

Future Tandridge Programme Community Services - Service Review Update

Community Services Committee Thursday 8th September 2022

Report of: Chief Executive

Purpose: For information

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Wards affected: All

Executive summary:

As part of the Future Tandridge Programme ('FTP'), each service has undergone a robust service review to consider opportunities for service improvement, the potential for services to be delivered through a different delivery model and to identify savings needed to address the Council's significant budget gap in 2023/24.

This report sets out progress to-date for the services within the scope of the Community Services Committee.

A decision was taken to review Waste and Operational Services including Locality Services as one single service review and an outline business case for these services is included. This seeks to set out a service model which can best deliver a high performing, resilient and value for money service going forward.

The Housing repairs and maintenance service has been included in this review as it is a service which is currently provided by Operational Services; the budget for this service is within the Housing Committee.

The recommendations from the service review are to initiate an internal improvement programme and to undertake a market readiness assessment. This assessment will inform a recommendation to be brought back to the Committee for approval on the future direction for the service.

Reviews have also been undertaken on Regulatory Services and Community Partnerships and are included here.

Where new savings opportunities for 2023/24 have been identified, these will be included in the overall assessment of the budget position for 2023/24. These are however still subject to further detailed analysis, consideration and formal approval as part of the budget setting process.

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

Contact officer David Ford (Chief Executive)

Recommendation to Committee:

1. To approve the direction of travel for Operational Services including a twin track approach as set out below:
 - a. **Internal Improvement programme** - to initiate an internal improvement programme to deliver better service outcomes, achieve savings and mitigate operational risks and issues. This will include the redesign of Operational Services, the development of service specifications and associated performance metrics, improvement in technology and an interim restructure of services.
 - b. **Market readiness preparation** – to undertake early market engagement to assess the market readiness and appetite to deliver Operational Services, in whole or in part.
 2. To note that additional resources will be required to deliver the above activities and that these will require approval by the Strategy and Resources Committee on 29th September.
 3. To note the savings opportunities, risks and key planned milestones included within the outline business case for Operational Services and the service review summaries for Regulatory Services and Community Partnerships (contained within Appendix 2). These are subject to further detailed analysis and will form part of budget considerations for 23/24 as set out in the report.
 4. To note that a recommendation for decision on the future direction of Operational Services will be presented to the Community Services Committee on either 10th November or 23rd January 2023.
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Reason for recommendation:

The service review for Operational Services has identified significant weaknesses in the operating model in some areas, including an absence of clear service specifications, performance data and metrics.

An internal improvement programme is necessary to provide a sufficient focus on turning the service around and ensuring the best possible outcomes for the Council.

The market readiness assessment will allow further consideration as to whether services can be better delivered through the market, in whole or in part.

1.0 Background to Service Reviews

1.1 Financial context

It is also important to set the Service Reviews in the context of the financial gap that the Council faces going forward.

At the Strategy and Resources Committee on 30th June, a savings requirement of up to £2m was identified to meet the likely shortfall between income and projected expenditure.

There is a need for the Service Reviews to deliver a significant proportion of these savings and this report sets out the areas in which it is anticipated that this Committee will contribute to meeting that savings requirement in 2023/24. It is important to note that the financial position of the Council is continuing to evolve and, should current assumptions prove overly optimistic, further savings from services may need to be found.

An update on the budget position and overall financial outlook will be reported to the Strategy and Resources Committee on 29th September, including reference to the proposals and savings set out in this report, whilst also recognising that these are still subject to further detailed analysis and formal approval.

A further update will be presented to this Committee on 10th November, to include formal approval of savings opportunities identified (wherever possible), so that these can form part of the Draft Budget on 1st December.

Final Committee consideration will take place in January 2023 leading to a final budget report to Strategy and Resources Committee on 31st January and Full Council on 9th February 2023.

1.2 Future Tandridge Programme

The overall aims of the FTP programme are to transform the operating model for the Council, to create a smaller, more strategic, agile and responsive organisation, with resources targeted at Council priorities and which is underpinned by a more business-like approach to the way that the Council operates.

A key part of the programme is consistent and rigorous review of all services which fundamentally challenges how and why the Council provides the services it does. It considers the demand for these services, the most appropriate delivery model, performance, cost and value for money. The focus is on identifying outcomes which support the longer-term operating model for the Council, balanced against short term opportunities to deliver the budgeted savings in 2022/23 and 2023/24.

A full progress update on the programme was reported to the Strategy and Resources Committee on 30th June. This report identified some key themes which, taken together, have implications for and will inform the future development of the future operating model for the Council and the way that services will be delivered.

1.3 A 'Commissioning Council'

Of particular note for this Committee is the emerging direction of travel for the Council to become a 'Commissioning Council'.

Commissioning is an established approach within and across the public sector. Essentially it is a structured process to assess needs (at a strategic, operational and/or individual level), establish the resources available to meet those needs (both those available to the Council and more widely available through other partners) and to put in place the right delivery mechanisms to meet those needs.

Once delivery is underway, a cycle will involve evaluating and reviewing performance and taking corrective actions.

