

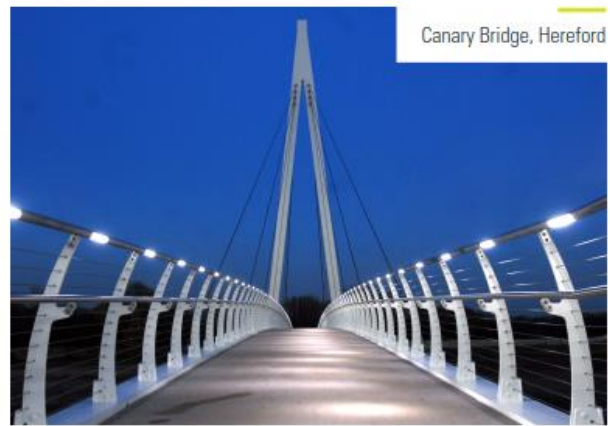
HEREFORDSHIRE PUBLIC REALM CONTRACT ANNUAL PLAN 2022/23

SERVICE OVERVIEW

Grounds maintenance,
St George's playing field



Canary Bridge, Hereford



Snow clearance, Longtown



Locality inspection,
city centre



Thanking key workers summer 2020,
Kingsland Depot



Street lighting
maintenance, Withington

Locality working, Kington



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SECTION 1 – CONTEXT

1.1 INTRODUCTION

This document, the Herefordshire Public Realm Service Annual Plan 2022/2023 (Annual Plan) sets out how Herefordshire Council (the Employer) supported by its contractor Balfour Beatty Living Places (the Provider) will deliver the public realm contract for the year.

A wide range of Council functions contribute towards public realm services, these include highway maintenance, street cleansing, regeneration, grounds maintenance, planning, traffic, parking management and communications 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 Council and Balfour Beatty Living Places will:

- Ensure that the Council meets its statutory responsibilities.
- Deliver Council objectives to produce an attractive, sustainable 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 within the budgets available.

The Annual Plan sets out the contract priorities for provision of services for the plan period in the financial year 2022/2023.

1.2 LEGISLATION AND POLICY

Balfour Beatty Living Places will

1. Comply with relevant council policies and procedures when developing and delivering the Contract and the Annual Plan.
2. Comply with the relevant legal and legislative requirements when delivering the Contract.
3. Design and deliver all activities in adherence to the Public Realm Contract.

1.3 ANNUAL PLAN STRUCTURE

The Annual Plan consists of the service overview (this document), an LMO annex and thirteen technical annexes, which detail the deliverables for the component parts of the Public Realm Contract. The Service Overview captures the contract principles and mechanisms for the effective delivery of public realm services together with the summarised commercial and financial information for the service.

The Annexes set out the detail how the Council and Balfour Beatty Living Places will manage and provide each of the public realm services for the plan period. Each annex sets out information on the 'what', 'where', 'when' and 'how' for the Contract. The Service Overview sets out the overarching principles and policies to be used in the delivery of the Annual Plan, the 'why'.

THE ANNEXES INCLUDED IN THE ANNUAL PLAN ARE CAPTURED IN 2.2 CONTRACT IMPROVEMENT PLAN

To address the actions from the Councils Audit programme a Contract Improvement Plan has been developed for implementation during 2022/23. The plan will be the responsibility of the Councils Major Contracts Board for ensuring implementation. The Operations Board will lead the implementation for Herefordshire Council and Balfour Beatty Living Places actions with update reports to the Strategic Partnership Board each quarter.

2.3 :Service Information Annex's

Annex Reference	Service
Annex 00 – LMO	Overview of Local Management Overhead to enable effective management and delivery of service.
Annex 01 – Network resilience	Support During Civil Emergencies and Highways Winter Service
Annex 02 - Community Development and Stakeholder Management	Community Development, Customer Interface, Communications 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	Delivery of S278 works
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: 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

Annex 10 - Network Rehabilitation Maintenance	Network Rehabilitation and Maintenance including reactive and routine response to asset degradation
Annex 11 – Not Used	
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 in detail the contribution each service will make to the councils overall objectives through service delivery. The Council has reviewed the draft annexes submitted by Balfour Beatty Living Places and provided its commentary. The Council has also instructed that the Annexes for 2022/23 shall be developed in the Councils new format and these will be revised and submitted to the Council for final agreement by April 2022.

