

## Commissioning and Procurement Executive Committee – 9 July 2024

<b>Subject:</b>	Highways Planned Maintenance Programme Delivery 2024-25		
<b>Corporate Director:</b>	Colin Parr - Communities, Environment and Resident Services		
<b>Director:</b>	Mary Lester – Operational & Resident Services		
<b>Executive Member:</b>	Councillor N Khan – Strategic Regeneration, Transport & Communications		
<b>Report author and contact details:</b>	Mark Bradbury - Contracts & Compliance Manager <a href="mailto:Mark.bradbury@nottinghamcity.gov.uk">Mark.bradbury@nottinghamcity.gov.uk</a>  Chris Keane - Head of Highway Services <a href="mailto:Chris.keane@nottinghamcity.gov.uk">Chris.keane@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Sohaib Chaudhry – Finance Tom Straw - Finance Anthony Heath - Legal Sue Oliver - Procurement		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision		<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Type of expenditure:</b>	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:		
<b>Total value of the decision:</b>	£5.6m		
<b>Section 151 Officer expenditure approval</b>	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number:		
<b>Commissioner Consideration</b>	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed in section 6 below.		
<b>Wards affected:</b>	All		
<b>Date of consultation with Executive Member:</b>	6 June 2024		
<b>Relevant Council Plan Key Outcome:</b>	Green, Clean and Connected Communities <input checked="" type="checkbox"/> Keeping Nottingham Working <input checked="" type="checkbox"/> Carbon Neutral by 2028 <input checked="" type="checkbox"/> Safer Nottingham <input checked="" type="checkbox"/> Child-Friendly Nottingham <input checked="" type="checkbox"/> Living Well in our Communities <input checked="" type="checkbox"/> Keeping Nottingham Moving <input checked="" type="checkbox"/> Improve the City Centre <input checked="" type="checkbox"/> Better Housing <input checked="" type="checkbox"/> Serving People Well <input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>	The purpose of this report is to seek approval of the 2024-25 Local Transport Plan (LTP) Maintenance Programme and approval to call-off approved highways frameworks and external third-party frameworks to deliver the 2024/25 statutory planned highways maintenance programme. (Under Section 41 of the Highways Act 1980)  This programme ensures that Nottingham City Council fulfils its duty to maintain the public		

highway.

This decision is seeking the approval to call-off £5.6m out of the total of £7.9m approved as part of the LTP Maintenance funding (approved by Executive Board as part of the 2024-25 Budget and Council Tax Resolution (appendix 7) on 4 March 2024).

It is proposed that the programme is delivered through compliant internal highway frameworks and external third-party frameworks including:

1. Planned Carriage Maintenance
2. Highway Structures
3. Planned Footpath and Cycleway Maintenance
4. Minor Works
5. Resource Support
6. Handlay Patching
7. Road Markings and Anti Skid
8. Safety Fencing
9. Temporary Traffic Management
10. Traffic Signals
11. Multi Discipline
12. Highways Surface Treatments
13. Street Lighting Design and Installation
14. Construction Materials
15. Highways Transport Project Design Support
16. Transport Project Support
17. Topographical and Site Survey
18. Materials Testing Framework
19. Specialist Highways Surfacing
20. Gully Cleaning & Road Sweeping
21. Bloom
22. Midlands Highway Alliance Professional Services Partnership Framework

Appendix 1 details the current proposed schemes and estimated budgets for the proposed programme. This may be subject to change and any changes will be confirmed in subsequent approvals.

Through framework use, value for money will be demonstrated through competitive processes in the appointment and management of contractors under frameworks based on price, quality and environmental considerations. These arrangements provide compliant delivery for Council for the short/medium term. Looking to the future, should strategically we wish to pursue other delivery options, for example as part of developing combined authorities agenda, these can be facilitated as all current and proposed delivery options are under frameworks which include no commitment to spend.

