontractors with apprenticeships, graduate placements and recognised training.

Discussions have been held with CITB on the benefits of moving to the new set of National Skills Academy KPI definitions as they recognise the benefit developing our own workforce. As a result we have been working closely with Herefordshire Council using the valuable experience gained on what works well and to ensure activities provide real benefit for those involved and appropriate targets set. Priorities and progress will be managed and monitored through the Sustainability cluster group.

Details of proposed targets for 2017/18 and outcomes against each required criteria are listed in Appendix K, National Skills Academy Employment and Skills Plan.

ENSURING A SUSTAINABLE SERVICE

During 2016 a full review of the Joint sustainability action plan (JSAP) was completed with priorities set to the sustainability requirements of the contract. This is a dynamic document that remains live throughout the term of the contract and is managed and monitored through the Sustainability cluster group. This plan, focused around the three sustainability pillars of Profitable Markets, Healthy Communities and Environmental limits, outlines a number of objectives, measures and goals for embedding sustainability throughout service delivery. A copy of the 2017 JSAP is attached in Appendix L, Joint Sustainability Action Plan.

EQUALITY AND DIVERSITY

The Public Sector Equality Duty which is set out in the Equality Act 2010 requires public authorities to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race (this includes ethnic or national origins, colour or nationality), religion or belief (this includes lack of belief), gender and sexual orientation.

The purpose of carrying out an Equality Impact Assessment is to assess the impact of a change to services or policy on people with protected characteristics and to demonstrate that the Council has considered the aims of the Equality Duty.

The Equality Duty must be complied with before and at the time that a change to services or particular policy is under consideration or decision is taken. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.

An overall Equality Impact Assessment has been carried for the service on the basis of a change in procurement and is included in Appendix D, Equality Impact Assessment.

Where policy change has occurred in relation to an individual service, a specific assessment will be carried out and included in the annex.

COMMERCIAL/FINANCIAL OVERVIEW
DEFINED COST PLUS FEE

The table below identifies the defined cost (and associated fee) per Service. There is also an additional analysis showing the split between capital and revenue budgets. Further detail of costs can be found within each Service Annex

| Annex | Description | Cost | Fee | Total | Revenue | Capital |
|--------------|---|-------------------|------------------|-------------------|------------------|-------------------|
| 1 | Network Resilience | 696,516 | 68,468 | 764,984 | 764,984 | |
| 2 | Community Development and Stakeholder Management | 805,510 | 79,182 | 884,692 | 884,692 | |
| 3 | End to End Network Improvement | 4,785,787 | 470,443 | 5,256,230 | - | 5,256,230 |
| 4 | Development Control | - | - | - | - | |
| 5 | Fleet Management | 100,069 | 9,837 | 109,905 | 109,905 | |
| 6 | Parks, Open Spaces, Landscaping, Verges and Trees | 1,223,605 | 120,280 | 1,343,885 | 1,343,885 | |
| 7 | Managing Water on the Network | 1,109,923 | 109,105 | 1,219,028 | 619,028 | 600,000 |
| 8 | TAMP | 504,143 | 49,557 | 553,700 | - | 553,700 |
| 9 | Network Management and Traffic | 276,477 | 27,178 | 303,655 | 19,012 | 284,642 |
| 10 | Network Rehabilitation and Maintenance | 2,555,142 | 251,170 | 2,806,312 | 209,642 | 2,596,670 |
| 11 | PROW | 317,348 | 31,195 | 348,543 | 306,543 | 42,000 |
| 12 | Street Cleansing | 1,104,179 | 108,541 | 1,212,720 | 1,212,720 | |
| 13 | Street Lighting | 232,571 | 22,862 | 255,433 | 79,433 | 176,000 |
| 14 | Structures | 1,564,558 | 153,796 | 1,718,354 | 58,354 | 1,660,000 |
| LMO | Local Management Overhead | 2,168,571 | 213,170 | 2,381,741 | 523,983 | 1,857,758 |
| Total | | 17,444,397 | 1,714,784 | 19,159,182 | 6,132,182 | 13,027,000 |

Table 3: Total Cost Plus Fee for Provision of the Public Realm Service

Note that **no risk contingency** has been included within the annual plan. All revenue risk items will need to be identified and managed separately through the monthly forecasting process. Risks associated with capital works will be identified when Target costs are submitted.

LOCAL MANAGEMENT OVERHEAD COSTS

Local Management Overhead captures the cost of the management team that administer the delivery of the contract and the resources that are shared across services, but most easily captured centrally (e.g. pool vehicles, IT costs, depot and office costs). It also captures pass through costs, which attract no fee, such as facility rental and rates.