Copies of the annexes, Council Policies and the other documents and plans referred to are available from the Council.

SECTION 2 – CONTRACT MANAGEMENT

Contract management is led by the Councils Contract Management Team who are responsible for ensuring that the contract is delivered to the required performance levels.

2.1 KEY ASSUMPTIONS

The following key assumptions have been made in developing this Annual Plan. Further assumptions are included with each annex:

1. All works are delivered in accordance to the Public Realm Contract and to the performance outcomes of the work specifications;
2. Balfour Beatty Living Places will determine the priority of works & services in accordance with the Integrated Work Programme approved by the Council – subject to other Council commitments which are already within the public domain;
3. Budgets and allocations are accurate and based on February 2022 information, which will be reforecast monthly in line with the Contract;
4. Value for money will be evidenced throughout all contract activities in the achievement of a balanced budget for the Council,
5. Open book / transparency will assist in demonstrating and evidencing value for money to the Councils auditors;
6. The Council will provide visibility of other Council budgets which affect the Balfour Beatty Living Places services, including:
 - a. External revenue e.g. Skips & scaffold licences;
 - b. Other 3rd party costs e.g. Telent, Lengthsman and other grants;
7. All commissioning and ordering of work will be done through the Councils contract management teams as required by the Contract;
8. LMO allocation to Revenue/ Capital budgets is based on the split of Capital/ Revenue work in the Council's Financial Year 2022/23, including currently un commissioned work expected;

Liability of claims will be managed outside of the annual plan in line with the contract and the Claims Protocol.

2.2 CONTRACT IMPROVEMENT PLAN

To address the actions from the Councils Audit programme a Contract Improvement Plan has been developed for implementation during 2022/23. The plan will be the responsibility of the Councils Major Contracts Board for ensuring implementation. The Operations Board will lead the implementation for Herefordshire Council and Balfour Beatty Living Places actions with update reports to the Strategic Partnership Board each quarter.

2.3 CONTRACT MANAGEMENT TESTS

Table 2: Contract Tests

As part of its planned improvements for contract management during 2022/23, the Council will be refreshing the contract management process to strengthen its evaluation of contract performance through the introduction of a robust contract management framework. outlines the evaluation criteria against which the Annual Plan is monitored and where the evidence is stored.

Contractual Test	Comment
Meet the Council's objectives, as per the Contract;	Set out in this service overview.
Proposed expenditure must be within Capital and Revenue Budgets that have been assigned to Balfour Beatty Living Places (Balfour Beatty Living Places);	Set out in this service overview.
Be capable of delivering 3% cashable savings for the Council against the prior year's spend (or whatever equivalent efficiency measure that may be placed upon the Employer by central Government or reasonable agreed between the Employer and the Provider during the Contract Period);	Set out in this service overview.

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;	Set out in each annex
Address any priorities set by the Strategic Partnering Board;	Set out in each annex
State the financial year to which it relates;	Set out in this service overview
Provide estimated cost + fee for each activity in the plan;	Set out in this service overview
Provide details of any risk contingencies in relation to each activity;	Set out in this service overview
State the estimated Local Overhead Cost;	Set out in the LMO annex
Show the order and timing of the works, including works for Others;	Set out in each annex and the Integrated Works Programme.
Show any dates when Balfour Beatty Living Places will require access, acceptances, materials from the Council or information from Others to deliver the Annual Plan;	Set out in each annex where access or acceptances is required
Show the payment mechanism for each part;	As set out in the Contract.”
Be practicable; and	Set out in each annex
Be a realistic reflection of Balfour Beatty Living Places’s plans.	Set out in each annex
Be compliant with all legislation and Council Policy	Set out in each annex
Demonstrate Value for Money	Evaluated by the Councils Cost Consultant in accordance with the Councils VFM framework.

