

Record of operational decision

Decision title:	The New Public Realm Service – Award of Contract and Agree and Enter into Necessary Leases
Date of decision:	15 May 2026
Decision maker:	Corporate Director Economy and Environment
Authority for delegated decision:	<p>Cabinet took a decision 18 December 2025 to award the council’s Public Realm Service contract. This decision authorised:</p> <ul style="list-style-type: none"> a) Cabinet approves the award of a contract (the Contract) for the provision of the new Public Realm Services to the successful bidder in accordance with the Cabinet report approved on 28 November 2024 and the updated Public Realm Services model as set out in Appendix 1 for an initial period of 6 years and 10 months (so as to align with Council financial years) and with the option for the Council to extend for a further 3-year period subject to and in accordance with the performance review mechanism set out in the contract. b) Cabinet delegates authority to the Corporate Director Economy and Environment to: <ul style="list-style-type: none"> i. Finalise the contract and any ancillary contract documents; ii. In consultation with Property Services, agree and enter into the necessary leases to the successful bidder to enable the provision of the Public Realm Services; iii. On receipt of payment from the successful bidder, transfer the Council’s existing equipment (plant and fleet but excluding the winter maintenance fleet) to the successful bidder so as to enable the provision of the Public Realm Services; iv. Accept the transfer of identified roles (circa 60) pursuant to the Transfer of Undertakings Protection of Employment Rights (TUPE) from the incumbent; and c) Cabinet delegates authority to the Corporate Director Economy and Environment to make all operational decisions necessary to implement recommendations a) and b). <p>Cabinet took a decision on 28 November 2024 to approve the council’s Public Realm Services model and to delegate authority for the procurement and associated requirements relating to IT, fleet, depots and demobilisation of the current contract. This decision authorised:</p> <ul style="list-style-type: none"> a) Cabinet adopt the Public Realm Services model set out in Appendix 2; b) Cabinet delegates authority to the Corporate Director Economy and Environment to: <ul style="list-style-type: none"> i) undertake the procurement of the Public Realm Services model set out in Appendix 2 within the allocated budget; ii) agree and award of all necessary leases to enable the provision of the Public Realm Services in consultation with property services; iii) procure and purchase or lease the fleet of vehicles to enable the provision of the Public Realm Services with the Director of Finance;

	<p>iv) agree and implement the demobilisation of the current Public Realm Contract;</p> <p>v) make all operational decision to implement the above recommendations.</p>
Ward:	All
Consultation:	Property Services
Decision made	<p>In accordance with the delegation as set out at b) i) and the 18 December 2025 Cabinet decision, to finalise and enter into the contract and any ancillary contract documents with M Group Highways Ltd for an initial period of 6 years and 10 months (so as to align with Council financial years) and with the option for the Council to extend for a further 3-year period. The Council will instruct services and works within the available budget for each contract year, but the cumulative instruction value over the lifetime of the contract will be no more than the £200 million advertised contract value.</p> <p>In accordance with the delegations as set out at recommendation (b) (ii) of the 28 November 2024 and b) ii) of the 18 December 2025 Cabinet decision, to agree and enter into all necessary leases to enable the provision of the Public Realm Services which shall include a renewal of the Council's existing Headleases and simultaneous grant of subleases to M Group Highways Ltd in respect of the highways depots at Thorn Business Park, Rotherwas, Hereford and completion of a lease between the Council and M Group Highways Ltd in respect of the Kingsland Depot.</p>
Reasons for decision:	<p>The New Public Realm Service contract comes into operation from 1 June 2026, following procurement and award as set out in the 18 December 2025 Cabinet decision.</p> <p>Ahead of the contract start date the Council is required to sign and seal the necessary contract documentation.</p> <p>Ahead of the contract start date the Council is required to enter into the necessary leases to enable M Group Highways Ltd to operate from the Thorn and Kingsland depot sites for the period of the contract.</p>
Equality Considerations	<p>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.</p> <p>An Equality Impact Assessment for the impact on the services was updated following the procurement process and was provided in Appendix 2 of the 18 December 2025 report to Cabinet. There are no negative impacts identified from this project.</p>

Highlight any associated risks/finance/legal considerations:	<p>External advisors Anthony Collins have supported Officers from relevant service areas throughout the contract and lease documentation process, maintaining consistency with documentation issued at both Invitation to Submit Initial Tender and Invitation to Submit Final Tender stages of the procurement process.</p> <p>Detailed condition surveys have been undertaken of both Thorn and Kingsland depots as part of the demobilisation process associated with the current contractor with dilapidations being undertaken. A schedule of condition will be drawn up ahead of 1 June 2026 and the commencement of the contract and the entering into of the relevant leases.</p>
Details of any alternative options considered and rejected:	<p>As set out in the report to Cabinet dated 18 December 2025:</p> <p>To reject the recommendation to award the contract to the successful bidder and to re-tender the Public Realm Services. This is not recommended. Through the competitive and comprehensive procurement process detailed in this report, the successful bidder has demonstrated the capability to deliver the Public Realm Services in accordance with the Council's requirements, strategy and statutory obligations. To not agree this decision would lead to significant time and resource implications associated with re-tendering the procurement, which will result in service disruption and increased costs to the Council.</p> <p>To reject the recommendation to award the contract to the successful bidder and to consider an alternative delivery model. This is not recommended on the basis that various, alternative delivery models were considered in detail and discounted as set out in a report to Cabinet of 2 March 2023.</p>
Details of any declarations of interest made:	<p>None.</p>