A summary of this figure is captured in [Table 4](#). Detail is captured in

| Cost Component | No. | LMO | |
|-----------------------|-----|-------|------------------|
| | | (FTE) | Annual Plan |
| Staff | 29 | 20.5 | 1,496,000 |
| Equipment | | | 102,616 |
| Plant & Material | | | 28,703 |
| Depot & offices | | | 107,157 |
| Charges | | | 138,500 |
| Subtotal | | | 1,872,976 |
| Plus Fee | | 9.83% | 2,057,089 |
| Pass through property | | | 324,652 |
| Total | | | 2,381,741 |

Table 4: Local Management Overhead Costs

SUPPORTING HEREFORDSHIRE COUNCILS 3% SAVINGS TARGET

In addition to the £300k reduction on the revenue budget between 2016/17 and 2017/18 the service will have to create savings to accommodate inflationary pressures as well as increase in demand in the service, as well as the increased risk to the Public Realm due to the condition of the Council's asset.

In order to deliver an equivalent service in 2017/18, efficiency savings have been identified and built into the budget. These efficiencies represent a 6.7% saving on the £6.4m base revenue budget for 2016/17.

These efficiency savings break down as follows:

| Saving Opportunity | In Year Revenue Savings Target | Approach to Achieve Saving |
|---|--------------------------------|--|
| Workshop Service Redesign & Restructure | £30,000 | Redesign of delivery model & outsourced operation of workshop services. |
| Grounds Efficiency | £86,000 | Change in delivery model & better planning/ control of overtime. Added resilience on safety/ reactive/ cemetery |
| Street Lighting Maintenance Efficiency | £20,000 | Further reduction in maintenance costs of the service achieved through installation of LED lighting. |
| NRSWA Income | £98,000 | Increased observation of statutory undertakers' activities, supported by the issue of Penalty Charge Notices, as well as observance of skip and scaffolding licensing. – saving net of increase resource required to |

| | | |
|----------------------------|-----------------|--|
| | | deliver. Increase is net of additional resources required to support the improved service |
| Playground | £35,000 | Inspections now carried out by Locality stewards |
| Street Cleansing | £15,000 | Bin Bags |
| Street Cleaning | | The savings within this service have meant we can provide more for less – reinvestment of efficiencies – value to be confirmed |
| Fleet review | £100,000 | Long term hire of fleet, economies of scale through hire across multiple contracts |
| Operational Control Centre | £25,000 | The investment in the OCC along will deliver both operational savings and a reduction in property costs. |
| Winter Service | £16,000 | Purchase of a leased gritter during 2016 |
| Customer services | £60,000 | Team restructure, OCC benefit and improved processes |
| Total Savings | £485,000 | |

In addition to these revenue savings, we will look to target capital savings through the following means:

Supply Chain Improvements – In 2015/16 we have already agreed a 2% reduction with our surface dressing supplier (RMS), which is included within the Annual Plan, and we are currently discussing rates for surfacing work. We will continue to leverage the Balfour Beatty buying power on behalf of the Council (given that the majority of supply chain savings flow directly through to the Council)

Operations – OCC– The Annual Plan is based on the Council’s investment in the Operational Control Centre (OCC). In addition to the revenue savings noted above we have built in operational improvement and efficiencies into our Routine/ reactive budgets in excess of £0.5m. These savings are enabled through better, quicker deployment of gangs, better programming of works (given changes in Cat1/ Cat 2 response times), reduced travel time and cost and improved productivity.

PAYMENT MECHANISMS & SERVICE ORDER SCHEDULE

PAYMENT MECHANISMS BY SERVICE

Each annex has been reviewed with the Council's Contract Management team to determine the most appropriate mechanism. The methodology uses the allocation of Risk as the key principle to determine the correct payment mechanism. Where BBLP are best placed to manage the risk, a Lump sum or target cost mechanism has been agreed. This provides the Council with a level of certainty on price. For target cost works, the Contract caters for a pain/ gain mechanism to encourage value engineering (this mechanism is described in the Contract). For those services where there is less certainty, or unclear scope or volume, the Council has retained the risk through a cost reimbursable mechanism.