**Exempt information:** None.

**Recommendations:**

- 1 To approve the LTP Maintenance Programme for 2024/25, at a cost of £5.6m, as detailed in appendix 1.
- 2 To approve the call-off and award from internal and external third-party frameworks that have been let in accordance with public procurement regulations for the delivery of the LTP Maintenance Programme 2024/25, as detailed in appendix 1.

1. **Reasons for recommendations**

1.1 **Recommendation 1** – This will allow Highway Services to compliantly deliver essential works to fulfil statutory obligations to maintain the public highway.

This programme has been developed in line with the Highways Act 1980 – Section 41, local authority benchmarking data and national guidance pertaining to ‘best practise’. It takes into account priorities based on survey data, safety inspections, citizen feedback and road hierarchy.

1.2 **Recommendation 2**– This will allow Highway Services to compliantly deliver essential works and services to fulfil statutory obligations (under Section 41 of the Highways Act 1980) to maintain the public highway.

1.3 The identified benefits of putting these arrangements in place are:

- Enabling the delivery of external grant funded statutory work activity in line with timescales of award;
- A value-for-money delivery model with no fixed financial commitment to use the framework(s);
- Provides flexibility, no restriction in developing other delivery models for Highways in the future;
- Opportunities for local Small to Medium Enterprise (SME) companies to deliver works, through framework awards;
- The potential for a local workforce through utilising regional SME contractors;
- Ensuring the Council complies with its duty of Best Value by going through compliant frameworks and mini competition when stipulated by the framework terms;
- Demonstrating NCC’s commitment to all stakeholders in the ‘East Midlands Devolution Plan’ that we are invested in low carbon economic growth;
- Utilising Framework Partners that support NCC’s Carbon Neutral Charter and initiate Carbon Management throughout their entire supply chain.

1.4 Appendix 1 outlines the current proposed schemes required to be called off the existing frameworks.

## 2. **Background (including outcomes of consultation)**

2.1 It is essential that the Authority has compliant procurement routes for the delivery of statutory highway maintenance activities (under Section 41 of the Highways Act 1980) and the necessary approvals in place to “call-off” framework arrangements.

2.2 This executive decision, to seek approval to call-off compliant frameworks is in line with the established Highways Procurement Strategy.

- 2.3 Through framework use, financial risks of variation to projects are mitigated as there is no commitment to spend over the framework period. These will include further appointment and framework management criteria processes to demonstrate value for money for the Council.
- 2.4 This executive decision is to seek approval to call off existing frameworks to deliver up to £5.6 of external capital grant approved under the following blocks:
- Highways Capital Maintenance £2.312m;
  - Maintenance Incentive Fund £0.247m;
  - Pothole Fund £2.698m;
  - Advanced Pothole Fund £0.314m
- 2.5 The forecast frameworks to be called-off are approved under the following Executive key decisions:
- Highway Services 2022-26 Sustainable Procurement Strategy (April 2021);
  - Highways Annual Procurement Approval 2023-24 (December 2022);
  - Highways Annual Procurement Approval 2024-25 (November 2023);
  - Highways Annual Procurement Approval 2024-26 (July 2024).

### **3. Other options considered in making recommendations**

- 3.1 Not to call-off frameworks - Not having compliant procurement measures in place will adversely affect our ability to engage with suppliers and contractors to deliver essential highway works within funding timeframes.
- 3.2 Further, no effective means to demonstrate compliance with financial and procurement regulations in the delivery of the programme.
- 3.3 To pursue alternative procurement options including Term Service Contracts and Multi-agency Frameworks – this would require more stability in the funding regime at the Council. Currently, NCC are receiving annual awards for highway maintenance and further grant awards for transport schemes but there is no medium term funding strategy that would assist consideration to a medium term delivery solution with a third party. As engagement continues under Combined Authorities agenda and the merging of DfT funding streams this will provide opportunity for this option to be considered in the future.

