

Title of report: The New Public Realm Service – Highways and Public Realm Schemes Framework

Decision maker: Cabinet member local engagement and community resilience

Report by: Major Contracts Programme Director

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

All Wards

Purpose

This report seeks approval of a strategy for the procurement of a new Highways and Public Realm Schemes Framework and to delegate authority for its procurement and award.

Recommendation(s)

That:

- a) **Cabinet Member agrees to the establishment of a Highways and Public Realm Schemes Framework, estimated to commence in April 2026 for a period of 4 years as set out in this report and as per the Lot structure listed in Appendix 2. The overall contract value of the framework across all Lots is estimated to be £100 million excluding VAT. This is in order to support the mixed economy for the delivery of highway and public realm schemes and relating to a new approach to the Public Realm Services contract;**
- b) **Cabinet Member delegates authority to the Major Contracts Programme Director to carry out the procurement and award of the Highways and Public Realm Schemes Framework, as set out in recommendation (a), to successful bidders that meet the criteria.**
- c) **Cabinet Member delegates authority to the Major Contracts Programme Director to take all necessary operational decisions to deliver recommendations (a) and (b) above.**

Alternative options

1. To reject this strategy and to not procure a new Highways and Public Realm Schemes framework. This is not recommended as to rely on one-off and spot tenders could jeopardise the timely delivery of works associated with the Council's Capital Programme and the delivery of the highway maintenance capital funding received from the Department for Transport on an annual basis. Rejecting this strategy would also go against the Councils mixed economy for the delivery of highways and public realm schemes as part of the approach to the New Public Realm Services contract.

Key considerations

The Existing Highways and Public Realm Schemes Framework

2. A procurement exercise to create a Highways and Public Realm Schemes Framework was conducted during January and February 2024 in accordance with the Council's Contracts Procedure Rules. The framework was created for a four year period and with a maximum permissible spend of £40 million as part of a new, mixed economy for the delivery of highway and public realm schemes.
3. Places on the framework were awarded across five lots in May 2024, with each lot being restricted to a maximum of five contractors. Three of the five lots related to schemes with work order values of less than £100,000 up to £3 million, with a fourth lot associated with resurfacing works and the final lot associated with surface dressing works. Details of each lot are set out in Appendix 1.
4. Since its creation in 2024, the framework has been used for items such as the delivery of resurfacing works, surface dressing works, the installation of bridge structures on the Public Rights of Way network and some works associated with the Levelling Up Funding programme. As of the end of August 2025, approximately £30 million of contracts had been awarded through the framework against the maximum permissible spend of £40 million.
5. Based on current capital spending plans and the known pipeline of schemes, Officers expect the maximum permissible spend of £40 million to be exceeded at some point early in the 2026/27 financial year.

A New Highways and Public Realm Schemes Framework

6. In order to deliver highways and public realm capital spending plans from June 2026 onwards, it is proposed to undertake an appropriate procurement exercise under the Council's Contract Procedure Rules (CPRs) and the Procurement Act 2023 to create a new Highways and Public Realm Schemes Framework. Subject to unforeseen delays, the estimated commencement date of the framework is April 2026, to allow time for pipelines of works to be awarded as required ahead of the new Public Realm Services contract commencing in June 2026.
7. The benefits of creating a new framework include:
 - a. Allowing the Council to deliver its highway and public realm infrastructure plans in an expeditious and efficient manner
 - b. Providing opportunities for local and regional businesses to engage directly with the Council
 - c. Establishing longer term relationships with suppliers
 - d. Being able to respond to changes in financial resources through the ability to draw on capacity across multiple suppliers
 - e. Obtaining value for money through the ability to run mini-competitions whilst retaining an ability to conduct simple, direct awards where appropriate
8. The scope of the framework will be the construction of civil engineering and associated works for the improvement of the Council's highways and public realm infrastructure. The work will include but not be limited to:
 - a. Footway, carriageway and cycleway improvements
 - b. Active travel measures and schemes
 - c. Highway and Public Rights of Way structures
 - d. Paving, landscaping and public spaces projects
 - e. Drainage improvements
 - f. Fencing and safety barrier installation
 - g. Signs and road markings programmes
 - h. Traffic signal improvements and maintenance
 - i. Tree surveys and inspections
9. The Council and the Suppliers would enter into the framework contract on the basis of the NEC4 Framework Contract as amended by the Council and the framework would be divided into Lots with a maximum number of suppliers allocated to each Lot. In order to provide opportunity to a wider supply chain, a supplier may be appointed to more than one Lot but no more than two. Details of the Lots for the new framework are set out in Appendix 2.
10. Under the framework, the Council will call-off work orders by way of mini-competition or direct award. For each work order, the Council and the selected Supplier (the Contractor) will enter into a contract on the basis of the NEC4 Engineering and Construction Short Contract. Schemes of work would be packaged up and instructed as a Work Order.

11. To demonstrate that value for money for the overall framework is being obtained, it is proposed that the term length of the framework will be four years.
12. Taking into account current and potential future spending plans and the proposed length of the framework, it is estimated that the overall contract value of the framework across all Lots will be £100 million excluding VAT.