1.4 Implications for the Council

For the Council this means being clearer on the needs and requirements of its residents and service users, evaluating carefully what the contribution of the Council should be (alongside that of other partners), re-thinking the services it ought to provide, and taking a consistent approach to consideration of how best to deliver those services.

Whilst it does not mean outsourcing every service, it does mean a more objective and structured way of considering the most appropriate way for these to be delivered. In the current context however, it is likely to lead to more services being provided by third parties coupled with a stronger focus on what the Council can afford.

It is important to note that the Council is already a commissioner of services at an operational level (e.g. Waste Services through Biffa, Freedom Leisure). It is also a service provider in its own right, including for services which have been commissioned by other partners (e.g. the Wellbeing Service commissioned through the Clinical Commissioning Group).

There are also some good examples of effective service delivery and achievement in existence, for example waste recycling rates are amongst the best in the country, and the Southern Building Control Partnership is an effective shared service delivery model across three neighbouring Councils in the County.

It is also evident from the Service Reviews that there are clear opportunities in some areas to commission services differently and more effectively. An example of this is Operational Services, where services are currently delivered through a mixture of third-party contracts, ad-hoc arrangements and in-house provision which, taken together, do not appear to represent best value for the Council or service users.

Looked at from a Council-wide perspective, commissioning arrangements have developed in an ad-hoc way over time without any overall guiding strategy, model or structured set of processes and standards to guide this. The consequence is that performance is patchy and there are gaps and weaknesses in areas such as:

- evidence to inform priorities and the way that services are provided
- performance metrics to support the evaluation of performance and the effectiveness of impact

- data to provide insight and improvement
- the lack of development of the core capabilities, skills, structure, mechanisms and disciplines necessary to be an effective commissioner of services.

Going forward, the Council will need to strengthen skills, mechanisms and capabilities in areas such as:

- client and contract management capability to drive performance and value from existing and new contracts and shared service arrangements.
- building evidence & knowledge
- specifying outcomes and/or services required
- developing influential partnerships and relationships with other partners and service providers to deliver outcomes.

2.0 Summary of Service Reviews

2.1 Operations and Localities including Waste

The scope of this Service Review has focused primarily on Operational Services and the findings below refer to Operational Services.

Whilst Waste Services has not been reviewed in detail, consideration has been given to the potential for a future integrated structure across Operations and Waste including Localities, and there has also been consideration as to areas of potential further savings opportunities.

The review of Operational Services has considered how services currently operate, value for money and benchmarking against sector best practice. This element of the review has been hampered by the absence of data, performance metrics and the complexity of cost allocations. Benchmarking has only been possible at a high level and against current service levels.

Once better baseline data, specifications and service levels have been established as part of the Improvement Plan, it will also be possible to consider options to move to a different specification and/or standards.

It is clear from the work currently undertaken that the service requires significant improvement in a number of areas to move to a position where it delivers services that reflect best practice, meet agreed outcomes and represents value for money for residents.

The key findings from this review are:

- A lack of clarity on what the Council is commissioning due to large gaps in its asset database;
- A lack of clarity of the standards and specification of services to be delivered (e.g. grounds maintenance);
- A lack of an agreed operating model for each service (including the core resources required);
- Multiple providers carrying out similar operations on a single asset;

- A lack of a robust performance framework for the services or targets that drive improvement;
- Very poor or absent data (e.g. grounds maintenance and housing repair);
- Opportunities for savings in terms of delivering value for money.

The service has evolved over time to meet organisational requirements but without any overall integrated delivery strategy or operating model. There is a mix of in-house and external suppliers across the same services which raises concerns over value for money when combined with an absence of clear specifications. Management and administration systems are inefficient in a number of areas.

Services are relatively small, and savings could be achieved through improved economies of scale and operational management as well as reducing operational resilience risks.

It is important to note that this is an overall assessment of the value for money of the current service and that, within this, there are areas where service levels are good and value for money has been evidenced.

The overall assessment is not a reflection on the efforts of the Operations staff themselves who strive to deliver a good service to residents but rather of the service as a whole.

2.2 Waste Services

Across Operations, Localities and Waste there is the potential for an integrated model based on sector best practice and creating a focus on services to residents.

A further three areas have been identified that will help improve the financial position of the Council as set out below.

2.2.1 Garden Waste

Under the new contract the Council has responsibility for setting the price for the garden waste collections. Last year the price was increased by 4%.

The current contract indexation with Biffa (who provide the collection service) is at 7.11%. This excludes wage inflation so the actual indexation in 2022/23 will be higher than this figure, potentially above 10%.

An increase of 2.5% (£23,000) has been currently assumed to include in the 2023/24 budget but at this level the Council would see a significant erosion in the contribution from this service due to difference between the price increase and the contract indexation.

A proposal for a further price increase in the service to address this will be brought forward to the next Committee for consideration.

2.2.2 Bring Bank recycling service

Currently the Council operates a bring bank recycling service though there is no statutory duty to do so. The evidence from other Councils where the service has been removed is that there is no negative impact on recycling levels.

This service costs up to £100,000 to provide including the external costs of collection and the internal recharge from Operational Services for street cleansing. A detailed review of the costs is required but a minimum savings that could be expected of £50,000 has currently been allowed for.

A more detailed proposal on the removal of this service will be brought forward to the next Committee for consideration.