[Table 5](#) identifies payment mechanism and service orders as agreed for each Service annex.

| Revenue | | | |
|----------------|---|--|---------------------------|
| No. | NEW annex (2016/17) | Service Order | Payment Mechanism |
| 1 | Network Resilience | | |
| | | Emergency Response | Cost reimbursable |
| | | Winter preparedness | Cost reimbursable |
| 2 | Community Development and Stakeholder Management | Winter Response | Cost reimbursable |
| | | Localities Stewards | Cost reimbursable |
| | | Lengthsman scheme (Management & Materials) | No service order required |
| 5 | Fleet Management | Customer services (inc events management) | Cost reimbursable |
| | | Fleet management | Cost reimbursable |
| 6 | Parks, Open Spaces, Landscaping, Verges and Trees | | |
| | | Parks Open spaces & Playgrounds, Highways Verges | Cost reimbursable |
| | | Cemetery Maintenance | Cost reimbursable |
| | | Grave Digging | Cost reimbursable |
| 7 | Managing Water on the Network | Maintenance of Crematorium | Cost reimbursable |
| | | Gully Cleaning (Principal Roads) | Cost reimbursable |
| | | Gully Cleaning (Other Roads) | Cost reimbursable |
| | | Land Drainage | Cost reimbursable |
| 9 | Network Management and Traffic | Flood Risk Studies | Cost reimbursable |
| | | TRO (inc NRSWA) | Cost reimbursable |
| | | Traffic Control Systems | Cost reimbursable |
| 10 | Network Rehabilitation and Maintenance | NRSWA Income | Cost reimbursable |
| | | Reactive works (not potholes) | Cost reimbursable |
| 11 | PROW | PROW Management | Cost reimbursable |
| 12 | Street Cleansing | Street Cleaning | Cost reimbursable |
| 13 | Street Lighting | Street Lighting Reactive Maintenance | Cost reimbursable |
| 14 | Structures | Structures Programmed Maintenance & Diving Inspections | Cost reimbursable |

| Capital | | | |
|-------------------|--|---|-------------------|
| No. | NEW annex (2016/17) | Service Order | Payment Mechanism |
| 3 | End to End Network Improvement | | |
| | | On-Street and Resident Parking Scheme | Target Cost |
| | | St Owen Street Cycle Way Contraflow Scheme | Target Cost |
| | | Market Town Impact Assessment | Target Cost |
| | | Community Commissioning Schemes | Target Cost |
| | | A Roads/Strategic Network Surfacing Programme | Target Cost |
| | | BC&U Road Surfacing Programme | Target Cost |
| | | Roads at Risk Programme | Target Cost |
| | | CAT2C (High Benefit / Value for Money) | Target Cost |
| | | Locality programme | Target Cost |
| | | Footways | Target Cost |
| | | Safety Barriers | Target Cost |
| | | Lining and Road Marking | Target Cost |
| | | Traffic Signs | Target Cost |
| Other | Target Cost | | |
| Pothole Fund | Target Cost | | |
| Productivity Fund | Target Cost | | |
| 7 | Managing Water on the Network | Drainage Improvement Schemes (A Roads) | Target Cost |
| | | Drainage Improvement Schemes (Other Roads) | Target Cost |
| 8 | TAMP | | Cost Reimbursable |
| 9 | Network Management and Traffic | | |
| | | TRO Capital | Cost Reimbursable |
| 10 | Network Rehabilitation and Maintenance | | |
| | | Carriageway Routine Maintenance A Roads (Cat 2) | Cost Reimbursable |
| | | Carriageway Routine Maintenance Other Roads (Cat 2) | Cost Reimbursable |
| | | Carriageway Reactive Maintenance A Roads (Cat 1) | Cost Reimbursable |
| 11 | PROW | Carriageway Reactive Maintenance Other Roads (Cat 1) | Cost Reimbursable |
| | | PROW (ROWIP) | Cost Reimbursable |
| 13 | Street Lighting | | |
| | | Street Lighting Programme | Cost Reimbursable |
| 14 | Structures | | |
| | | Structures Capital Inspections, Routine & programmed work | Cost Reimbursable |

| | | | |
|-----|---------------------------|---------------------------|-------------------|
| LMO | Local Management Overhead | | |
| | | Local Management Overhead | Cost Reimbursable |
| | | Pass Through Property | Cost Reimbursable |

Table 5: Identified the Payment Mechanism by Annex

The process for reviewing these payment mechanisms is captured in the Contract.

PERFORMANCE MANAGEMENT

The Performance Management regime encourages BBLP to deliver Herefordshire Council's objectives. By linking Strategic Performance Indicators to contract extension, BBLP are incentivised to design and deliver the service in order to maximise the achievement of Herefordshire Council's Strategic Outcomes. By linking Operational Performance Indicators to a proportion of fee, BBLP are incentivised to design and deliver operational excellence.

BBLP measure and record each SPI and OPI. Each SPI/OPI has been allocated an owner from BBLP who is responsible for obtaining the figures, which will then be submitted to and signed off at the monthly Operations Board. Monthly figures will be collected by the Performance and Improvement Manager, who will capture data in the Contract's Performance Score Card, which will be reported through the Operations report. The Process for Performance Management is captured in Appendix F, Performance Management Process.

