

HEREFORDSHIRE PUBLIC REALM CONTRACT 2021/22

ANNEX LMO – LOCAL MANAGEMENT OVERHEAD



SERVICE OVERVIEW

The Local Management Overhead (LMO) Annex sets out the key enabling functions and management resources that support the delivery of Herefordshire Council's outcomes through the service Annexes 1 – 14. The functions can be categorised under three areas:

- Governance and Management Activities including:
 - General Management and Governance of the Contract
 - Contract Performance Management
 - Continuous Improvement

- Enabling Functions:
 - Health & Safety Management
 - Operational Control Hub
 - Business Support
 - Efficient and Accurate Commercial & Financial Management
 - Value for Money Procurement
 - Enabling Effective Service Delivery Through Provision of Facilities and Non-Human Resource
 - Provision of Engaged Human Resources
- Service Provision
 - Effective Management of Insurance Claims

With the exception of insurance claims, these functions impact the successful delivery of every other annex and therefore every service outcome. The purposes of drawing these functions together under one annex and budget allocation are twofold. First, to reduce the administrative burden of allocating these costs across every other service provision outlined in Annex 1 – 14 and the Service Overview. Secondly, by bringing these costs together rather than disaggregating, they are more transparent and therefore more easily scrutinised and efficiently managed.

ENABLING SERVICE OUTCOMES

ENABLING FUNCTION	HOW WILL OUTCOMES BE ENABLED
General Management and Governance of the Contract	<ul style="list-style-type: none"> • Contract and Service Governance to ensure effective delivery of outcomes • Programme management to ensure timely delivery • Budget management to ensure fiscal responsibility • Issue management (risks and opportunities) to ensure value for money and protect the Council and BBLP from harm • Recruitment and retention of a talented and engaged workforce • Stakeholder management ensuring well informed and satisfied stakeholders
Contract Performance Management	<ul style="list-style-type: none"> • Performance reporting including OPI and SPI collation and reporting • Monthly service reporting • Provision of best practice case studies
Continuous Improvement	<ul style="list-style-type: none"> • Coordination and oversight of audit response • Governance of continuous improvement • Management of My Contribution process
Health & Safety Management	<ul style="list-style-type: none"> • Health and safety advice • Weekly Observation and near miss reviews • Provision of health and safety resources • Provision of health and safety related equipment • Audit of health and safety compliance
Operational Control Hub	<ul style="list-style-type: none"> • Live data monitoring and control of reactive, routine and programmed works • Control and maintenance of integrated works programme • Focus on driving productivity and efficiency

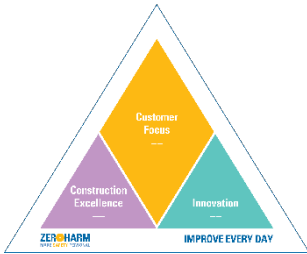
	<ul style="list-style-type: none"> • Provision of information to internal and external stakeholders on service delivery
Service & Site Support	<ul style="list-style-type: none"> • Completion of weekly payroll • Administration of plant returns • Processing of purchasing requests • Management of training plan • Coordination of health & safety reporting and compliance • Waste ticket management • General business support duties
Efficient and Accurate Commercial & Financial Management	<ul style="list-style-type: none"> • Provision of financial governance and reporting • Provision of commercial governance and reporting • Application preparation • Scheme estimation
Value for Money Procurement	<ul style="list-style-type: none"> • Purchase of materials, subcontractor and subconsultant services that ensures best value for Herefordshire Council • Management of subcontractor and subconsultant relationship to ensure contractual and legal obligations are met
Enabling Effective Service Delivery Through Provision of Facilities and Non-Human Resource	<ul style="list-style-type: none"> • Provision of a Safe working Yard • Provision of a Working Office Space • Provision of Pool Vehicles
Provision of Engaged Human Resources	<ul style="list-style-type: none"> • Recruitment of talented staff • Retention of talented staff through effective management processes • Staff engagement activities (including representative forum)
Effective Management of Insurance Claims	<ul style="list-style-type: none"> • Red insurance claims service • Green insurance claims service