2.2.3 Waste Collections

There is an opportunity to engage on elements of the specification for the waste collections provided through the Biffa contract.

Much of the specification in terms of collection frequencies is in line with sector best practice and the contractor has advised the Council that they are carrying additional costs, which may limit the potential. There are however elements of the service (e.g. Garden Waste administration) which may offer the potential for savings.

The outline business case for Operations and Localities including Waste can be found in Appendix A.

2.3 Overlaps with other service areas

As part of the Digital and Customer Services reviews, improvements are proposed to the customer experience to ensure that queries are dealt with first time rather than creating further avoidable customer contact. This will have some impact on the future operating model for Waste and Operations.

As part of the Housing Review, it is proposed to transfer back services which are currently provided by the Localities team to Housing Officers.

In moving to a Commissioning Model, it will be for the Housing Services Committee (who hold the budget) to specify the requirements for their services which are currently provided by Operational Services. As such they will be closely engaged in the development of the Improvement Plan as it may impact Housing Services.

As set out in the OBC, there are two options under consideration for the future direction of the Housing repairs and maintenance service. These will be considered further as part of the early market engagement.

Option 1: developing a mixed economy for the delivery of housing repairs. This would involve creating an extended local supply chain of sub-contractors on longer term contracts to support the local economy and increased employment opportunities. This would then reduce the workload for the direct workforce, allowing it to be reduced in size

Option 2: seeking partner arrangements with local social landlord or other councils or outsourcers to piggyback on to their housing repair delivery arrangements to drive service improvements and economies for scale from a bigger and higher performing housing repairs service.

Whilst the Community Surveyors are located within Operational Services, these Services are being reviewed as part of the Assets and FM review as they are more closely aligned with these Services. The outcome of this review will be reported back to the next Committee as appropriate.

2.4 Community Partnerships

Community Partnerships is a new and evolving service grouping, bringing together several service areas which have previously been spread across the Council.

The scope of the service will be introduced at the Committee meeting to provide context for the work which sits within this area.

The service review update for Community Partnerships which falls under this Committee can also be found in Appendix B.

2.5 Regulatory Services

The Environmental Health & Licensing function falls under this Committee with many of the statutory Regulatory Services falling under its remit.

The service review is titled Regulatory Services to cover the whole area of responsibilities and consider how best to deliver the duties. The Service Review update can be found in Appendix C.

3.0. Comments of the Chief Finance Officer

The *2023/24 Budget Setting Process* report to Strategy & Resources committee on the 30th June 2022 set out optimistic, pessimistic and neutral scenarios for the 2023/24 budget. The report concluded that a range of savings of up to £2m will be required in 2023/24.

The scenarios included in the 30th June report were based on a range of assumptions around funding, reserves and inflation. These assumptions are in the process of being updated and the latest position will be reported to Strategy & Resources committee on the 29th September 2022. The continuation of high inflation is likely to mean that the savings requirement will be closer to the higher end of the range. Further savings may be required if funding does not match current projections, or inflation continues to escalate. Funding pressures are likely to remain across the Medium-Term from 2024/25 onwards.

This paper sets out the direction of travel for a set of services that has significant potential to contribute to the delivery of the savings required in 2023/24, subject to Member approval through the budget process. A savings requirement across the Council is inevitable and so maintaining the status quo is unlikely to be an option. Alongside the financial imperative is a desire to improve the services that the Council delivers to residents and to increase the overall value for money provided by the Council.

Investment will be required to deliver the savings and improvements set out here and across the wider Future Tandridge Programme. This investment will be funded corporately and so will be subject to further reports to Strategy & Resources committee setting out the quantum and expected return on investment.

4.0. Comments of the Head of Legal Services

The FTP is crucial in supporting the achievement of transformational change required to deliver major changes in the Council structure and how services are delivered as well as the delivering budget savings in line with the Council's financial strategy. While there are no presenting legal implications arising from this report, it is likely that some of the projects included in the FTP of this Committee will have legal implications. Legal advice and support may be required to support and progress this work at the pace required.

Updates and relevant information for decision making purposes should continue to be brought to the respective Committee and or Full Council where required, as this work starts to evolve into firm proposals.

5.0 Equality

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.

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.

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.

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.

Officers will continue to monitor the impact of proposals and undertake an Equality Impact Assessment where this is found to be appropriate.

6.0 Climate Change

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.

Appendices

Appendix A – Operations, Locality including Waste outline business case

Appendix B – FTP Service Review Community partnerships - progress update

Appendix C – FTP Service Review Regulatory Services – progress update

Background papers

2022/23 overall S&R paper – 30th June 2022

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Appendix A – Operations and Locality including Waste – Outline Business Case

1. Executive summary

The scope of the service review has focused on Operations in the main but also considered the potential for a future integrated structure with Localities including Waste and further savings opportunities in Waste services. A high level review of Operations was undertaken to consider how services currently operate, value for money and benchmarking against sector best practice.