The SPIs were reviewed and agreed during 16/17.

PERFORMANCE REPORTING

As well as the SPIs & OPIs, the monthly report will highlight how other areas of the contract are performing and will include:

- Health and Safety, sustainability
- Business development and improvements
- Works Delivery
- Financial performance
- NRSWA Report
- Communications
- Customer services

This report is summarised into a Performance Dashboard which is used during the Operations Board to highlight areas for improvement or achievements made during the reporting month.

An indicative dashboard is displayed in Figure 9.

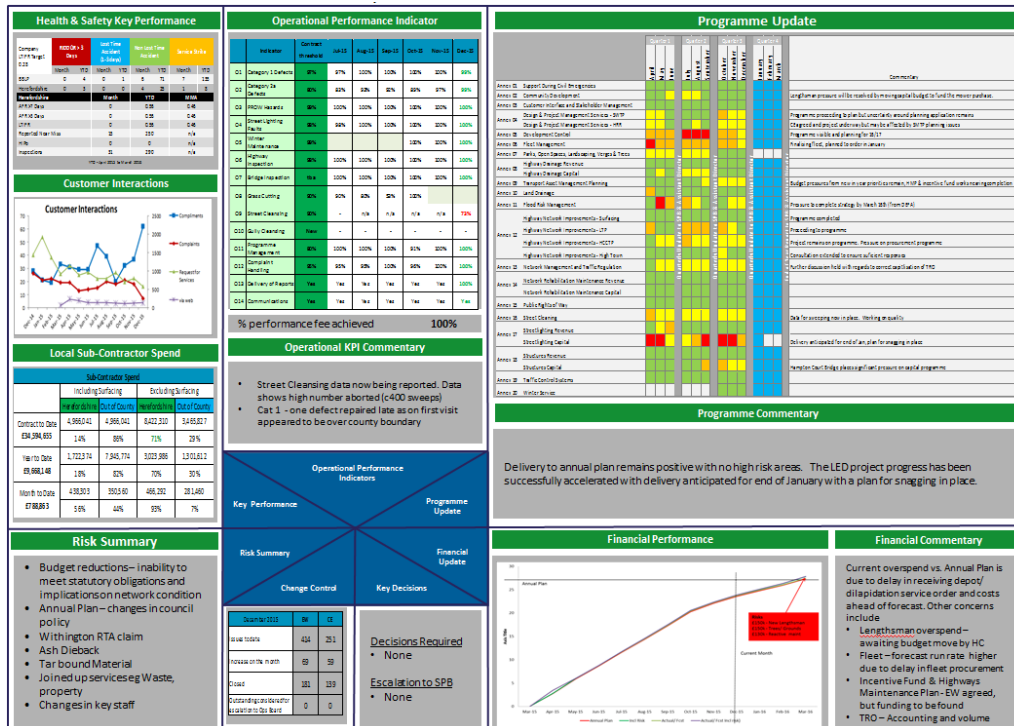


Figure 9: Indicative Performance Dashboard will show the Performance of the Contract at a glance

Data reporting is a key focus for the service in 2017/18. Working with the contract management team, BBLP will continue focus on developing the current reporting to provide for the information needs of client officers; enable assessment of the value for money of the service and help promote the service. Flash reports will report of programme, budget, operational performance indicators, change management, risk management, quality control and deliverables in month. The following reports have been identified:

- Operations Board Flash Report;
- Annex Flash Reports;
- Major Projects Flash Report.

STRATEGIC PERFORMANCE INDICATORS

Strategic Performance Indicators have been reviewed to ensure that they are aligned to the outcomes of the Council. These are captured in Appendix G, Strategic Performance Indicators. These have now been approved and will be measured and reporting during 2017/18.

OPERATIONAL PERFORMANCE INDICATORS

A set of operational indicators will be used to assess the effectiveness of the Annual Plan. The operational indicators are as outlined in Table 6. These will be subject to monitoring and review through the Operational board. OPs will be reviewed and agreed in line with changes to the HMP.

Each of the Annexes contains KPI information that relates to the day to day delivery of the services (OPIs). A full definition, format, measurement period, objective, formula, method and threshold has been defined for each and is available on request. An example is provided in [Table 7](#) for clarity.