Table 2: Contract Tests

As part of its planned improvements for contract management during 2022/23, the Council will be refreshing the contact management process to strengthen its evaluation of contract performance through the introduction of a robust contract management framework.

2.4 THE ANNUAL PLAN DEVELOPMENT PROCESS

The Council and Balfour Beatty Living Places will develop a revised process that sets out the requirements, responsibilities and timetable for the development and governance for the approval of the Annual Plan by the Strategic Partnership Board. The agreed intention is that the planning process for

following year shall commence in May of the preceding year with the development of next year's plan (2023/24) commencing in May 2022, agreed in principle by September 2022 in preparation for appropriate consultation.

2.5 THE FORWARD PROGRAMME DEVELOPMENT PROCESS

The Council and Balfour Beatty Living Places will develop a revised process that sets out the requirements, responsibilities and timetable for the development and governance for the approval of the Forward Programme for approval by the Strategic Partnership Board. This will be developed and the Forward Programme (2022/27) agreed by June 2022.

2.6 COMMISSIONING

All commissioning shall comply with the Councils Procurement and Commissioning Strategy. Together the Council and Balfour Beatty Living Places will work to the following principles:

- **Outcomes** - focus on the commissioning for Outcomes rather than commissioning of services, using the assessment of needs in *Understanding Herefordshire and Herefordshire County Plan 2020-2024*;
- **Monitoring** – applying a robust contract and supplier monitoring and management regime to ensure benefits realisation and maximise continuous improvement;
- **Self-reliance** – working 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** – 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** – prioritising services that deliver outcomes for a better Herefordshire and focuses on vulnerable groups.

2.6.1 COMMISSIONING HALLMARKS

Balfour Beatty Living Places will contribute to the Councils ambition through the following hallmarks of good commissioning:

- Employing 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 the Council;
- Developing supply markets to meet the changing demand which also supports a vibrant local economy;
- Working to combined Commissioning and Decommissioning plans for all Directorates which will confirm our commissioning intentions and required outcomes;
- Maximising opportunities for efficiencies through increased collaboration;
- Ensuring that all our commissioning decisions on clear evidence of local need;
- Using evidence of best practice and innovation in service delivery;
- Developing capability and capacity to support strategic commissioning;
- Commissioning in partnership where this secures joint measurable outcomes;
- Ensuring that commissioned services are effective and provide value for money.

2.6.2 THE COMMISSIONING CYCLE

The Councils commissioning cycle will be followed in 2022/23 with a particular focus on the “Review” and “Plan” stages. This will include for a Mid Term Contract Review and a Commissioning Review on the future delivery arrangements for the Public Realm.

2.7 PRIORITISATION AND OPTIONS APPRAISAL

The development of each annex includes a process of prioritisation of service needs in line with the County Plan 2020-2024 and Forward Programme. These will inform the decision as to allocation of funding to each part of the service, in order to maximise delivery of the Councils outcomes. A bottom up budgeting mechanism is used for prioritisation. The budget is then allocated according to the following hierarchy:

- Provision of statutory services as required by law;
- Provision of contractually obligated non statutory services

Allocation of budget to non-statutory services is based on community and asset need as set out below:

1. **Community need** – determined through an on-going process of community consultation, through the Locality Stewards, Ward Members, and attendance at Parish Council Meetings and customer enquiries.
2. **Asset need** – determined through condition surveys and whole life cycle asset management model captured in the TAMP, through AMX Asset Management software system for completeness and accuracy.

Once the budget is allocated, the operational design and delivery of the service is prepared and planned. An options appraisal process ensures that services are designed to achieve the maximum level of outcome delivery for the available budget and that Value for Money is evidenced.