The key findings from the review in terms of Operations identified key themes:

- A lack of clarity on what the Council is commissioning due to large gaps in its asset database;
- A lack of clarity of the standards and specification of services to be delivered;
- A lack of an agreed operating model for each service (including the core resources);
- A lack of clarity on roles and responsibilities with multiple providers carrying out operations to a single asset feature in some services;
- A lack of a robust performance framework for the services that includes stretch targets to drive improvement;
- Data is generally very poor but we have looked at some benchmarking although against current service levels rather than considering options under different specifications/standards which will be the next phase;
- There are opportunities for savings in terms of delivering value for money;
- In terms of the structure across Operations, Localities and Waste there is duplication and the potential for an integrated model based on sector best practice and creating a focus on services to residents;
- The current service delivery model is unclear and has developed ad hoc over time. There is a mix of in-house and external suppliers across services with duplication and issues of value for money given the lack of specifications and outcomes in place. The services are relatively small, and savings could be achieved through improved economies of scale and operational management as well as reducing operational resilience risks.
- Immediate short terms savings potential has been identified in Waste services and also the need to consider options for specification changes to the Biffa waste contract for Members to consider, but may be required to offset inflationary pressures;

- Operations requires a substantial turnaround to deliver services that reflect best practice and provide services to residents that are value for money and meet agreed outcomes.
- In addition, the current way services are delivered does not provide the direction and support for staff or the right culture. Operations and an integrated Localities needs to be a service that the Council and staff are proud of, and residents are satisfied with; and
- Clear critical success factors and outcomes need to be developed in terms of Residents, Service quality and operational metrics and staff. In addition, value for money and supporting the financial challenge of the Council is critical.

In summary the key recommendations for Operations and Localities including Waste are as follows:

1. Operations:
 - Further operational analysis of each service area
 - Develop target operating model to deliver immediate savings and inform longer term service delivery model and structure
 - Review all external expenditure with suppliers for value and compliance purposes
 - Further analysis of current operational management across all services with a view to make them more effective, efficient and delivering required outcomes
 - Ensure staff issues are identified and resolved including training and development and key corporate policies such as Health and Safety
 - Commence data and performance management improvements
2. Waste Services:
 - Implement immediate savings opportunities
 - Review current Biffa contract and enter into negotiations to identify opportunities for savings or to mitigate inflationary pressures
3. Structure:
 - Develop two phased approach
 - Initial changes under current service delivery model
 - Second phase confirmed once future service delivery model agreed
4. Service Delivery Models:
 - Soft market test to be undertaken October to December 2022
 - All options to be considered and submitted to November Committees
 - Develop service specifications and outcomes
 - Define future commissioning model
5. Financial Management:
 - Detailed review of current budgets to align with current services and between General Fund and HRA
 - Identify and track against short and longer term savings opportunities

- Rebase budgets as improvement programme delivered including restructure and future service delivery models
 - Detailed analysis to align with budget process for 2023/24
6. Risk Assessment:
- Need to develop a full risk assessment covering all areas from people to operations and key policies such as Health and Safety
7. Change Programme
- Develop detailed improvement plan
 - Identify resource capacity and capability to deliver the change programme.
 - Given the lack of data and therefore ability to create a baseline and set targets, we have provided a direction of travel below.

In terms of developing critical success factors and outcomes, this will need to be undertaken in line with implementation of the above recommendations:

Critical success factor	How will success be measured?
Financial Savings	There are substantial opportunities for savings although some inflationary risks. The savings expected through the Future Tandridge Programme are £312k for 2023/24 and a further £75k in 2023/24. The recommendations demonstrate the areas of focus and potential.
Residents and Service Users	This is not measured currently and needs to be part of the future service design and satisfaction measures.
Services	There are little or no measures in places and these outcomes will be developed in line with new specifications.
Staff	There currently are no staff measures in place. These need to be partly based on corporate organisational development and direct staff measures such as satisfaction, sickness and turnover and also operational related measures such as professional training and development.
Social Impact	Although there are pockets of good practice within the Council, there is no overall framework for social value and impact measures. A framework should be developed for all services to contribute to achieving this. Operations and Localities and Waste are services where substantial social impact can be achieved, and other Councils have focused on this opportunity. For example, targeting local employment and apprenticeships/work experience and supporting local suppliers.

Given the current position and recommendations across Operations and Localities including Waste, savings opportunities are high level, pending the

detailed further work required and will be developed in more detail between October and December 2022.

The savings from Operations will specifically come from:

- Restructure of services at management level and reducing service silos. Part of this process would be to align structure and roles with remuneration
- Move to new service delivery model including potentially outsourcing
- New operating model for each service and integrated across services in terms of how services are designed
- Developing specifications and outcomes across all services that meet the financial constraints with clear options for members to consider.

The table below shows the latest position:

Service Review: Operations and Locality incl Waste					Overall RAG status				Amber	
Area of Savings Opportunity	Key Assumptions	2023/24 ('000s)				2024/25 ('000s)				Total ('000s)
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Waste: Increase Garden Waste charges		£23				£0k				£23
Waste: Bring sites		£50				0				£50
Operations TOM redesign and remodelling, Integrated Model and potential outsource	Key savings focus: <ul style="list-style-type: none"> • Restructure of service • New operating model and specifications for all services incl grounds maintenance • Externalise services based on soft market test 	£239				£75				£314

Given the current assessment of services, a high level risk assessment has been developed for specific risks to Operations as opposed to corporate wide risks:

Risk	Mitigation
Risk of service failure given lack of operational management and control	Additional interim change resource is proposed that will focus on short term recommendations made in this review.
People related risks including applying corporate policies and meeting professional training and development needs	A full people risk assessment should be undertaken over the next 6 months to assess risk and develop improvement plan.
Health and Safety	Not within the scope of the review, but given service review findings, a Health and Safety review needs to be undertaken to ensure compliance.