Table 6: Operational Indicators

| | Indicator | Current Contract threshold | System |
|-----|------------------------|-----------------------------------|--------------------|
| O1 | Category 1 Defects | 97% | Confirm |
| O2 | Category 2a Defects | 80% | Confirm |
| O3 | PROW Hazards | 99% | Manual/ Confirm |
| O4 | Street Lighting faults | 98% | Mayrise |
| O5 | Winter maintenance | 99% | Paper records |
| O6 | Highway Inspection | 98% | Confirm |
| O7 | Bridge Inspection | tba | BMX |
| O8 | Grass cutting | 90% | Confirm |
| O9 | Street cleansing | 90% | Confirm |
| O10 | Gully cleansing | New | Confirm |
| O11 | Programme Management | 80% | Project |
| O12 | Complaint Handling | 95% | Confirm |
| O13 | Delivery of reports | 100% | Email |
| O14 | Communications | New | Email |

| Indicator Ref | Title | |
|--|--|--------------------|
| 01 | Category 1 Highway Defects | |
| Full Description | | |
| Percentage of Highway Category 1 Defects repaired or made safe within 24 hours from the Time of Notification | | |
| Format | Decimal Places | Measurement Period |
| Percentage | None | Monthly |
| Objective | The Public Realm is accessible, safe, clean and well-maintained | |
| Definition | <p>The indicator is the percentage of Category 1 Defects (relating to roads and pavements) closed in the period with a Time of Closure within 28 days '24 hours' of the Time of Notification as recorded in the Provider's systems (CONFIRM)</p> <p>Cat 1 Defect: As defined within the Highways Maintenance Plan relating to Highways.</p> <p>Time of Notification: is the time and date at which Category 1 Defects are reported to and/or recorded by, the Provider. by customers, members of the Employer's or Provider's staff (including through Safety Inspections), stakeholders, etc</p> <p>Time of Closure: is the time and date at which the following have been fully completed: works to make safe or repair the Defect, the site cleared, all equipment removed and the site vacated by the Provider.</p> | |
| Formula | $\left[\frac{x}{y} \right] * 100$ <p>where</p> <p>x = the number of Category 1 Defects in the Measurement Period recorded in the Provider's systems with a Time of Closure within 24 hours of the Time of Notification; and</p> <p>y = total number of Category 1 Defects in the Measurement Period recorded in the Provider's systems.</p> | |

| | | |
|--------------------------|---|--|
| Method | <p>The Provider's system (CONFIRM) automatically records the Time of Notification.</p> <p>The Provider's systems allow Incidents to be categorised as Category 1 Defects of dangerous damage to roads and pavements.</p> <p>The Provider's systems record the 'Time of Closure'.</p> <p>The Provider's systems produce a report within date parameters equivalent to the Measurement Period which should allow drill-down to Defect level.</p> <p>Data to be supplied through the Provider's system</p> | |
| Further reference | <p>Highways Maintenance Plan</p> <p>Category 1 guidance</p> | |
| Notes | <p>If access is not permitted to the Area Network for a reason beyond the Provider's reasonable control (e.g. upon direction of the Employer), the repair of Defect directly affected by this should be excluded from this performance measure.</p> | |
| Threshold | | |
| 97% | | |
| Version | Date | |
| Issue 2 Revision 01 | July 2014 | |

Table 7: An Example of Indicator Definition

RISK MANAGEMENT

Risk is managed in line with the Balfour Beatty Risk Management Procedure, as outlined in Appendix: H, Risk .

The following high level strategic risks have been identified:

- **Weather** – significant or abnormal weather events impact the ability to deliver the Capital and Revenue services in line with agreed programs, to mitigate this HC has approved the setting up of a severe weather reserve.
- **Reputation** – significant reduction in revenue budgets negatively impacts the perception of the service, to mitigation this a clear communications strategy is in place and extensive consultation on the focus of the service has been conducted.
- **Communication** – ineffective communication / expectation management results in an increase in service demand. This is mitigated through the introduction of Locality Stewards and the bringing in house of the public call centre. This ensures we can effectively explain constraints on the service.
- **Recruitment/capability** – appointment of key roles is delayed, impacting BBLP ability to deliver. This is mitigated through recruitment events and access to the wider BBLP “family “ of resources. In addition resilience is provided by our sub consultant and subcontract resources.
- **Changing Political Priorities** – a change in political leadership undermines the partnering arrangements between BBLP and HC. To mitigate this we will work closely with the HC corporate team to dovetail into the member induction process that will take place post elections in May. We will continue to work through the Locality Stewards to ensure the links between local members and the operational activities are maintained and strengthened.

The HC contract team and BBLP will meet in the Operations Board to agree strategic risks along with their mitigations and will review these as part of a strategic risk scorecard on a monthly basis.