Prioritisation also takes place within each service using the following criteria:

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

2.7.1 OUTCOME OF PRIORITISATION AND OPTIONS APPRAISAL – CAPITAL WORKS

The programmes of maintenance and improvement works can be found in Annex 3 (End to End Network Improvement), Annex 7 (Water on the Network) Annex 14 (Structures).

In the 2022/23 annual plan period, the following capital maintenance programmes are planned:

1. **C&U Road Investment Programme**, works including: surfacing; surface dressing micro-asphalt and footway works on C and U roads across the county.
2. **A&B Road Investment Programme**, works including: surfacing; surface dressing micro-asphalt and footway on A and B roads across the county.
3. **Drainage Capital Maintenance & Improvement Programme**, works including: project management; design and consultancy; and construction services.
4. **Structures Capital Maintenance & Improvement Programme**, works including: project management; design and consultancy; and construction services.

2.7.2 OUTCOME OF PRIORITISATION AND OPTIONS APPRAISAL – REVENUE SERVICES

Balfour Beatty Living Places have reviewed the non-statutory revenue services in the development of the Annual plan and confirmed that Service level are to remain the same for the 2022/23 as delivered in 2021/22. Details of those services and assets that are out of scope these are set out within individual annexes.

2.8 RISK MANAGEMENT

A Risk Management Board will be formally added into the Contract Governance for 2022/23 responsible for ensuring that appropriate risk management is undertaken within the contract. The terms of reference, process and requirement of the Board will be agreed by the Council. The Council will be implementing a fundamental review of risk within 2022/23 through the Risk Management Board with the agreed outcomes of the review submitted to the Strategic Partnership Board for approval. Contract risk will be managed by Balfour Beatty Living Places using their Risk Management Procedure.

SECTION 3 – FINANCIAL ARRANGEMENTS

Financial performance is managed and monitored by the Council through the Commercial and Financial Cluster Group with a Quarterly Finance Meeting to review financial performance. Financial reports are formally agreed by the Council at the Operational Board with quarterly reports agreed by the Councils Strategic Partnership Board.

3.1 BUDGET BUILD UP AND FEES

The table below identifies the agreed budget and the associated fees payable. There is also an additional analysis detailing the split between capital and revenue budgets. Detailed costs can be found within each Service Annex.

Annex	Description	Revenue	LTP Capital	Total 2022/23 Annual Plan Budgets
1	Network Resilience	£826,906		£826,906
2	Community Development and Stakeholder Management	£560,195	£521,399	£1,081,595
3	End to End Network Improvement LTP		£3,220,222	£3,220,222
4	Development Control	£69,983		£69,983
5	Fleet Management	£105,162		£105,162
6	Parks, Open Spaces, Landscaping, Verges and Trees	£1,394,979	£204,915	£1,599,894

7	Managing Water on the Network	£1,043,016	£1,201,497	£2,244,513
8	TAMP		£495,252	£495,252
9	Network Management and Traffic	-£227,997		-£227,997
10	Network Rehabilitation and Maintenance	£206,400	£3,883,613	£4,090,013
11	Not Used			
12	Street Cleansing	£1,104,509		£1,104,509
13	Street Lighting	£130,149	£713,469	£843,618
14	Structures	£75,634	£1,490,000	£1,565,634
LMO	Local Management Overhead	£284,158	£1,136,632	£1,420,790
LMO	Property Pass Through	£334,946		£334,946
Total		£5,908,040	£12,867,000	£18,775,040

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

Within these costs, Balfour Beatty Living Places have not included a sum for **risk contingency** within the annual plan. All revenue risk items will be identified and managed through the monthly forecasting process. Risks associated with capital works will be identified when Target costs are submitted.

3.2 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, H&S, depot and office costs). It also captures pass through costs, which attract no fee, such as facility rental and rates. To ensure that these costs reflect the current market the Council will formally review these costs with Balfour Beatty Living Places during 2022/23.