Risk	Mitigation
Compliance with Council procurement and contract regulations	Operational and Procurement review of all external expenditure and current contracts for compliance and VFM.

The service review has identified substantial challenges in service provision in Operations and services are operationally poor when compared against sector best practice. These services cover substantial General Fund and HRA funding and urgent action is required to baseline and then drive short and longer term improvement. However, there are also opportunities for substantial savings that are material to the Council meeting its financial challenges.

The capacity and expertise to turnaround these services should not be underestimated, and the review has identified a substantial improvement programme over the next 12 months. The Council will need to invest in additional resources to achieve the turnaround. The additional resources required will be finalised pending consideration of this report by this committee and set out to Strategy & Resources committee for approval. Whilst specific resource will be needed to deliver the improvements set out here, much of the investment is likely to be common across the overall FTP.

The recommendations and decisions of the Committee in September will provide the direction for the on-going and more detailed service review and implementation of immediate savings and service change recommendations.

The table below shows the summary milestones subject to Committee approval:

Service Review: : Operations and Locality incl Waste		Overall RAG status	
			Amber
Planned milestones	Planned delivery date	Status (R/A/G)	Commentary if Amber or Red
Phased Waste localities and Ops restructure	Sep 22 – Sept 23	Amber	Needs investment in resources and technology
Soft market test	Oct - Dec 2022	Green	
Operational activities to deliver internal savings	Oct 22 – Sep 23	Green	
Potential Outsourcing	Jan - Sep 23	Amber	Soft market test will provide recommended option for members to approve but resources will be required to delivered preferred option
Grounds Maintenance Contract expiry	Sep 23	Amber	Will be mitigated through service delivery option approved by December 2022 but will required resources to manage procurement and develop specifications

2. Background

Under the Future Tandridge Programme (FTP), this service review was prioritised given the size of the General Fund budget, the potential opportunity for savings and the recognition that there may be an opportunity to better integrate services across Operations and Localities including Waste, which are currently separate functions and to deliver better non-financial outcomes in terms of service improvements.

The focus of the review is Operations given the challenge of a wide breadth of services and each being relatively small therefore lacking economies of scale. There is limited performance and outcomes reporting and a lack of clear specifications that services are working to deliver.

Operations have in the main been delivered in-house with some aspects provided by suppliers as opposed to other service delivery models such as arm's length companies or full service outsourcing.

Waste services are outsourced to Biffa and the contract commenced in April 2021. Whilst this limits savings opportunities, the review considered further savings opportunities.

Car Parking was excluded from the review.

The current budget (net) is set out below:

	Tranche 2			
	Pay	Non Pay	Income	Budget
Service	£k	£k	£k	£k
Car Parking-On Street		106	(120)	(14)
Car Parking-Off Street		176	(194)	(18)
Hackney Carriage/Private Hire		69	(88)	(19)
Waste Services	271	3,168	(1,188)	2,251
Cesspool Services	72	148	(257)	(37)
All Operational Services	75	156	(312)	(81)
Parks and Open Spaces	335	856	(350)	841
Streets & Public Conveniences	556	259	(238)	577
	1,309	4,938	(2,747)	3,500

3. Scope and Approach

3.1. Scope

The scope of the current Operational services is set out below:

- Parks & Countryside Service (policy and strategy development).
- Delivery of Grounds Maintenance functions through contract arrangements.
- Direct deliver of grounds maintenance on housing sites.
- Tree Inspections and delivery of arboriculture works through a contractor.
- Countryside an nature conservation management.
- Street Cleansing.
- Cesspool Emptying.
- Cemetery Administration and management of a contractor for grave digging.
- Parking enforcement (on-street and off street) through a shared service arrangement.
- Management of off-street car parks.
- Housing repairs (response repairs & voids).
- Housing repairs call handling.
- Care & repair handyman service (public buildings).
- Fleet management including holding the O'Licence.
- Vehicle Maintenance.
- Taxi Inspections.
- Abandoned Vehicles
- Fly-tip and graffiti removal.
- Toilet Cleaning.

The retained Waste service and Localities scope includes:

- Management of waste contract including investigating service "failures" including advising CS on waste matters.
- Investigating health and safety issues raised by Biffa and resolution.
- Policy and strategy and service development.
- Investigating near misses.
- Vegetation letters and follow ups.
- Bulky waste call backs.
- Surrey Environmental Partnership working.
- Approval of waste management facilities at new development through the planning process.
- Flats / communal contaminated recycling investigation and resolution.
- Bin deliveries including producing delivery lists and vetting Biffa's garden waste deliveries and yard management.
- Fly tipping enforcement activities including helping with clearance.
- CCTV maintenance and review upon request.
- Salesforce case work.
- Budget management and budget setting, corporate complaints and Fols.