A consolidated operational risk register from all the annexes can be found in Appendix: H, Risk . BBLP Annex leads will regularly review their annex risk register and ensure that where necessary risks are escalated to the Operations board.

The process of risk management will be the responsibility of the BBLP SMT.

KEY ASSUMPTIONS

The following key assumptions must be considered in review of this Annual Plan. Further assumptions are included with each annex:

1. BBLP are empowered to determine the priority of works & services – subject to other Council commitments which are already within the public domain;
2. Budgets and allocations are accurate;
3. Budgets are based on January 2017 information, which will be reforecast monthly in line with the Contractual commitment;
4. The key objective is to ensure a balanced budget for the Council;
5. The contract payment mechanisms will be agreed to support the balancing of the Revenue budget;
6. Open book / transparency will assist in demonstrating value for money for HC;
7. The Council will provide visibility of other Council budgets which affect the BBLP services, including:
 - a. External revenue e.g. Skips & scaffold licences;
 - b. Other 3rd party costs e.g. Telent, Lengthsman and other grants;
8. Commissioning and ordering of work will be done through the HC and BBLP contract management teams;
9. LOC allocation to Revenue/ Capital budgets is based on the split of Capital/ Revenue work in the Council's Financial Year 2017/18.
10. Liability of claims will be managed outside of the annual plan in line with the contract and is subject to the agreement of the Claims Protocol awaiting signature (signatories include BBLP Contract Director, Zurich Insurance, Council Approved Officer).

APPENDICES

APPENDIX A, ORGANISATION STRUCTURE



Commercial.pdf



Operations.pdf



Knowledge
Centre.pdf



D&B Staff Chart.pdf

APPENDIX B, COMMISSIONING PROCESSES



HC CMT

Commissioning Preser



Draft Annual Plan

Commissioning Proces



Draft LTP

Commissioning Proces



S106 Commissioning
process.doc

APPENDIX C, QUALITY MANAGEMENT



BC-SF-605 Quality
Plan Rev 7.docx



HC CMT Audit
Process



Sector Scheme
Accreditation Process



DNV Audit
Presentation

APPENDIX D, EQUALITY IMPACT ASSESSMENT

This section of the Executive Summary contains an Equality Impact Assessment of the Annual Plan. The Equalities Act (2010) introduced legislation which means local authorities have a duty to consider the impact of changes to delivery of service to groups of people with protected characteristics.

There is a wide range of services in the scope of the Annual Plan, including highways (schemes and maintenance), street cleansing, street lighting, parks and open spaces, public rights of way, aspects of network management.

The services include activities which maintain and improve the physical and natural environment and promote wellbeing for everyone who resides, works or visits Herefordshire in line with the Herefordshire Plan as prioritised in the Annual Plan. These priorities are under review in the light of the current financial challenges faced by local government. The arrangements must, therefore, allow the Council the flexibility to modify services, stop providing services, or transfer them to other organisations in order to continue to deliver according to the priorities identified by the Council. Any such significant changes will require an equality impact assessment.

EQUALITY AREAS ASSESSED

A list of groups with protected characteristics is detailed below; these will form the basis for the Equality Impact Assessment. The main issues relating to equality within the Annual Plan are:

1. **Race** - Consider Asian, Asian British, Black, Black British, Chinese, Mixed heritage, White British, other white ethnic groups, e.g. eastern European, travellers

2. **Gender** - Consider from point of view of women and men
3. **Disability** - Consider physical and sensory impairment, learning disabilities, people with mental health issues
4. **Age** - Consider younger and older people
5. **Religion/Belief** - Consider people of different faith groups including non-believers
6. **Sexual orientation** - Consider lesbian, gay men, bisexual and transgender issues

The Herefordshire Annual Plan will be reviewed to meet the diverse needs of the communities of Herefordshire. Through consultation with our stakeholders we will seek to remove obvious barriers to services in terms of equality and diversity either in the aim of the policy or in the way it is delivered.

TIMESCALE OF THE ASSESSMENT

The start date of the assessment is the period covering 1st April 2017, the finish date is the 31st March 2018, inclusive.

POLICY, PROCEDURE, SERVICE ASSESSED

The aim of the Annual Plan is to encourage co-ordination and consistency in the delivery of local highway maintenance and public realm services by meeting the needs of users and the community rather than the convenience of service providers. Further, the Plan aims to encourage a focus on the needs of users and the community and their active involvement in the development and review of policies, priorities and programmes.