3.3 DELIVERING 3% SAVINGS

For 2022/23 the targeted efficiency savings on the Public Realm budget is £579,000, of which £316,000 is the contracted revenue target. In order to minimise any loss of service savings have been identified and built into the budget with business cases submitted to the Council for approval. The efficiency savings proposed are set out in Table 4 below:

Saving Opportunity	In Year Revenue Savings Target	Approach to Achieve Saving
Gainshare	£263,000	Value engineering of target costed schemes to generate gainshare for HC

Income Generation	£85,000	Permitting income to fund 2 FTE posts for NRSWA
Capitalisation	£116,000	Reviewed rebalance based on capital and revenue budgets
Plant Utilisation	£10,000	Cross service utilisation of plant to reduce rental costs
Investment in Plant	£100,000	Revenue efficiency savings or income generation to be identified in year
Increase Charges	£5,000	Increased charge by 15% for skips, scaffolds and drop kerbs
Total:	£579,000	(Revenue £316,000 & Capital £263,000)

Table 4: 3% Saving and Gainshare Targets

3.4 COST REVIEW

The Council will be performing a strategic review of all payment mechanisms and costs during 2022/23 and has appointed Aecom as its Cost Consultant to perform the review, identify recommend improvements and set out a model for evaluating and evidencing value for money.

SECTION 4 – COMPLIANCE

4.1 HEALTH AND SAFETY

The health, safety and wellbeing of employees and communities in which Balfour Beatty Living Places works is a fundamental component of the Public Realm Contract. Balfour Beatty Living Places will implement its Zero Harm Action Plan and Strategy in the delivery of the services and schemes. Monthly performance will be reported to the Councils Operations Board and quarterly to the Councils Strategic Partnership Board.

4.2 ENVIRONMENTAL

Balfour Beatty Living Places is committed to protecting and where appropriate enhancing the environment in which it operates. Balfour Beatty Living Places will act in a responsible way and take a proactive approach to continually improving its environmental performance in the delivery of Public Realm services and schemes. Balfour Beatty Living Places will implement a management system that meets the requirements of ISO14001:2015. Monthly performance will be reported to the Councils Operations Board and quarterly to the Councils Strategic Partnership Board.

4.3 EQUALITY AND DIVERSITY

Balfour Beatty Living Places will carry out an Equality Impact Assessment to assess the impact of a change to services or policy on people with protected characteristics to evidence that the Council has complied with the Equality Act. All Equality Impact Assessments will be submitted for approval by the Council prior to any change and will set out how the change manages due regard in respect of 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.

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

4.4 GOVERNANCE

The formal governance mechanisms of the contract are set out in Figure 1. During 2022/23 the Council will be refreshing the objectives of all the Boards and introducing the Risk Management Board to ensure that they appropriately manage and control contract delivery, VFM and risk.



Figure 1: Formal Governance Structures

4.4.1 CLUSTER GROUPS

The following cluster groups have been agreed for 2022/23:

- **Commercial & Finance Cluster Group:** Responsible for overseeing risk management and the process of change (early warning and compensation events) and delivery of the Annual Plan within the available budget envelope.

- **Communications Cluster Group:** Responsible for the communication of the annual plan, thereby managing community expectations and promoting the service.
- **Social Value Cluster Group:** Responsible for developing and implementing the joint sustainability action plan and community engagement strategy, volunteering and skills academy.
- **Continuous Improvement & Innovation Cluster Group:** Responsible for identifying innovation opportunities that deliver financial, social and environmental benefits.
- **Asset Management Cluster Group:** Responsible for with strategic review of required investment in the network and available budget profiling.

The minutes of these groups will be presented to the Operations Board for approval with any significant matters referred to the Strategic Partnership Board for approval.

SECTION 5 – DELIVERING CORPORATE PRIORITIES

5.2 SOCIAL VALUE

Balfour Beatty Living Places will use the National Skills Academy for Construction (NSAfC) framework facilitated by Construction Industry Training Board (CITB) to target employment opportunities based on:

- Work placements
- Jobs created for new entrants
- Construction Careers information, Advice & Guidance
- Waged Training weeks.

