

Future Tandridge Programme – Community Services - Service Review Update

Community Services Committee Thursday, 16 June 2022

Report of: Chief Executive

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

As part of the Future Tandridge Programme, each service will undergo a service review to consider opportunities for improvement, increased resilience, and financial sustainability. This report sets out progress to-date for a key review in Community Services.

Following the development of the scoping documentation for **Operational and Locality Services including Waste**, the Target Operating Model (TOM) Development Group has outlined an in-depth review of the services including grounds maintenance, street cleansing, arboriculture, which will explore alternative delivery models. The aim will be to identify a model which best delivers a high performing, resilient and reputationally strong, integrated service.

This report also outlines the key workstreams that will feed into the final business case together with an overview of the work which has already commenced.

The final business case will be brought to the September Community Services Committee.

The 2022/23 Tranche 2 budget (Community Services) report that was presented to this Committee on the 17 March 2022, stated that further reports would be brought to the June committee cycle setting out the extent to which unallocated 2022/23 savings (referred to as Tranche 3 and totalling £450k) would be delivered by each committee. This report confirms that no further savings will be allocated to the Committee in 2022/23. Instead, the report sets out an interim direction of travel outlining how Community Services will look to operate within expected budgetary constraints for 2023/24 and into the medium term. The 2023/24 budget will be subject to discussion and confirmation with committees as part of the budget process.

This report supports the Council's priority of: Building a better Council/Supporting economic recovery in Tandridge.

Contact officer: Simon Mander (Localities Team Manager)

Recommendation to Committee:

That the report be noted.

Reason for recommendation:

To support the development of the business case with the aim of ensuring the best possible outcomes in terms of structure, staffing, resilience, value for money and Councillor/Officer engagement.

1. Introduction and Background

1.1 Introduction

- 1.1.1 As discussed at the last Community Services Committees on 18th January (Community Services Committee 2022/23 Draft Budget and Medium-Term Financial Strategy (MTFS)) and 17th March (2022/23 Tranche 2 budget (Community Services)), the Council has outlined how it intends to meet the significant financial savings targets to both deliver a balanced budget for 2022/23 and ensure sustainability in future years. The primary route for delivering long-term operational and financial sustainability of services is the Future Tandridge Programme and associated service reviews.
- 1.1.2 Officers have been undertaking work to develop and agree a scope for service reviews. Given the scale of change outlined for Community Services, it is the intention of Officers to present a full Business Case at the September Committee meeting. In the interim, this report is intended to highlight the direction of travel and the various options which will be considered over the next few months, and to gain feedback from Members.
- 1.1.3 To support this, several Key Lines of Enquiry have been developed and agreed by the Target Operating Model (TOM) Development Group, these include:
 - **KLE1:** Determining the best future position in the Council for Housing related services, currently delivered by Locality and Operational Services.

- **KLE2:** Based on the benchmarking of performance, analysis of the value for money (VFM) of the current service delivery arrangements, perform soft market testing to consider the future delivery arrangements through either direct delivery (in-house), arms-length management organisation (ALMOs) or through contractual arrangements with a third party.
- **KLE3:** Following on from KLE1, KLE2, and KLE3 develop a new target operating model for the integrated Locality and Operational Services.
- **KLE4:** Develop an implementation plan for the new target operating model.

1.2 Community Services Departmental Strategy

- 1.2.1 This Committee is the Council's largest committee in terms of spend and is responsible for the Council's policies in respect of leisure, community grants, environmental health, licensing, waste and amenity management.
- 1.2.2 Following an extensive procurement process, a new contract for the recycling and refuse collection service commenced at the start of 2021/22. This contract was awarded to Biffa and seeks to improve efficiencies, provide new Council owned vehicles to deliver the service and improve recycling, carbon and particulate emissions rates.
- 1.2.3 The new contract brings a transfer of the ownership of the green waste service with increased control and income for the Council.
- 1.2.4 The administration of bulky waste has also been remodelled to improve efficiency with the addition of an on-line booking system while those unable to access the internet are still able to book by telephone. The take-up is currently lower than previously forecast and the 2022/23 budget includes a pressure of £39k to reflect this. All proposals aim for better rates of recycling and more efficient disposal of materials.
- 1.2.5 A priority for the Council's Operational Services team is street cleaning and graffiti. They ensure the towns and village centres are swept and ensure public safety is at the fore. A consideration of their working models is to be progressed in 2022/23 to ensure fair rotas over the service which operates over six days. The team also clear fly tipping across the District with the Localities team pursuing prosecutions.