NB the waste work includes all work required on HRA stock.

Whilst the focus is on the General Fund budget, this service provides a number of services that are HRA funded in addition to Housing Repairs and Maintenance. Housing services are in effect the commissioner of services from Operations and Localities including Waste, but this has not operated as a commissioning/delivery relationship to date. The split of budgets and recharging to the HRA is out of scope of this review but is being covered under a corporate wide review of HRA charges.

3.2. Approach

The approach to undertaking the review was approved by the Communities Committee in June 2022 and include:

1. Consider an integrated structure across Operations and Localities including Waste
2. Consider different service delivery models including inhouse, arm's length or full/partial outsourcing
3. Review key services in Operations:
 - a. Grounds Maintenance
 - b. Street Cleansing
 - c. Housing Repairs and Maintenance
 - d. Vehicle Maintenance
4. Identify any further opportunities for savings in Waste services.

Managers have been engaged in the service review process and the views of staff considered.

Data collection has been extremely difficult and across Operations there is a lack of service data in terms of specifications, operational data and key outcomes being achieved.

3.3. Dependencies/impact assessment

The impact of the review potentially is as follows:

- Revised service specifications for each service to deliver
- Reduction in staffing levels or staff undertaking different roles
- Potential outsourcing of all/part of services subject to soft market test to be undertaken during October to December 2022
- Restructuring of Operations, Localities and Waste
- Changes to the split of funding and activity between General Fund and HRA.
- Need to develop clear specifications and supporting data analysis and reporting/monitoring going forwards as part of the Council's move to a commissioning model
- Develop operational risk assessment.

3.4. Data Analysis

Limited data analysis and benchmarking could be undertaken given the lack of specifications of work and relevant data. There is no asset management system that contains details of all relevant assets including features.

The review has benchmarked and commented where data is available and has provided a baseline of potential benchmarks that could be used in the future design of service specifications and revised budget setting.

4. Current Service Baseline

4.1. Overview of existing service

The service review identified key themes across Operations:

- A lack of clarity on what the Council is commissioning due to large gaps in its asset database
- A lack of clarity of the standards and specification of services to be delivered
- A lack of an agreed operating model for each service (including the core resources)
- A lack of clarity on roles and responsibilities with multiple providers carrying out operations to a single asset feature in some services
- A lack of a robust performance framework for the services that includes stretch targets to drive improvement
- Data generally very poor but have looked at some benchmarking although against current service levels rather than what consider options under different specifications/standards which will be next phase
- Savings will come from efficiency/productivity for 'as is' service and then specifications/standards design against asset base.

In terms of the structure across Operations, Localities and Waste there is duplication and the potential for an integrated model based on sector best practice and creating a focus on services to residents.

The service delivery model in Operations is unclear in terms of the target operating model and the use of external suppliers and in some cases external spend on suppliers has substantially increased against the original contract without understanding what is being commissioned. There is a lack of rationale in the use of external suppliers against inhouse resources and duplication in some areas. Alternative service delivery models such as full/partial outsourcing or arms length companies has not been considered recently and could be an option to create operational economies of scale and accelerate change.

Waste services including collections are outsourced to Biffa under a recently let contract. Options for changes to the Biffa specification could be considered in the next phase of the review particularly given rising inflationary pressures which is creating a substantial cost pressure for the Council

5. Service Review Analysis

5.1 Operations Services Reviews

The review focused on the key services within Operations:

- Grounds Maintenance
- Street Cleansing
- Housing Repairs and Maintenance
- Vehicle Maintenance

High-level benchmarking against the current service provided has been undertaken this far. A review of alternate service options and service specifications against best practice will be undertaken as part of the next phase.

The data shows mixed performance across services but given lack of specifications and outcomes it is difficult to assess value for money. Whether services are performing well or not, alternative service delivery models including partial or full outsourcing could still add value for money given economies of scale, investment in digital technology and training and development, increasing service resilience and outsourcers taking a longer term view on terms and conditions. Similarly in some services developing a more robust local supply chain.

5.1.1 Grounds Maintenance

Using the data and information provided, a high-level review of the current services provided by the Council and contractors has been undertaken. It has been undertaken through a desktop review of the data and information provided.

At this stage the data and information provided is not to a standard that can be used to either draw any conclusions or undertake any modelling. To overcome these matters and be in a position to ascertain the value for money delivered through this arrangement, the information and data provided will need to be reviewed and updated to include either quantities or specification (frequency) or both. Without this level of detail, no analytical work can be performed with a degree of accuracy and be able to draw out significant findings.

Parks and Open Spaces Rotary Cuts:

The data indicates that in total the Council are currently cutting approximately 600,000m² of Parks grass on 16 occasions. Given that most of the sites maintained under this element of the service are large open spaces and parks, it is expected that most of this grass can be gang mowed at high productivity (benchmark of 100,000m² per day). On this basis and in line with industry costing norms, it is expected that this would result in a saving based on benchmark cost (from a third-party contractor) of approximately 39%.