The targets for 2022/23 and outcomes against each required criterion will be agreed by the Council. The draft targets are being currently reviewed with the CITB in line with the national Covid 19 restrictions.

A focus for 2022/23 will be to continue to build positive links with local schools and agencies to support young people in Herefordshire who are looking for work experience and opportunities to develop work ready skills. Balfour Beatty Living Places will also continue to support key development of our employees and our local eligible subcontractors with apprenticeships, graduate placements and recognised training and development.

During 2022/23 Balfour Beatty Living Places will integrate its social value activities into the Councils social value framework based on the national TOMS framework as part of its Social Value commitments. Moving to the Councils Social Value framework will align the Contract to the corporate values and provide greater evidence.

5.3 CLIMATE EMERGENCY DECLARATION

Balfour Beatty Living Places is committed to achieving Net Zero emissions by 2050 and an ambition to go beyond Net Zero Carbon by 2040. To achieve this it has committed to formally set a science based target for 2030 and set a target to reduce emissions by 50% by 2030.

In 2022/23 Balfour Beatty Living Places will develop a Carbon Emissions Footprint for the Contract that meets the Councils model for capturing carbon emissions together with a Carbon Reduction Plan that sets out how and when emission will be reduced. These will be submitted to the Strategic Partnership Board in September for approval.

SECTION 6 – DELIVERY AND PERFORMANCE

6.1 INTEGRATED WORKS PROGRAMME APPROACH

To ensure effective and efficient delivery of the services within the contract an Integrated Works Programme will be developed by Balfour Beatty Living Places and agreed by the Council. This plan will set out the delivery arrangements for the year and how Balfour Beatty Living Places will coordinate service delivery in an efficient manner across its own delivery teams, its sub-contractors and suppliers and that these activities are coordinated with statutory undertakers as required.

The Integrated Works Programme will be held in Balfour Beatty Living Places AIMS software system and identify individual schemes and schedules of work for planned and reactive maintenance, capital improvement works, relevant third party works (neighbouring authorities, Highways Agency, developers) and utilities works.

This programme will be used in the following ways:

1. Communicating with Ward and Parish Councillors and through the council website with the community.
2. Managing 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.
3. Coordinating provision of service across all annexes in order to deliver the council objectives within the agreed budget.

In April 2022, Balfour Beatty Living Places will implement Phase 2 of the Operational Control Hub that will provide live time data analysis of programme. The Council will have access to providing live detail of works management.

6.2 PERFORMANCE MANAGEMENT

The Performance Management framework ensures that Balfour Beatty Living Places are delivering to the Council's objectives. This consists of a suite of Strategic Performance Indicators (SPI's) which are a direct link to the Council's Strategic Outcomes and a suite of Operational Performance Indicators (OPI's) which are designed to deliver operational excellence.

Performance information for the SPI's is measured annually with the actual performance at year-end submitted to the Strategic Partnership Board, together with supporting data detailing any fluctuations in targeted performance, for approval. The OPI's are measured and recorded monthly with the actual performance reported to the Operations Board for review and sign-off.

6.3 PERFORMANCE REPORTING

In addition to OPI performance outturns, the monthly report will detail how the contract is performing on the following:

- Health & Safety
- Risk & Mitigation
- Service Delivery and Performance

- Stakeholder Feedback & Complaints
- Continuous Improvement and Innovation
- Financial Performance

Balfour Beatty Living Places will submit its monthly performance report for scrutiny by the Council at the Operations Board to highlight areas for improvement or note achievements made. A quarterly reported is produced for the Strategic Partnership Board to ensure that all performance is on target. All performance data is provided to, and audited, by the Council.

6.3.1 STRATEGIC PERFORMANCE INDICATORS

The Strategic Performance Indicators are reviewed each year and the provisional SPI's and their definition have been submitted to the Council for approval. The Council is seeking a fundamental review of these with Balfour Beatty Living Places with the final agreed indicators to be in place by May 2022.