ASSUMPTIONS

The following assumptions have been made:

1. The Revenue and Capital allocation of costs associated with this annex has been split according to the Annual Plan budget allocation. This assumes that the local management overhead contributes to the provision of service in the same ratio as the annual plan budget.
2. The benefits of aggregation of costs under the LMO annex in terms of reducing administration and increasing transparency are assumed to be greater than the adoption of an activity based costing approach for these areas (for example the use of yards).

OUR COMMITMENTS FOR 2021/22



Customer Focus First is our strategy, it is built on three pillars: Customer Focus, Construction Excellence and Innovation, all of which sit within a framework of safety first.

For 2021 we will make the following commitments to deliver tangible, positive outcomes to our customers, local communities, the public and our employees.

Customer Focus Aim: Do the right kind of business, exceed our customers’ expectations, always deliver certainty and ‘Get Left’ through early engagement



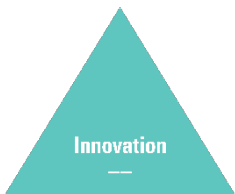
- Development of the Forward Plan 2024/25
- Implementation & delivery of Service Vision 2024
- Celebrating Partnership Success

Construction Excellence Aim: Create expert teams that deliver exemplar performance, empower our people to drive continuous improvement, be a trusted provider and engage with best in class partners



- Implementation & Delivery Operational Control Hub
- Implementation of Permitting Scheme
- Integrated programme development

Innovation Aim: Deliver our 20 by 2025 commitments, motivate and upskill our people to use technology and innovate, and use data to inform improved decision making



- Driving Social Value ‘getting involved culture’
- Improve Strategic Performance Measures to County Plan
- New Innovation work group – ‘big ideas focus’

THE SERVICE

SERVICE DELIVERY

SERVICE	RESOURCE
General Management and Governance of the Contract	Senior Management Team <ul style="list-style-type: none"> • Contract Director (1FTE) • Design and Build Manager (1FTE) • Senior Commercial Manager (0.4 FTE) • Operations Manager (1FTE) • Knowledge Centre Manager (1FTE)
Contract Performance Management & Continuous Improvement Health & Safety Management	Performance and Improvement Manager (1FTE) Provision of H&S advice/ inductions
Operational Control Hub	OCH Manager (1FTE) Control Hub Co-Ordinators (2 FTE) Programme Coordinator (1FTE)
Service and Site Support	Office Manager (1FTE) Service Support Supervisor (1FTE) Service Support Administrator (1 FTE) Training coordinator (1FTE) Site Support Assistant (0.1 FTE) Knowledge Centre Apprentice (1FTE)
Commercial & Financial Management Value for Money Procurement	Managing QS (1FTE) Contract Accountant (1FTE) Quantity Surveyors (1.1 FTE) Apprentice Quantity Surveyors (1.3 FTE) Part time Buyer (0.4FTE) Risk Management
Enabling Effective Service Delivery Through Provision of Facilities and Non-Human Resource	Fleet Manager (0.2 FTE) Stores Manager (0.25 FTE) Plant & Material & Equipment Depot & offices Charges

	Pass through property charges
Provision of Engaged Human Resources	Central Recruitment Function Recruitment charges for identification and vetting
Effective Management of Insurance Claims	Red Claims: 5364 <ul style="list-style-type: none"> - Contract based Regional Claims Handler (1FTE) - Central supervisory/management support (0.3FTE) Green Claims: <ul style="list-style-type: none"> - Regional Green Claims Co-ordinator (co-ordinates green claims for whole BBLP business) - Various LMO contract based staff (commercial, finance, operations) - BBLP legal partner – Plexus Law