- 1.2.6 Operational Services are responsible for both On and Off-Street Parking and Parking Enforcement. New Contract arrangements were re tendered for 2021/22. The improvement in efficiency of enforcement has led to a greater availability of spaces and improved safety especially for pedestrians. As experienced across many local authorities, income from parking has been significantly affected by the impact of Covid-19. Although income is anticipated to recover, it is still expected to be £125k less than pre-Covid19 levels in 2022/23. It is considered that this is likely to be a longer-term structural change linked to changes in behaviour and reductions in travel.
- 1.2.7 The Council maintains the District's Parks and many open spaces, keeping them open and accessible for public enjoyment. Services include grass cutting, hedge trimming, ditch clearance, landscaping works, tree surgery, footpath and car park maintenance. Work is evolving to look at improving biodiversity and to increase the benefits which can be offered by park pavilions and facilities.
- 1.2.8 An Open Space Strategy was approved on 9th March 2021 and implemented in 2021/22 following extensive consultation with residents, Parishes and other local interested parties to consider the use of the Council's parks and open spaces with a view to ensuring that the strategy captures and considers all the local community's and stakeholder requirements. This strategy pulls together options for our assets and how best to manage and improve them over five years through till 2026/27.
- 1.2.9 Community Services are also responsible for the Council's cemetery and handle all requirements of the unidentified deceased and National Assistance funerals in a sensitive and thorough manner. Work will be progressed regarding the Garden of Remembrance works over the next year. More burial plots are planned for earlier release to allow families to consider and organise their wishes.
- 1.2.10 The Council has a shared Environmental Health and Licensing service with Mole Valley District Council which commenced in 2017. Working together has seen advantages and shared efficiencies through access to specialist knowledge. The Team monitors Food Safety and Health and Safety at Work, licensing and residential premises to prevent public nuisance, maintain standards of public safety provides great benefits. The Team has risen to the extreme challenges seen in these past two financial years through the Covid-19 pandemic and has supported the wellbeing of the community by ensuring compliance with government guidelines.

2. Key workstreams

2.1 Structure

- 2.1.1 Initially, as part of the implementation of the interim, council-wide structure, which is being developed, it is proposed that Operations and Locality Services inc. waste, will be brought into a single service. This is in line with the responsibilities of the new Head of Operations and Contracts position.
- 2.1.2 As part of the business case development (see 2.2 and 2.3 below) a future structure will then be identified, drawing on the findings of these reviews.
- 2.1.3 In line with the current 'change policy', will be consulted with regarding any proposed changes. This will be supported by Human Resources and the relevant Service Heads/Line Managers.

2.2 Individual Services

- 2.2.1 The following will be considered for Grounds Maintenance/Street Cleansing:
 - To baseline current service delivery, including current features and assets which are being maintained, the frequency to which maintenance tasks are delivered, and the quality to which they are performed. Benchmarking will be undertaken to identify current value for money.
 - To baseline current financial position to understand full cost of delivery, including impact of recharges and works performed for other areas e.g. Housing.
 - To rationalise service delivery: Grounds Maintenance is currently provided through a combination of internal and external delivery which includes several individual arrangements. Consideration will be given to how these services could be combined into a single delivery. This will be tested through soft market testing against the best in-house option.
 - To rationalise service management: Grounds Maintenance and Street Cleansing are currently managed by two separate Council teams. Consideration will be given to how services could be better integrated.

2.2.2 The following will be considered for Waste Services:

- The creation of a dedicated waste function for managing the service and for joint working with the Surrey Environment Partnership.
- Review the current approach to fly-tipping and re-focus services on clearance to reduce resource demands of investigation.
- Review continuation of Bring Bank services and how it may impact upon wider Waste Service.
- Review contractual arrangements for Clinical and Hazardous Waste to identify opportunities for streamlining through consolidating arrangements.

2.2.3 The following will be considered for Enforcement:

- Creation of a new Environmental Awareness and Enforcement function with a new policy for enforcement that targets resources more precisely to priorities.