6.3.2 OPERATIONAL PERFORMANCE INDICATORS

The Operational Performance Indicators are reviewed each year and the provisional OPI's and their definition have been submitted to the Council for approval. The Council is seeking a fundamental review of these with Balfour Beatty Living Places with the final agreed indicators to be in place by May 2022.

6.4 QUALITY ASSURANCE AND AUDIT

The Contract will be managed under Balfour Beatty Living Places Quality Management Systems with a Contract Quality Plan for the contract developed and approved by the Council. The plan will be audited throughout the year by Balfour Beatty Living Places through its own internal auditors and certified independently by DNV GL Ltd. Copies of these audits will be provided to the Council.

6.4.1 SELF AUDIT

To evidence the quality of work provided, Balfour Beatty Living Places will set out its programme for self-audit for approval by the Council. This programme will set out the audit framework for the contract including the number and type of audits performed. The outcomes of the audits will be reported to the Council and measured as an Operational Performance Indicator. Audit sites shall be notified to the Council to enable it perform spot checks.

6.4.2 COUNCIL AUDIT PROGRAMME

The Council will undertake an audit programme based on the Balfour Beatty Living Places work programme to test:

1. The performance of the contract,
2. The quality of service being provided,
3. That the services are being delivered in an economic, efficient, effective and equitable manner.
4. That the contract is delivering value to money.

6.5 CONTINUOUS IMPROVEMENT

Continuous Improvement will be led by the Strategic Partnering Board and delivered by the Continuous Improvement & Innovation Cluster ensuring that continuous improvement, innovation and lessons learned are inbuilt into each annex focusing on:

1. **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.
2. **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.
3. **Service Efficiency:** Operations will undergo regular review to improve efficiency. This will be achieved through benchmarking of outputs with Balfour Beatty Living Places contracts and employment of Lean techniques such as Day-In-The-Life-Of and 5S studies.
4. **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.

A Continuous Improvement and Innovations Register will be kept by Balfour Beatty Living Places.

6.5.1 LESSONS LEARNED

Service delivery improvements will be informed by lessons learned. This will be achieved through regular Councillor liaison, feedback as part of the implementation of improvement plans and through consultation in the community by Locality Stewards.

6.6 INNOVATION

Innovation will be led by the Strategic Partnering Board and delivered by the Continuous Improvement & Innovation Cluster ensuring that innovation and lessons learned are inbuilt into each annex focusing on:

1. **Strategic Innovations** – Major changes in the way outcomes are achieved through business model innovation, service re-design or Inward Investment.
2. **Operational Innovations** – Changes in the way the service is delivered
3. **Grass Roots Innovations** – Changes proposed by those delivering the service through the Balfour Beatty Living Places 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 drive better efficiency and value for money or better deliver the Council's outcomes.

Operational Innovations: The Balfour Beatty Living Places senior management team will be responsible for driving innovation in their service areas as set out in their service annex.

Grass Root Innovations: Balfour Beatty Living Places will operate its suggestion scheme 'My Contribution' to reward staff for sharing ideas on improving the ways in which we work.

Where an innovation is considered valid and requiring further investigation, a detailed formal business case will be developed and submitted to the Council for approval.

SECTION 7 – KEY COMMITMENTS

The 2022/23 plan will work to the delivery of the following key commitments:

1. Deliver to the quality requirements within the contract specifications.
2. Deliver all services, projects and schemes safely.
3. Deliver VFM within the council's budget availability.
4. Implement a review of cost mechanisms and costs.
5. Implement strengthened governance and scrutiny.
6. Implement a contract improvement plan.
7. Implement revised SPIs and OPIs to stretch performance.
8. Implement a new contract management framework.
9. Implement a commissioning review to establish the future direction of the contract.
10. Implement revised strategy planning for the Annual Plan and Forward Programme development.
11. Advocate Social Value in the activities and services we deliver.
12. Protect natural habitats and promote biodiversity.
13. Develop and implement a Carbon Reduction Plan to reduce carbon impact and the carbon footprint.
14. Review the innovation landscape to introduce improvements and technology.