SERVICE SCOPE

SERVICE	SCOPE
General Management and Governance of the Contract	General management and governance arrangements are provided in detail within the Annual Plan Service Overview Annex 00
Contract Performance Management	In-scope <ul style="list-style-type: none"> • Reporting against OPI/SPI • Monthly, Quarterly and Annual performance reporting – both internally and externally • Adhoc reporting • Data analysis and recommendations for improvements • Quality checks
Continuous Improvement	In-scope This service area is extensively covered in the Service Overview, but includes: <ul style="list-style-type: none"> • Management of My Contribution Scheme • Development of Business cases • Production of case studies • Audit outcome improvements • Continuous improvement projects
Health & Safety Management	In-scope <ul style="list-style-type: none"> • H&S advice and guidance • H&S related equipment • Undertake incident investigation • Delivery of H&S briefings

	<ul style="list-style-type: none"> • Site inspection & audit against BB H&S procedures • Delivery of H&S inductions • H&S new procedure implementation
Operational Control Centre	<p>In-scope</p> <ul style="list-style-type: none"> • Management and development of the Operational Control Centre function to include <ul style="list-style-type: none"> ○ Effective Work planning ○ Defect process management ○ Scheme programme coordination (NRSWA/stakeholder) ○ Integrated working opportunities ○ Process improvements ○ Data Dashboards • Confirm and system development • Communications • Annual Plan process coordination <p>Integrated Programme</p> <p>Creation of an integrated overview programme based on the agreed annual plan and aligned to an agreed stage process providing visibility of activities planned at any given time. This will be managed centrally by a dedicated resource supporting improved change control, tighter document control and performance reporting.</p> <p>Not in-scope</p> <ul style="list-style-type: none"> • Programme management of major projects
Service and Site Support	<p>In-scope</p> <ul style="list-style-type: none"> • To ensure timesheets are inputted into oracle accurately to ensure accurate reporting of costs including overtime calculation and holiday (Winter Maintenance - 6 months of the year) • Plant Spread sheet and Oracle inputting (Weekly) • Weekly running of the Plant Engine • Process Job Cards onto spread sheet and raise monthly invoice to APlant • Plant and Fleet Held Invoice Report Management • Dealing with Plant and Fleet Queries from suppliers and CSC • Ordering • GRN'ing • Held Invoice Report Queries and Management • BACs/Chq Payments • Dealing with queries from suppliers and CSC, Accounts Payable • Stationery Management • Invoicing

	<ul style="list-style-type: none"> • Meter readings - utilities and keep records to tie up with invoicing • Stock Sheets - inputting and running reports • Creating the Training Plan for the year • Maintaining the Training Matrix • Coordination and Booking of courses • Logging and issuing of Certificates • Booking accommodation & travel for Apprentice training • Logging / Monitoring New Starter forms • Waste Transfers - Waste Tickets – EA Return Deadlines - Monthly Eco clerk call • iSMS – record all incidents, upload investigation findings, close out incidents for month end. • Observations Portal – pull report on Near Misses/Observations; attend the weekly Near Miss Call and report findings to all staff. • Log Trade Bag figures • Prepare and submit the monthly SHE Report to Living Places • Log tool box talks delivered • Log monthly briefings, health and safety alerts and inductions • Log field inspections and vehicle gate checks • Request & Issue Induction Cards • Maintain up to date H&S Boards • Reception Duties– meeting and greeting of visitors • Call Handling cover • Organising functions for external visitors (room prep, lunch etc.) • Minute taking – SPB, Operational Board, Disciplinary/Investigation Meetings, Major Project Meetings (PCG), Monthly Update • Pool car bookings • Projector bookings • Hotel and Rail bookings • Meeting and Training Room bookings • Post – Incoming and Outgoing. Franking and recording • Signing-in sheets • Stock control - tea/coffee/biscuits etc. • Dealing with various General Business Support Emails
<p>Commercial & Financial Management</p>	<p>In-scope</p> <ul style="list-style-type: none"> • Service Order Monitoring <ul style="list-style-type: none"> ○ Payment Mechanism Agreement ○ Budget ○ Target Cost ○ Programme ○ Risk Register ○ Gainshare ○ Over/Under Commissioned Works Analysis • Change Control <ul style="list-style-type: none"> ○ Reporting