Procurement Timeline

13. To allow the Highways and Public Realm Schemes Framework to commence from April 2026, the following procurement timeline is proposed:

October 2025	Cabinet decision to approve procurement. Publish Preliminary Market Engagement Notice and provide market engagement information
October 2025	Market engagement sessions. Legal and procurement teams finalise procurement documents
October 2025	Publication of Tender Notices and Invitation to Tender
November 2025	Tender clarifications
December 2025	Tender returns. Evaluation and moderation
January 2025	Contract Award and standstill period
February 2026	Confirmation of Award
March 2026	Contract mobilisation
April 2026	Contract commencement

14. Note that unforeseen circumstances dictate that this timeline is subject to change

Community impact

15. A new Highways and Public Realm Schemes Framework will support the Council to deliver its statutory functions and enable safe and reliable travel by all modes of transport, and access for business and leisure.

Environmental Impact

16. The procurement of a Highways and Public Realm Schemes Framework will be aligned to meet the Council's environmental objectives including net zero carbon ambitions including:
 - Reduce the council's carbon emissions
 - Work in partnership with others to reduce county carbon emissions
 - Improve the air quality within Herefordshire
 - Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, public transport

17. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
18. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.

Equality duty

19. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
20. The mandatory equality impact screening checklist has been completed for this project/decision/activity and it has been found to have a low impact for equality.
21. Due to the potential impact of this project/decision/activity being low, a full Equality Impact Assessment is not required.

Resource implications

22. The procurement of a Highways and Public Realm Schemes Framework does not commit the council to any spending. Spending on schemes through these contracts will be on a case by case basis and the source of funding from grant, approved revenue budget or capital programme will be confirmed before spend is committed.
23. The Highways and Public Realm Schemes Framework will have built in mechanisms to deal with annual inflationary increases on contracted rates. This will need to be carefully managed by the service area to ensure the contract continues to deliver value for money.
24. This procurement will be funded from the New Public Realm Services revenue budget. The 2025/26 approved revenue budget includes £1.6 million of one-off funding allocated to deliver the Public Realm contract project costs from council's earmarked reserve balances which comprise of: project management; contract expertise; procurement; legal; human resources.

Revenue cost of project	2025/26	2026/27	2027/28	Future Years	Total
	£000	£000	£000	£000	£000
Professional services	£50	£0	£0	£0	£50
TOTAL	£50	£0	£0	£0	£50

Funding streams	2025/26	2026/27	2027/28	Future Years	Total
	£000	£000	£000	£000	£000
New Public Realm Service Budget	£50	£0	£0	£0	£50
TOTAL	£50	£0	£0	£0	£50

Legal implications

25. As the Highways Authority for Herefordshire, the Council has a duty under the Highways Act 1980 to maintain the public highway network, including street trees, in a condition that is safe for users.
26. The proposed framework will go some way to discharging these duties.
27. The proposed framework is facilitated by the Local Government (Contracts) Act 1997.
28. The framework must be procured in accordance with the Council's CPRs and the Procurement Act 2023

Risk management

29. The key risks associated with approval of this procurement are set out in the following table.

Ref	Risk	Potential Impact	Mitigation
1	Lack of interest in the new Highways and Public Realm Schemes Framework	Lack of competition during the procurement process may result in higher costs and concerns related to value for money.	Early notification of the market and soft market engagement exercise planned as part of the procurement
2	Ability to get contractors with capacity and competence	Not having contractors who can provide the appropriate capacity and competence to deliver work could delay progress on the delivery of projects and hamper the ability of the service to deliver its statutory requirements.	Careful consideration of procurement process and quality questions. Performance requirements built into contracts

3	Procurement delays	Could delay progress on the delivery of projects and hamper the ability of the service to deliver its statutory requirements.	Building contingency time into the procurement timeline.
4	Procurement Challenge	Could delay progress getting a provider in place before the start of the Public Realm Contract impacting on the delivery of projects and hamper the ability of the service to deliver its statutory requirements.	Legal and procurement teams review and sign off on procurement process and contract documents. Use of specialised procurement and/or legal support to provide external advice.

30. The relevant risks will be managed at a service level and a risk register maintained.

Consultees

31. As part of the revised consultation process for key decisions, a Political Group Consultation (PGC) was undertaken on 17th September 2025 with Officers outlining the content of the report. Various matters were discussed, including:
- a. The need for robust site supervision to ensure work undertaken is of a quality standard and appropriate duration
 - b. How existing and potential contractors are engaged and how feedback is provided to them for future bids
 - c. The establishment of a local framework versus utilising an existing, national framework
 - d. The proposed framework value and sources of internal and external funding

Appendices

Appendix 1 – Details of Lots and Contractors on the existing Highways and Public Realm Schemes Framework

Appendix 2 – Lots for a proposed Highways and Public Realm Schemes Framework

Background papers

None identified.

Report Reviewers Used for appraising this report:

Governance	Click or tap here to enter text.	Date Click or tap to enter a date.
Finance	Click or tap here to enter text.	Date Click or tap to enter a date.
Legal	Emma-Jane Brewerton	Date 23/09/2025
Communications	Erin Mitchell	Date 23/09/2025
Equality Duty	Click or tap here to enter text.	Date Click or tap to enter a date.
Procurement	Click or tap here to enter text.	Date Click or tap to enter a date.
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.
Approved by	Click or tap here to enter text.	Date Click or tap to enter a date.