### **4. Consideration of Risk**

- 4.1 There are risks associated with funding timescales and the necessary approvals for having compliant procurement, “call-off” approvals, works coordination and scheme delivery in place. As part of established good governance structure, medium term forward planning for the executive approval process and advance scheme consultation/prioritisation support mitigating these risks.
- 4.2 NCC are challenged with annual awards for highways maintenance from the DfT, no medium term investment commitment, together with an increasing number of grant awards for transport projects with short term spend criteria. Both of which, make it difficult to consider medium term delivery options. Without the established hybrid model comprising of a core in-house delivery supplemented by frameworks we would fail in providing compliant delivery options for the Council. With framework use there is the ability to outsource works packages quickly and compliantly to the market. A key part of this is for improved quality in highways

delivery at the right price - through collaboration with the Procurement Team an increased number of appointment, assessment and works award criteria is incorporated in proposed frameworks to de-risk the Council.

- 4.3 To support managing scheme/programme risks, officers have developed risk assessments, regularly monitor performance, compliance, income, and expenditure, as well as put in place clear escalation procedures to ensure that all funding is received, and any potential risks are identified and mitigated early.
- 4.4 All delivery will be under an established project governance structure reporting into the Capital Board. The governance structure has defined reporting lines and a clear decision-making process.

## 5. **Best Value Considerations**

- 5.1 Highway Services deliver works for Nottingham City Councils highways and transport requirements, successfully fulfilling all client work-streams. The service area delivers a hybrid model solution, using in-house and outsourced scheme delivery options, through Framework Agreements.
- 5.2 Through Framework Agreements, value for money will be demonstrated through an open competitive tender process. The appointment of contractors to frameworks will be based on price, quality and environmental considerations. Further, works awarded through these frameworks will be subject to assessment criteria including further competition through “basket of goods” award and mini-competitions.
- 5.3 Our Framework Agreements allow Highways Services to demonstrate how the requirement to achieve best value has been embedded throughout a compliant procurement process and we look to embed the following principles into that process:
  - 5.3.1 **Quality Management:** We will seek contractors with a proven track record of delivering high-quality highway services. Assess their past performance, adherence to industry standards, and commitment to quality management systems. Quality should not be compromised for cost savings;
  - 5.3.2 **Innovation and Technology:** We will seek contractors who demonstrate innovation in their approach to highway services. This will include the use of advanced construction techniques, innovative materials, or technology-driven solutions that improve efficiency, safety and sustainability;
  - 5.3.3 **Lifecycle Costs:** We aim to consider the total cost of ownership over the lifespan of the highway infrastructure rather than just the initial construction costs. Contractors who can demonstrate a commitment to minimising lifecycle costs through durable construction, effective maintenance strategies and lifecycle asset management should be prioritised;
  - 5.3.4 **Sustainability:** Contractors who prioritise environmental sustainability in their operations will be highly rated as part of the assessment. This will include using recycled materials, minimizing waste generation, reducing carbon emissions, and implementing eco-friendly construction

practices. Sustainable highway services contribute to long-term environmental stewardship and resource conservation;

5.3.5 **Safety Performance:** Safety is of paramount consideration in highway services procurement. We prioritise the evaluation of contractors based on their safety record, commitment to safety training and protocols and implementation of safety measures on construction sites. Contractors with a strong safety culture help minimise accidents and protect workers and road users;

5.3.6 **Community Engagement and Stakeholder Management:** Contractors who demonstrate a commitment to engaging with local communities and stakeholders throughout the project lifecycle will be highly rated as part of the assessment. Effective communication, consultation and collaboration with affected communities can help mitigate conflicts, address concerns, and build positive relationships;

5.3.7 **Value Engineering:** We aim to procure contractors who offer value engineering expertise to optimise project designs and specifications, while achieving cost savings and performance improvements. Value engineering involves analysing project requirements and identifying alternative solutions that provide the best value for money without compromising quality or safety.

## 6. **Commissioner comments**

6.1 Commissioners are content with this report. (01/07/2024)

## 7. **Finance colleague comments (including implications and value for money/VAT)**

7.1 As this is all capital related funding, there is no revenue implications associated with this report. Capital Comments would need to be obtained by the Capital Accountant on this report.