Bill of Quantities and Grass, Shrubs etc Measurements: This details the work undertaken by the DSO in maintaining the grounds maintenance requirements of the HRA. It identifies that currently 2 teams of three staff are employed to maintain the following:

Activity	Total
Grass (Cut & Collect)	157,609m ²
Grass (Strimming)	59,137m
Hard Surfaces	45,563m ²
Shrub Beds	11,588m ²

Based on experience within the Housing Grounds Maintenance sector, usual expectations are that with cut and collect specifications a team of 3 staff can generally maintain between 65,000 and 90,000m² of grass within a 10-working day cycle and that with normal proportions of hard surface and shrub beds the same number of staff are required over the winter (non-grass cutting) season. On this basis, the current resource levels of two teams of 3 staff equates to each team maintaining approximately 80,000m² of grass and are therefore operating within benchmark expectations.

Additional Findings related to Grounds Maintenance:

The Council also directly employs resources to undertake the maintenance of Sports Pitches, including Bowling Green and Croquet Lawns. Currently this resource is 1 Full Time staff member, which based on the limited number of pitches requiring maintenance is in line with benchmark expectations.

In addition, a 2 person Parks Team is employed, mainly to undertake maintenance within the cemetery, including burials, but also to support the Sports Grounds Operative as and when required. No quantities of grass, shrubs etc have been provided for the Cemetery, neither do we have numbers for historical burials, but given that it is normal practice to require at least 2 staff to maintain a cemetery when burials are included, the current resource seems reasonable.

The teams also carry out other work that enables the service such as dealing with blocked toilets, giving out fobs to people want rent pavilions, undertake repairs at playgrounds etc.

Playground Inspections and Maintenance are contracted out, benchmarking is difficult given current costs have not been provided.

Tree works are contracted out and the Council have provided site information that evidences a risk-based approach to managing the Council's tree assets. It has not been possible to perform any cost benchmarking as no data has been provided. From the information provided, the following observations have been made:

- The Council has invested in a tree maintenance software package but does not seem to be using this effectively to manage risk (and liabilities) or develop annual work programmes. We would recommend that the current paper-based inspections are digitised as a priority. This has already been identified to the Council's IT team
- The Council's tree database is not complete. As with elements of the Grounds Maintenance service we would recommend that this addressed to limit the Councils liabilities and enable the development or proactive work programmes based on risk and species type
- The Council is delivering a "make safe" service with only emergency tree works of imminent danger are completed within 5 working days. Other requests, the majority of 147 tree enquiry are for non-urgent tree works that the Council stated in Council's Tree Management Procedures document (March 2016) that it could and would not carry out due to insufficient funds and having NO legal duty to carryout tree works

- The Council is carrying out all tree works on a reactive basis which will inevitably lead to higher cost and inefficient resource programming. This approach is being reviewed by the service
- The Council's spend profile for 2022/23 shows that YTD with 4 months elapsed the Council has only committed £8,000 from a budget of £119,000 for HRA tree work and £21,474 from a budget of £131,300 for parks and open spaces. This profile appears to follow the reactive nature of the works.. It is pertinent to note that the Council fully spent its tree budget in 2021/22 and we would recommend that the spend profile is examined as this potentially suggest that the Council is not only dealing with make safe issues with potentially a larger spend profile in the last quarter to spend the remaining budget.
- The Council also receives a significant number of enquiries of street trees that are managed by Surrey County Council and third-party private land. The Council should consider approaches to "channel shift" these away from the Council. A digital asset base on the Councils website with look up facilities would alleviate this.

Detailed below are the conclusion reached from the review work:

- The Council cannot demonstrate how Value for Money is achieved, or suitable cost management, in the current services due to the state of its asset information
- There is a fragmented and inefficient operating platform in use across multiple sites, asset features and providers
- The Council could be paying 39% over and above estimated commercial rates for parks and open spaces rotary grass cutting by moving to a different cutting method
- The activities currently being provided by the Councils DSO (as per the data provided) demonstrated that the outputs are in line with commercial expectations
- Other activities reviewed (but not tested via the model as data was not provided) do not seem to be showing any immediate causes for concern but this cannot be substantiated without the data
- There appears to be elements of cross over between the in-house team's responsibility and the contracted out, and in some cases even between different in-house teams. For example:
 - Both the in-house resource and external contractors appear to be providing maintenance to different housing sites.
 - External contractors are cutting the grass on the parks, in-house grounds maintenance teams are maintaining the sports pitches, whilst in house street cleansing teams are picking the litter.
 - Without the full detail of quantities and specification and location information (for the external housing sites), it is difficult to assess the impact of this multi responsibility, however it is expected that a more aligned approach would be more efficient and cost effective.
- The arboriculture service, with responsibility to maintain the Council's tree stock, is being managed in a restrictive way, with no strategic approach to safeguarding communities based on risk based inspections; investment in a software package that is not being utilised; previous inspections that cannot be produced (increasing risk of liability); and no proactive

programming of tree works to attract better prices and profile expenditure in a more controlled manner.

5.1.2 Street Cleansing

Unlike the Grounds Maintenance service, the data provided for the street cleansing is more robust and in the main allows more accurate benchmarking of the provided services.

