

**1. Supplement to the agenda for**

# **Cabinet**

**Thursday 27 June 2024**


**2.30 pm**

**Herefordshire Council Offices, Plough Lane, Hereford, HR4  
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	<b>Pages</b>
<b>8. THE NEW PUBLIC REALM SERVICES</b>	<b>3 - 14</b>
Political Group Consultation addendum and power point slides	



**Public Realm Contract Political Group Consultation**
**Monday 17<sup>th</sup> June 2024**
**17.00-18.00 – MS Teams**

	Item
1.	<ul style="list-style-type: none"> <li>• Introductions were made to the Political Group Consultation</li> <li>• New services and contracting arrangements for the Public Realm contract are required from 1 June 2026. A report will be taken to 27 June 2024 Cabinet which will propose the Council adopt the proposed model for market engagement purposes (as set out in appendix 1 of the report).</li> <li>• Following the market engagement, the model will be refined and returned to Cabinet in Autumn 2024, to approve a final version of the model for procurement in 2025.</li> <li>• An overview of the public realm services, the proposed model for the new contract, services proposed to move back in house, the contract type and term was provided, supported by the attached slides.</li> </ul> <div style="text-align: center;">   <small>240617 pubic realm pgc slides.pdf</small> </div> <ol style="list-style-type: none"> <li>1. A member of the Conservatives asked if there would be a lot of interest from contractors for this new contract and if there was any indication of what was being said in the market at this current time.</li> <li>2. A member of the Greens questioned if there was a cost to the termination of the contract with BBLP and if BBLP could re-tender for the new contract.</li> <li>3. A Green member asked if the drainage team were one of the services being brought back in-house.</li> <li>4. Representatives of both Independents for Herefordshire and the Conservative parties queried the works value for capital projects and why this would be included within the contract.</li> <li>5. A member of the Independents for Herefordshire preferred the idea of a longer contract term.</li> <li>6. A member of the Independents for Herefordshire was happy that locality stewards and highway inspectors were returning in-house to Herefordshire council.</li> <li>7. A member of the Conservatives queried where the cemeteries and crematorium will be placed as this was an element still to be confirmed.</li> <li>8. A member of the Conservatives supported the concept of the proposed contract type. A member of the Conservatives did not support a longer initial contract term.</li> <li>9. A member of the Conservatives raised concern regarding smaller and more local contractors to Hereford would miss out on capital works if works were directly awarded to the public realm contractor.</li> <li>10. A member of the Conservatives will submit further questions in due course.</li> <li>11. A member of the Liberal Democrats raised concern of the overall contract with a national supplier referencing the past three contracts. A member of the Liberal Democrats would support local companies being considered for this contract.</li> <li>12. A member of the Liberal Democrats queried engagement with DFT regarding future funding.</li> <li>13. All were thanked for their attendance and any further questions should be directed to <a href="mailto:Jenny.Arnold@herefordshire.gov.uk">Jenny.Arnold@herefordshire.gov.uk</a></li> </ol>



Public Realm Services  
27 June Cabinet Report  
PGC  
17 June 2024

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## Background

Contract with Balfour Beatty Living Places from 2013

Heavily outsourced operating model

Cost reimbursable contract (BBLP get paid for what they do = (people + plant + materials) x Fee%)

Concerns regarding performance and Value for Money

Council have identified ambition and requirements for New Public Realm Services  
(Cabinet Members & Cross Party Groups 2023-2024)

Variation to BBLP contract was not permitted

Council have terminated BBLP contract at April 2024 Cabinet (end date is 31 May 2026)

The 27 June 2024 Cabinet proposes:

***a) Cabinet adopt the Public Realm Services model set out in Appendix 1 for the purposes of market engagement;***

***b) Cabinet delegates authority to the Corporate Director Economy and Environment to carry out market engagement on the Public Realm Services model set out in Appendix 1.***

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Following market engagement during Summer, a report will be brought to Autumn Cabinet which will seek to approve the model for procurement during 2025.

Award of a new contractor is programmed for January 2026, to enable new Public Realm Services from 1 June 2026.

# The New Model

(for Market Engagement purposes)

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# Contracted Services

The contractor will deliver these “core services” under a new contract from 1 June 2026:

- Network resilience & civil emergencies services
- Winter service
- Reactive maintenance (potholes & patching)
- Carriageway & footway maintenance programmes
- Drainage (gully cleansing & land drainage)
- Street lighting
- Structures (maintenance of bridges and culverts)
- Street cleaning (bin emptying, fly tipping & road sweeping)
- • Fleet management and mechanical workshop (TBC)
- Parks and open spaces (highways verges and trees)
- Cemeteries & burials (TBC)
- Projects up to £100K may be delivered in the contract

The new contract will:

- Focus performance on the core services
- Resolve historic service & operational challenges
- Larger projects will be delivered from the council’s framework
- Focus on council’s current requirement and future priorities



# Council Services

Council services will be restructured to include the following technical services from BBLP

- Asset Management Team
- Network Management
- Locality Stewards (incl Highway Inspections)
- Design / Project Management / Quantity Surveying (part)
- Customer Services (enquiries and complaints)
- Communications Lead (communications management including social media)
- Fleet (part)
- Health & Safety / CDM (part)

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This will enhance the council's:

- Capacity
- Resilience
- Technical knowledge and expertise
- Ability to manage the contractor
- Assurance over works (check & challenge)



# NEC 4 Term Service Contract



Option	Scenario for use
Option A: Priced Contract with Price List	Core Services & Schemes
Option C: Target Contract with Price List	Option from Year 3 of the Contract for Core Services & Schemes that the council <b>may</b> invoke
Option E: Cost Reimbursable Contract	By exception for unusual services that are not catered for in the Price List

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## The Specification

The contract specification will be developed in accordance with national and local standards:

- Highway Maintenance Efficiency Programme
- Design Manual of Roads and Bridges (Department for Transport)
- Material requirements & specifications including British Standards
- Local requirements & Standard Details (as standard as possible)

## Contract Term

Initial term of 7 years, with the option to extend for up to 3 years  
Exploring >10 years as part of the market engagement

## Performance Management

Council Strategic Key Performance Indicators

⇒ Contractor Strategic Key Performance Indicators

Contractor Operational Key Performance Indicators

The contract will include “Low Service Damages” for non-compliance

A Performance Management Framework will be developed and discussed as part of the market engagement



# Way Forward

Activity	Start Date	Finish Date
Cabinet Decision to end current contract with BBLP	25 Apr 2024	Complete
Effective date of 2 year No-Fault Termination Notice	31 May 2024	Complete
Cabinet Decision to adopt new model for market engagement purposes	27 Jun 2024	
Market engagement	July 2024	Aug 2024
Services review & model refinement (including IT, fleet & depots)	July 2024	Aug 2024
Develop contract documents, specification & tender documents	Aug 2024	Nov 2024
Cabinet Decision to approve model and commence procurement (date TBC)	Autumn 2024	
Deliver procurement process (10 months)	Jan 2025	Nov 2025
Cabinet Decision to Award contract (date TBC)	Late 2025	
Sign contract	1 Jan 2026	31 Jan 2026
Deliver Demobilisation and mobilisation (5 months)	1 Jan 2026	31 May 2026
Contract with BBLP ends	31 May 2026	
New Public Realm Services Contract Goes Live	1 Jun 2026	