Sohaib Chaudhry, Senior Commercial Business Partner - 14/05/2024

7.2 The Highway Maintenance Programme as set out in Appendix 1 is within the Highways Maintenance section of the Capital Budget that was approved as part of the MTFP approval at Full Council March 2024. Therefore, this decision doesn't affect the Capital Budget.

7.3 The forecasted spend of the projects identified within Appendix 1 will be reviewed and updated as part of the first capital monitoring cycle of 2024/25.

7.4 The financial standard have strict guidance in relation to the type of activity that can be capitalised vs revenue maintenance. It is the project managers responsibility to ensure that all expenditure within this decision meets the capitalisation criteria, with advice provided by Technical Finance as required.

7.5 Due to the Council's financial situation and as detailed within the body of the report the project manager is required to give due consideration of the future maintenance liabilities any of Streets for People project.

Tom Straw, Senior Accountant, Capital Programmes - 28/05/2024

## **8. Legal colleague comments**

- 8.1 The purpose of this report is to seek approval of the 2024-25 Local Transport Plan (LTP) Maintenance Programme and approval to “call-off” approved highways frameworks and external third-party frameworks to deliver the 2024/5 statutory planned highways maintenance programme. (Under Section 41 of the Highways Act 1980).
- 8.2 Section 41 Highways Act 1980 states “The authority who are for the time being the highway authority for a highway maintainable at the public expense are under a duty, subject to subsections (2) and (4) below, to maintain the highway.”. The proposed works, as set out in Appendix 1, do appear to contribute to the Council meeting this statutory duty.
- 8.3 In using external grant funding in the manner proposed, the Council must comply with all conditions imposed by the external funder and ensure that appropriate provisions are included in any contracting arrangements that allow contractors to support the Council in complying with such conditions.
- 8.4 It is proposed that works are procured through existing frameworks; this should provide a compliant route to market. Colleagues should be aware that the legal framework may change later this year if the Procurement Act 2023 comes into force in October 2023 as envisaged. Where colleagues require legal support in respect of the call-off contracts under the frameworks, funding will need to be identified to allow external legal support to provide construction law support. Legal Services is happy to support colleagues identifying and securing such external legal support in a reasonable time period.

Anthony Heath, Team Leader (Interim) Contracts and Commercial - 8 May 2024

## **9. Other relevant comments**

- 9.1 There are no procurement concerns with the recommendations set out within the report. The procurement team will work with the highways department to ensure that all procurement activity is in accordance with Public Procurement Regulations whether that is the existing 2015 version or those that come into force in October 2024.
- 9.2 For Framework call-offs that do not come through to the central procurement team, officers should ensure that these are in accordance with the call-off terms set out within the relevant Framework Agreements.

Sue Oliver, Places Category Manager - 12/06/2024.

## **10. Crime and Disorder Implications (If Applicable)**

- 10.1 Highway maintenance programmes improve the lives of residents through physical regeneration improving infrastructure for the betterment of all. Improvements in physical regeneration makes a material difference in reductions in crime and disorder.

## **11. Social value considerations**

- 11.1 Accessibility: Local highways should prioritise accessibility for all members of the community, including pedestrians, cyclists, public transport user and motorists.

This includes ensuring safe crossings, adequate footpaths, cycle lanes, and public transport routes.