The key stakeholders of this policy are:

- All road users, motorised and non-motorised
- Organisations representing different users, for example cycling groups
- The county's main bus companies and road haulage companies
- Parish Councils within Herefordshire
- Members of the Council
- Other local partnerships
- Residents of Herefordshire
- Business users
- Emergency services
- Visitors to the county

Balfour Beatty Living Places is aware of the Corporate Customer Service Standards of Herefordshire Council and the Contract monitoring team are responsible for reviewing all aspects of compliance with applicable policies and relevant legislation.

Balfour Beatty Living Places holds an Equality and Diversity Policy which states that:

“None of our stakeholders, including but not limited to employees, clients, suppliers and members of the public will receive less favourable treatment on the grounds of gender, race (including ethnic origin, colour, nationality and national origin), disability, age, marriage or civil partnership, gender reassignment, maternity or pregnancy, sex or sexual orientation, religion or belief, trade union affiliation, or be disadvantaged by any other condition or requirement that is not relevant to the relationship or transaction in question. Selection for employment, promotion, training and any other benefit will be on the basis of aptitude and

ability. The effectiveness of the company will only be improved by valuing diversity through promoting equality and inclusion.

The achievement of our equality and diversity objectives relies on the personal commitment of all employees who, therefore, have a personal responsibility for the implementation of this policy. To ensure that line managers and other relevant decision makers understand company policy and their position in law, appropriate training and guidance is provided”.

DATA COLLECTION AND CONSULTATION

Where changes are planned to existing services, Balfour Beatty Living Places will consider the impact of the change on the groups of people with protected characteristics to ensure that any change does not disproportionately disadvantage them. This will be done through a number of techniques, chosen proportionately in relation to the anticipated size of the change. Examples of these techniques include:

- Desk study considering the impact of any change
- Questionnaires with affected groups
- Consultation workshops with affected groups
- Liaison with representatives of affected groups
- Postal Surveys
- Independent interviews

KEY FINDINGS

A service wide assessment of the change of services has been conducted to provide an overview of the key areas of impact as a result of changes in service scope. By assessing the information contained in the Annual Plan against all the equality areas, it is considered that there is a low risk of specific equality needs not being identified and addressed.

However, two key areas are highlighted here for consideration:

1. Reduction in the provision of services in grounds maintenance will generally impact older residents, those with a physical disability, or a mobility impairment. The result of this reduction will be temporary restriction to their ease of movement across the network.
2. Those who are visually impaired may be disadvantaged through lack of information. This is of particular importance to Herefordshire as the Royal National College for the Blind is located within the County. A strategic approach to ensuring information is disseminated to these groups and that their needs are integrated into the culture of service delivery is essential.

In addition to this overview, where applicable, each annex will provide an assessment of the impact of changes to the service.

MONITORING

BBLP will manage the operation of the contract and compliance in this domain will be monitored by Herefordshire Council Contract Management Team in conjunction with the Contractor.

This will include all aspects of performance management according to an agreed framework and will include;

- Race, gender, disability, religion or belief, sexual orientation, age, income, and geography
- Service users in the context of the services in scope: highways; streetlights; parks and open spaces; etc., would be difficult to monitor. People contacting the Council for specific services, e.g. to report a highway defect, will contact via Customer Services and will be subject to their monitoring regime.

ON GOING ACTIONS

Table 8 outlines the actions required following the Equality Impact Assessment of the Annual Plan to ensure further changes in the service do not disadvantage any group previously outlined.