	<ul style="list-style-type: none"> ○ Overdue ● Business World (Early Warning & Compensation Events) <ul style="list-style-type: none"> ○ Support ○ Input ○ Reporting ○ Analysis ○ Further Development ● Dashboard Reporting <ul style="list-style-type: none"> ○ Data from Business World ○ Data from Forecast Report ● Forecasting <ul style="list-style-type: none"> ○ Monthly Updates ○ Analysis by Service Order ○ By Period ○ Reviewed by SMT monthly ● Cost Control <ul style="list-style-type: none"> ○ Check Postings ○ Correct Misallocations ○ Record/Understand/Correct Historic Service Order Movements ● COSTD <ul style="list-style-type: none"> ○ Update and Align Cost to Service Orders ○ Produced and Submitted as per Timetable ○ Reviewed by SMT Prior to Submission ○ Monthly Meetings to Review with Client ○ Adjust as Agreed ○ Represent as Required ○ Record Certified Value ● Commercial Cluster Group <ul style="list-style-type: none"> ○ Client alignment ○ Priority Topics ● Contractual Changes
<p>Value for Money Procurement</p>	<p>In-scope</p> <ul style="list-style-type: none"> ● Liaison with supply chain ● Procurement of new supplier arrangements ● Benchmark key supplier & subcontractor rates ● Expand supplier & subcontractor database through events and engagement with central BB procurement ● Maintain effective subcontract and subconsultant contract arrangements ● Monitor performance of subcontractors to ensure effective delivery ● Leverage BB Group buying power to ensure value for money procurement
<p>Enabling Effective Service Delivery Through Provision</p>	<p>In-scope</p> <ul style="list-style-type: none"> ● Provision of Pool Vehicles

<p>of Facilities and Non-Human Resource</p>	<ul style="list-style-type: none"> • Provision of Depot loadalls • Provision of Fuel Storage tanks • ICT licenses and costs • Depot maintenance • Depot Utility costs • Provision of Skips • Provision of Office Supplies • Depot and Office costs (rent)
<p>Provision of Engaged Human Resources</p>	<p>In-scope</p> <ul style="list-style-type: none"> • Recruitment services – (search services; agency and headhunter provision) • On and off boarding desk • Time costs of maintaining staff representation at contract engagement forum • Annual staff survey through Pulse Tool • Monthly recognition awards
<p>Effective Management of Insurance Claims</p>	<p>Red Claims</p> <p>In-scope</p> <ul style="list-style-type: none"> • Accurate handling all types of highways insurance claim in line with required procedures and protocols. • Investigation of claims including site visits where necessary to establish where liability lies. • Provision of clear explanations to claimants (below excess direct) and structured evidence to support defence on insurer led claims. • Preparing claims documentation for payment. • Liaison and negotiation as appropriate with external suppliers (Solicitors, Insurers, Brokers and Loss Adjusters). • Engagement with locality stewards recognising their importance in the claims defensibility process. For example, taking statements, collating defence documents. • Collation of monthly management information regarding claims performance. • Annual review with HC <p>Not in-scope</p> <ul style="list-style-type: none"> • Any highway related claims that are correctly identified as Employer (HC) claims. • Any claims received by BB that are for HC service areas not provided under contract. <p>Green Claims</p> <p>In-scope</p> <ul style="list-style-type: none"> • Recording of and pursuit of events that lead to damage to HC highways assets.

	<ul style="list-style-type: none"> • Collation of supporting cost information. • Legal partner support through the recovery process. • Collation of monthly management information regarding green claims progress and performance. • Annual progress review with HC
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RISK MANAGEMENT

High level risks will be managed through the Iris risk management system. Risks associated with the LMO are generally captured within the other Annex Service Areas or within the Contract Risk Register. The contract risk register is available on request.