2.2.4 The following will be considered for Localities:

- To consider the operational and financial benefits of tasks currently delivered through the Localities team and whether they deliver value for money through the current approach. This includes:
 - Administration support to ensure events in the District are carried out safely and are compliant to policies if on the Council's land.
 - Supporting the annual footfall count in town centres and the annual caravan count.
 - Facilitating access to Council buildings for meter changes and legionnaire testing.
 - Carrying out home visits to assist with Council Tax and Benefit enquiries, and visits to new builds for CIL or planning queries. Conducting home assessments for the Homes for Ukraine scheme. Dropping off additional keys to new housing tenants.
 - Checking on void properties and delivering notice to seek possession and other letters for housing related issues.
 - The removal of Council owned CCTV could be considered to mitigate replacement costs and in alignment to wider approach.

2.2.5 The following will be considered for Vehicle Maintenance:

- To review costs to baseline spend, and cross-charging to ensure fair allocation and full recovery.

2.2.6 The following will be considered for Parking:

- Review of the current delivery arrangements for enforcement to reduce costs and/or increase PCN income will be undertaken. Costs of enforcement will also be benchmarked to evidence Value for Money. This may lead to recommendations to alter the current arrangement with Sevenoaks District Council who deliver enforcement services on behalf of the Council.
- To consider strategy, and current sites which may release assets depending on strategic position to generate Capital Receipts.
- Annual market testing of fees and charges to inform strategy.

2.2.7 The following will be considered for Playgrounds:

- In alignment with Open Space Strategy, consider reconfiguration of play areas against newly developed play area strategy.

2.2.8 Staff will also, as part of the process, be engaged in terms of ideas for improvement, delivery etc.

2.3 Delivery Model

2.3.1 Whilst all individual Services within Operations and Locality Services inc. Waste will be reviewed (See 2.2), the key line of enquiry (KLOE) to Business Case development will be the identification of a preferred delivery model for the Service which ultimately delivers best value. This will include all options for delivery including optimum in-house, arms-length management organisations (ALMOs), and outsourcing, to determine which would best deliver the required financial outcomes and service improvements.

2.3.2 To inform the above, the market will be engaged to discuss the attractiveness of combining some of the services currently delivered as separate contracts, including any recommendations, and possible savings which may result. Likewise, possible partners will also be engaged to understand partnership arrangements which could be progressed.

- 2.3.3 Proposals would be regularly discussed with key stakeholders including Members to gauge appetite and to highlight risks.
- 2.3.4 As part of the identification of a preferred delivery model for Grounds Maintenance and Street Cleansing a budget envelope will be set for the service that includes efficiencies and a reduction in current spend to be delivered. This would include consideration for the current frequency which tasks are completed which would be benchmarked against comparable councils. Alterations to the frequencies of works would then be recommended to facilitate financial savings and the impact for the members to consider as well as wider options.
- 2.3.5 All services will be reviewed, and proposals put forward, with the intention of delivering a reduction in cost, with the exception of the Waste contract. A significant saving was delivered at the inception of the contract in April 2021. As such, the working assumption is that the Biffa contract is unlikely to deliver further savings, but this will continue to be tested.
- 2.3.6 It should be noted that the outcomes of the delivery model review will be implemented in the medium term due to existing contract expiry dates in mid-2023 which would prohibit earlier implementation, therefore the delivery of the full delivery of savings will not commence until 2023/24. For example, the current Grounds Maintenance contracts are due to expire in September 2023.
- 2.3.7 Following the above, a demand modelling exercise will be completed to map proposed responsibilities throughout the Services for the various delivery models. The outcomes from this piece of work will inform decision making regarding the re-alignment of the team structure, job titles, reporting lines, capacity and resilience.

2.4 Dependencies

- 2.4.1 As part of the Customer Services review, it is noted that several changes are proposed to the delivery of this service to ensure that the customer experience is improved, demand and queries are dealt with first time rather than creating further avoidable customer contact and efficiently processed by Operations and Localities. This is likely to have an impact on the delivery of the Operations and Localities in Waste Services moving forward. Engagement will be undertaken to ensure these changes and impacts are mapped.
- 2.4.2 The Localities team currently undertake several services on behalf of Housing and Regulatory Services, with several proposed being transferred back to Housing. Likewise, any alterations to the delivery of Cesspool, Grounds, and Street Cleansing Services will impact Housing. Any proposals will be shared accordingly.