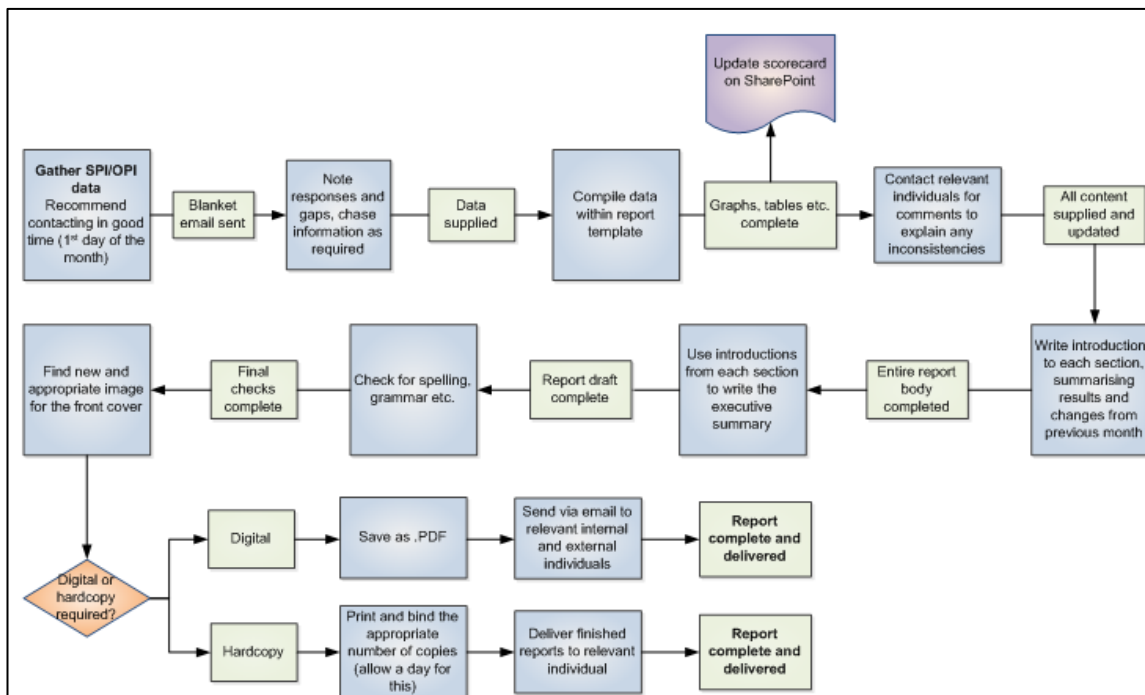
| Action identified | Timescales (when this work is to be completed) | Who is responsible? | Improvement aim/outcome |
|--|--|------------------------------|--|
| Ensure EIAs completed for any proposed service changes | On-going | Balfour Beatty Living Places | To mitigate the impact of proposed service changes |
| Monitor service communications | On-going | Communications Team | To ensure effective communication |

Table 8 – Equality Impact Assessment Actions

APPENDIX E, FINANCIAL INFORMATION

This financial information is available on request, subject to commercial confidence and data protection. This has been agreed with Council Officers as part of the Annual Plan Review process in line with the ‘open book’ nature of the Contract Terms.

APPENDIX F, PERFORMANCE MANAGEMENT PROCESS



APPENDIX G, STRATEGIC PERFORMANCE INDICATORS

| | Indicator | Upper Threshold 2017/18 | Lower Threshold 2017/18 | Cap upper lower | System | Measure Date |
|----|--------------------------------|----------------------------|----------------------------|-----------------------|---------|-----------------|
| S1 | Killed and Seriously Injured | 71 | 79 | 2 -0.25 | HC | Feb |
| S2 | Principal Road Condition | 7% | 9% | 1.2 none | Horizon | Sep |
| S3 | Non Principal B Road Condition | 6% | 8% | 1.2 none | Horizon | Sep |
| S4 | Non Principal C Road Condition | 6% | 8% | 1.5 -1 | Horizon | Sep |
| S5 | Unclassified Road Condition | 25% | 31% | 2 -1 | Horizon | Sep |
| S6 | Footways condition | 26% | 30% | 1.2 | FNS | Sep |

| | | | | | | |
|-----|--------------------------------|-----|-----|-------------|-----------|-----|
| | | | | -1 | | |
| S7 | Bridge Condition | 98% | 89% | 1.2 -1 | AMX | Jan |
| S8 | Third party claims repudiation | 80% | 70% | 1.5 none | Claims | Jan |
| S9 | Flood resilience | 75 | 100 | 1 -1 | Manual | Jan |
| S10 | Skills and employability | 4 | 3 | 1.5 none | ESP | Feb |
| S11 | Local spend | 24% | 30% | 2 -1 | Manual | Jan |
| S12 | CO2 reductions | 5% | 3% | 2 none | Group | Jan |
| S13 | Reuse and recycling | 99% | 96% | 2 none | Eco Waste | Jan |

| | | | | | | |
|-----|------------------------|---------------------|---------------------|-----------|----------------------|-----|
| S14 | Community engagement | 110 days | 90 days | 2 none | Register | Jan |
| S15 | Customer Satisfaction | 37.10% | 36.10% | 2 -1 | NHT | Oct |
| S16 | Continuous improvement | +10% bid commitment | -10% bid commitment | 2 -1 | Improvement Register | Jan |

APPENDIX: H, RISK MANAGEMENT



BBLP Risk

Management Procedure



Consolidated

operational risk register

APPENDIX I, CHANGE MANAGEMENT PROCESS



Early Warning
Management Process



Compensation Event
Management Process

APPENDIX J, CONTINUOUS IMPROVEMENT REGISTER

Available on request (very large file)

APPENDIX K, NATIONAL SKILLS ACADEMY EMPLOYMENT AND SKILLS PLAN



Employment and
skills plan 1617.xls

APPENDIX L, HSES ACTION PLAN



LP HSES Action Plan
2017.xlsx