PART 2

ORGANISATION AND STRUCTURE

STRUCTURE

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

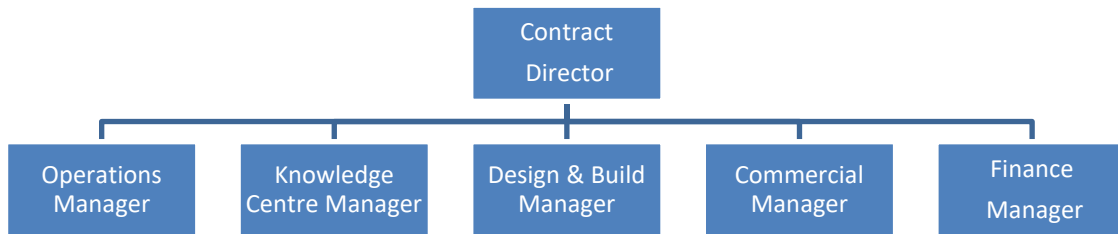


Figure 1 - Herefordshire Annual Plan Management Structure

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).

ROLES AND RESPONSIBILITIES

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.

ROLE	RESPONSIBILITY
Contract Director	Overall accountability for delivery of the annual plan to the agreed budget, achieving the outcomes desired by the Council.
Knowledge Centre Manager	Overall management, review and performance of the knowledge centre team. To develop a strategy to ensure the objectives set out by the Herefordshire Council’s Citizen Contact standards are achieved as a minimum. To ensure the objectives set out by the Council’s Locality Strategy are being achieved through the delivery of the public realm service as budget and changing Council’s objectives may require. To develop the strategy to ensure the requirements of Herefordshire Council’s Community strategy are achieved with approval of high risk communications. Set the strategy for delivery of a community focussed services, encouraging

	volunteers both externally and internally developing initiatives such as Lengthsman and Community Commissioning Model.
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
Operations Manager	Overall management, review and performance of Routine and reactive operational delivery against annexes 1, 5, 6, 7, 10 & 12. Develops strategy to meet Council’s key strategic objectives in line with available budget ensuring effective and efficient delivery of the contract Operational Performance Indicators.
Senior Commercial Manager	Responsible for Commercial activities within the contract <ul style="list-style-type: none"> • Client Engagement • Annual Plan / Forecasting • Pricing/ Estimating • Procurement • Risk Management • Order Management • Contract Management • Subcontractor Management, including Cash Forecast • Cost Capture • Budget Control – via Order Management and EW/CE (Early Warnings and Compensation Events) • Change Control EW / CE Management • Budget / Project Reviews • COSTD process • Pain / Gain • Management of the QS team
Contract Accountant	<ul style="list-style-type: none"> • Month end calculation • Cost Capture Review • Revenue review, Overhead analysis and PL/GL review • Finance analysis pack and communicate result to SMT • COSTD Audit • Balance Sheet Review • Contract Reporting Pack • Operations Board Dashboard Update • LMO Budget Management • Business Review and HC Forecasting • Quarterly BBLP Forecasting and Three Year Plan • Monthly Cash forecasting • Creation of WBS codes and labour rates