- 11.2 **Equity and Inclusion:** It's essential to ensure that local highways serve all members of the community equitably, regardless of socio-economic status, age, ability, or ethnicity. This involves consulting with marginalized communities to understand their needs and priorities.
- 11.3 **Environmental Impact:** Highway services aim to minimise their environmental footprint by reducing carbon emissions, preserving natural habitats, and mitigating pollution. This involves investing in sustainable transportation options, such as electric vehicles or promoting carpooling and active transportation.
- 11.4 **Community Engagement:** Engaging with the local community is crucial to understanding their needs and preferences regarding improvements to the highway. This includes holding public consultations, surveys, or forming advisory committees to gather feedback and ensure that highway projects align with community values.
- 11.5 **Health and Wellbeing:** Local highways can have a significant impact on public health and wellbeing. Prioritising improvements for safer routes to walk and cycling encourages physical activity and reduces air pollution, contributing to overall community health.
- 11.6 **Economic Development:** Highways can stimulate economic growth by improving transportation networks, facilitating trade, and creating jobs. Procurement strategies should prioritise local economic development by awarding contracts to local businesses, promoting small and medium-sized enterprises (SMEs), and providing training and employment opportunities for local residents
- 11.7 **Safety:** Safety is paramount in local highway services. This includes implementing measures to reduce the risk of accidents, such as temporary traffic management, adequate signage, and well-maintained road surfaces.

## **12. Regard to the NHS Constitution (If Applicable)**

12.1 N/A

## **13. Equality Impact Assessment (EIA)**

13.1 An EIA is attached and due regard will be given to any implications identified in it.

## **14. Data Protection Impact Assessment (DPIA)**

14.1 A DPIA is not required as there is no impact on data protection.

## **15. Carbon Impact Assessment (CIA)**

15.1 A CIA is attached as an appendix and due regard will be given to any implications identified in it.

## **16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

16.1 None.



**17. Published documents referred to in this report**

17.1 2024/25 Budget and Council Tax Resolution Appendix 7 (March 2024);

17.2 Highway Services 2022-26 Sustainable Procurement Strategy (April 2021);

17.3 Highways Annual Procurement Approval 2024-25 (November 2023);

17.4 Highways Annual Procurement Approval 2025-26 (July 2024).

**Appendix 1 - Highways Planned Maintenance Programme 2024-25**

<b>Road Name</b>	<b>Extents</b>	<b>Scheme Type</b>	<b>Budget</b>
Nuthall Road	Western Blvd to Llanberis Gr	Resurface	£1,090,750
Queens Drive (Phase 2)	Tottle Rd to Crossgate Dr	Resurface	£527,831
Arleston Drive	Full Length	Resurface	£491,301
Hucknall Road	Southglade Rd to Bestwood Rd	Micro Asphalt	£402,000
Wilford Crescent East	Full Length	Resurface	£300,000
Bracebridge Drive	Full Length	Resurface	£299,250
Wilkinson Street	Western Blvd to Railway Bridge	Resurface	£279,818
Valley Road	Barlock Rd to Edwards Ln	Micro Asphalt	£279,200
Shakespeare Street	Full Length	Resurface & Binder	£200,000
Abbotsford Drive Subway	Parapet Replacement	Bridge Maintenance	£157,904
Beechdale Road	Western Blvd Jct	Resurface	£150,000
Bentinck Road	Radford Rd to Alfreton Rd	Resurface	£144,200
Queens Drive (Phase 1)	Castle Bridge Rd to Waterway St W	Resurface	£141,007
Brickworks Repairs	City wide based on safety inspections	Bridge Maintenance	£136,850
Bulwell Lane	Arnold Rd to Burnaby St	Resurface	£133,668
Cardale Road	Jct Oakdale Rd / Watson Ave	Resurface	£129,600
Strelley Road	Woodhouse Wy to Melbury Rd	Resurface	£120,870
Clumber Street	Jct with Lincoln St	Resurface	£100,000
Holbeck Road	Jct Western Blvd	Resurface	£100,000
Western Boulevard	Newlyn Dr to Nuthall Rd	Resurface	£97,750
Longdale Drive	Full Length	Resurface	£97,389
Grangewood Road	Eastcote Ave to Kevin Rd	Micro Asphalt	£64,000
Castle Marina Bridge	Concrete Repairs	Bridge Maintenance	£63,162
Springwood Gardens	Woodthorpe Dr to Circulatory	Resurface	£41,130
Wollaton Vale Bridge	Joint Replacement	Bridge Maintenance	£26,317