2.4.3 Whilst the Community Surveyors and Housing Building Maintenance team are located within Operational Services, these Services will be reviewed as part of the Assets and FM review they are more closely aligned with these Services. The outcome of this review will be monitored.

2.5 Financial Impact

2.5.1 As part of the scoping exercise, an opportunity for savings has been identified:

- In 2022/23 it is proposed to freeze the recruitment of one of the Locality Team Leaders who has retired whilst future service delivery options are explored. This will have an impact on elements of fly tipping enforcement in 2022/23. The saving would be c£30k one year which will remain within the Community Services Committee for 2022/23 and considered against the Committee's wider budget picture, including inflationary pressures and the impact of previously allocated vacancy factor savings.

2.5.2 As part of Business Case development, all Services will be reviewed from the starting point that the Council will need to deliver significant further savings from 2023/24 onwards, particularly given the impact of inflation and uncertain Government funding. A range of savings for each service will be considered as part of the 2023/24 budget process.

3.0 Risks

3.1 Financial Risks

3.1.1 Failure to get sign off from all key stakeholders for new service standards which would deliver savings against current budgets.

3.1.2 The requirement to fund different delivery arrangements necessitated by the new Environment Act, e.g., a free garden waste service, potential separate collection of different types of recyclates, etc.

3.1.3 Funding the impact of high indexation on the waste contract charges that are a contractual obligation the Council already has. NB this is a risk across all services especially ones that will be going out to tender in the next 24 months. The impact of high inflation is under review by Finance and Heads of Service and will be managed through monthly budget monitoring.

3.2 Operational Risks

- 3.2.1 Failing to structure future contractual opportunities to attract market interest but ensuring the appropriate transfer of performance and commercial risk.
- 3.2.2 Having accurate asset data for Green Spaces and Street Cleansing to either design the new operating model for an integrated in-house service or tendering of services.
- 3.2.3 There is a risk that the outcomes of the other services reviews will have an impact on the ability to deliver core service delivery activities.
- 3.2.4 Staffing risk in that there will not be sufficient qualified individuals to deliver the outputs from the service reviews.

Key Implications

4. Comments of the Chief Finance Officer

- 4.1 The 2022/23 budget included £450k of savings (Tranche 3) to be allocated to committees in the June committee cycle. This report confirms that whilst the Operational and Locality Services review is expected to deliver savings in the medium-term, they will largely commence in 2023/24. Therefore, the Tranche 2 budget for 2022/23, approved by the Committee on 17th March 2022 will remain unaltered.
- 4.2 The medium-term financial outlook is likely to require significant further savings across the Council in 2023/24, particularly in light of inflationary pressures and uncertain Government funding. Whilst the allocation of savings to committees will be agreed through the budget process, it is inevitable that services will need to be delivered in a constrained financial envelope in future. There is an onus on the Council to demonstrate value for money from all its services, delivering to a clear and agreed specification. The service review process is the mechanism for testing that principle and setting out options to improve value for money.
- 4.3 This report sets a direction of travel which will deliver a reduction in the cost of the services and, subject to approval of the full business case by this Committee in September, contribute to the delivery of the 2023/24 savings requirement.

5. Comments of the Head of Legal Services

- 5.1 It is prudent for the Council to undertake a comprehensive review of its service provisions and bring forward business cases that should deliver service efficiencies, security and wider transformational ambitions of the organisation. As a matter of public law, any proposal to close a facility or significantly change a service will require a reasonable period of engagement and consultation with those affected by such a proposal. It is important that the Council follows its own defined HR practices and procedures together with observing established employment law principles as part of this process in order to safeguard its position.
- 5.2 In addition to the legal requirements for robust consultation, the Council must ensure it complies with its duties under the Equality Act 2010. Under Section 1 of that Act the Council must, when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage.

6. Equality implications

- 6.1 The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.
- 6.2 Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
 - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.3 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 6.4 Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

6.5 Given that the review is still within the early stages, it is too early to say whether the outcomes of the Key Lines of Enquiry will have an impact on residents or service delivery. As such, Officers will continue to monitor the business case process and will undertake Equality Impact Assessment where this is found to be appropriate.

7. Climate Change

7.1 There are no direct impacts on environmental aspects in this budget report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

8. Background Papers

18th Jan Community Services – Outline Final Budget

1st Feb Strategy & Resources - Outline Final Budget

10th Feb Council – Final Budget

17th March 2022/23 Tranche 2 budget (Community Services)

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