	<ul style="list-style-type: none"> • Quarterly Plant reconciliation • Half yearly stock take (June & December) • Aged Debt Review • Budgeting
Managing QS	<ul style="list-style-type: none"> • Management of QS team • Estimating – target cost/cost reimbursable • Preparing Invitations to tender • Tender analysis • Preparing Consultancy Agreements • Input to Sub-Contracts (e.g. Bill of quantities)
Commercial Apprentice	<p>Learning by having an active input with the following:-</p> <ul style="list-style-type: none"> • Monthly Forecasting – cost control • Estimating – target cost/cost reimbursable • Taking off • Setting up sub-contractors • Sub-contractor orders (SIT's) • Processing change control • Material orders • Third party works – setting up customers and sending invoices • General administrative support for commercial team • University Course
Procurement Representative	<ul style="list-style-type: none"> • Ensure compliance to core systems • Benchmark current rates against market value • Expand supplier base • Process subcontractor orders, applications & payments • Monitor and report savings made
Claims Team	<p>RED CLAIMS</p> <p>Pro-active management of the highways insurance claims process. Aim to:</p> <ul style="list-style-type: none"> • Improve efficiency and cost control in the claims handling/management process by undertaking timely investigations and making earlier liability decisions to help minimise costs and reduce expenditure for all parties. • Ensure all parties respective insurance arrangements and processes and procedures are complied with as set out in the jointly agreed claims handling protocol. • Ensure as a minimum that the claims repudiation target threshold set out in the contract strategic performance indicator (S8) is achieved. The aim will always be to have the best repudiation rate possible.

	<ul style="list-style-type: none"> • Provide timely and relevant feedback to contract team/client if claims data highlights any trends or areas for service change/improvement. <p>GREEN CLAIMS</p> <p>Pro-active management of the highways damage recovery claims process. Aim to:</p> <ul style="list-style-type: none"> • Maximise the recovery process to achieve an efficient recovery rate on existing and new green claims, with funds passed back to the appropriate budget. • Increase identification of asset damage by third parties and recovering the cost from these parties/their insurers.
Health & Safety Advisor	Responsible for ensuring compliance against H&S procedures and legislation. Working across the contract the H&S Advisor will provide support through the delivery of briefings, review of documentation and provision of advice and guidance. Assistance will also be provided in incident investigation and identification of trends from safety reporting.
Performance and Improvement Manager	Responsible for ensuring monthly, quarterly and annual reporting is completed and accurate. Responsible for overseeing the continuous improvement process, benefits realisation and response to audit findings, with the aim of ensuring that the service continues to deliver the greatest value for money.
Management Info / KPI Analyst	Responsible for gathering and analysing performance information for input into monthly, quarterly and annual reporting. Responsible for identifying trends in data to inform areas for continuous improvement. Responsible for maintaining performance information systems.
Works Control Manager	Responsible for coordinating works packages in order to minimise the cost of delivery and maximise the effective use of road space. Responsible for maintaining the integrated works programme, ensuring stakeholders are kept informed of works and coordinating the production of the Annual Plan.
Office Manager	Manages the overall Business Support team on a day to day basis ensuring its efficiency. Works closely with Supervisor and Coordinators. Office Management, PA Duties to Contract Director. Skills Academy management. Internal Communications. Facilitates events.
Business Support Supervisor	Supervises the Business Support Assistants and Apprentice. Ensuring the day-to-day smooth running of the department by providing resource support to the coordinators. Takes minutes at high level meetings. Supports Office Manager.
Business Support Assistant	Responsible and accountable for the overall effectiveness of Purchasing ensuring deadlines are met and continual development and improvements of processes.

Site Support Assistant	Responsible and accountable for the overall effectiveness of Payroll and Plant ensuring deadlines are met and continual development and improvements of processes.
Business Support Assistant (H&S/Training)	Responsible for keeping an up to date Training Matrix of the competencies and expiry dates of qualifications for all staff. Compiling the Training Plan for the year and the coordination of the delivery of course. Responsible for the recording and reporting on key Health & Safety and Waste Data.

APPENDICES

APPENDIX: A, ORGANISATION STRUCTURE



Organisational Chart 2020.xlsx

APPENDIX B: RELEVANT PROCESS MAPS & SUPPORTING DOCUMENTS



Financial Handbook - Final Draft



Commercial Handbook - Working I



Procurement Flow Chart - v0.1.pdf



Green Claims Process.pdf



Red Claims Process (Page 1).pdf



Red Claims Process (Page 2).pdf