Analysis of the data provided, and the frequency of operation has allowed calculation of the expected daily workloads per current routine cleansing team, which are as follows:

Current Team	Feature	Total Cleansing Req'd
Area Teams	Streets	35km per day
	Litter/Dog Bins	303 empties per day
	Car Parks etc	8,500m ² per day
Oxted Barrow	Streets	3.5km per day
	Litter/Dog Bins	38 empties per day
Mech Sweeper	Streets	48km per day

Applying standard productivities to the above quantities we can calculate the anticipated hours required per day to undertake the work as follows:

Current Team	Feature	Total Cleansing Req'd	Standard Productivity per Hour	Anticipated Hours Work per Day
Area Teams	Streets	35km per day	0.75km	47
	Litter/Dog Bins	303 empties per day	30 empties	10
	Car Parks etc	8,500m ² per day	10,000m ²	1
Oxted Barrow	Streets	3.5km per day	0.5km	7
	Litter/Dog Bins	38 empties per day	30 empties	1
Mech Sweeper	Streets	48km per day	2.5km	19.5

This results in the following anticipated hours work per day for each of the current resource groups:

- Area Teams – 58 Hours.
- Oxted Barrow – 8 Hours.
- Mech Sweeper – 19.5 Hours.

Assuming there are 7 productive hours in each working day, then the number of staff required can be calculated and compared to the existing staffing levels:

Current Team	Calculated Staff Req'd	Current Staff Employed	Current Productivity per hour
Area Teams	8.3	8	0.78km
Oxted Barrow	1.1	1	0.62km
Mech Sweeper	2.8	1	7km
Total	12.2	10	

From the results it reveals that the current operation is efficient and productive in line with industry and commercial expectations, although the Mechanical Sweeper appears to be achieving significantly better than expected. At this stage there are no apparent reasons for this, although it may be that the frequency of sweeping is actual less than assumed for the calculations (fortnightly).

5.1.3 Housing Repairs and Maintenance

The Council's data has been used (where possible due to data gaps) to benchmark the performance of the current Operating Model against the performance profile for a high performing housing repair service to confirm savings opportunities.

The benchmarking data used allows for appropriate levels of sensitivity and risk to be applied that are in line with similar services delivered elsewhere in similar locations meaning that the productivities are based on similar authorities. We have based the review on the information provided which, as was highlighted during the collection stage, is not complete.

Detailed below is the performance profile of what good looks like for a housing repairs service and this has been used to endeavour to benchmark the Council's housing repairs service.

Performance Profile for a High Performing Housing Repairs Service:

National Standards	'Good' Performance Benchmarks
Satisfaction with quality of response repairs	90%
Repairs appointments kept	98%
Repairs completed on first visit	96%
Emergency repairs completed on target	100%
% of routine repairs completed in target time	99%
Tenants gas appliances serviced	100%
Repair calls answered within target	75%
Other Standards	
Average costs of a response repair	£88.40
Re-let times	13 days
Average Void Costs	£2,300

The current configuration of the core line of business system for the service the Orchard Housing Management System is not integrated with other Council core systems (CRM and Finance); and is also not configured to produce management reports that would support benchmarking. The current configuration of the Orchard system also requires workflows that include significant manual interventions to order and pay for work from the internal resources and sub-contractors.

Response repair works are delivered through a combination of in-house resources, general maintenance sub-contractors; and specialist sub-contractors (8 sub-contractors in total). The Orchard system as currently configured does not allow for:

- The production of standard management reports that would provide a profile and percentage of work being done by in-house resources and sub-contractors
- A VFM assessment of in-house resources against sub-contractor resources
- A planned approach to the allocation of work against the resources with work allocated on a job by job basis
- Resource planning resulting in work being prioritised for sub-contractors if it is related to additional income generation, e.g., repairs to garage doors to be able to increase the rental of garages.

The Orchard system to confirm is not configured to generate the required data allow benchmarking, specifically the following performance data:

- % of repair appointments kept
- % of repairs being completed on the first visit
- % of emergency repairs completed within the target time
- % of response repairs completed within the target time.

The annual number of void clearances and void repairs and the average time taken to relet a void property has not been provided to date, but service is looking to provide this information to allow analysis. This makes it difficult to do

a basic assessment VFM of the current service delivery arrangements, i.e. the average cost of void clearance; the average cost of a void repair; and the average time to relet a void property.

We have done a provisional review of the budgets for the Housing Repairs Service to better understand the financial framework within which the service is delivered. Discussions are underway regarding the transfer of the stores to a major supplier with the introduction of a "Pcard" to record transactions. This system will give complete transparency of material costs and identify any value leakage/incorrect costings from jobs. From this work, we would recommend restructuring the budgets to make them more transparent in terms of the budget and actual spend for the following to enable benchmarking of the service:

- Expenditure on materials for response repairs (used by both in-house resources and sub-contractors)
- Expenditure on sub-contractors for response repairs
- An apportionment of direct staff budgets to response repairs and void repairs to disaggregate the current budget to better understand delivery costs
- Expenditure on voids clearance carried out by sub-contractors
- Expenditure on materials for void repairs (used by both in-house resources and sub-contractors).
- Expenditure on sub-contractors for void repairs
- Transparent cost management.

This restructuring of budgets should support the provision of financial information for the benchmarking of costs and to feed into a new performance management framework for the service.

From the high level review, we would initially highlight two potential options for the Council to reduce the cost of services:

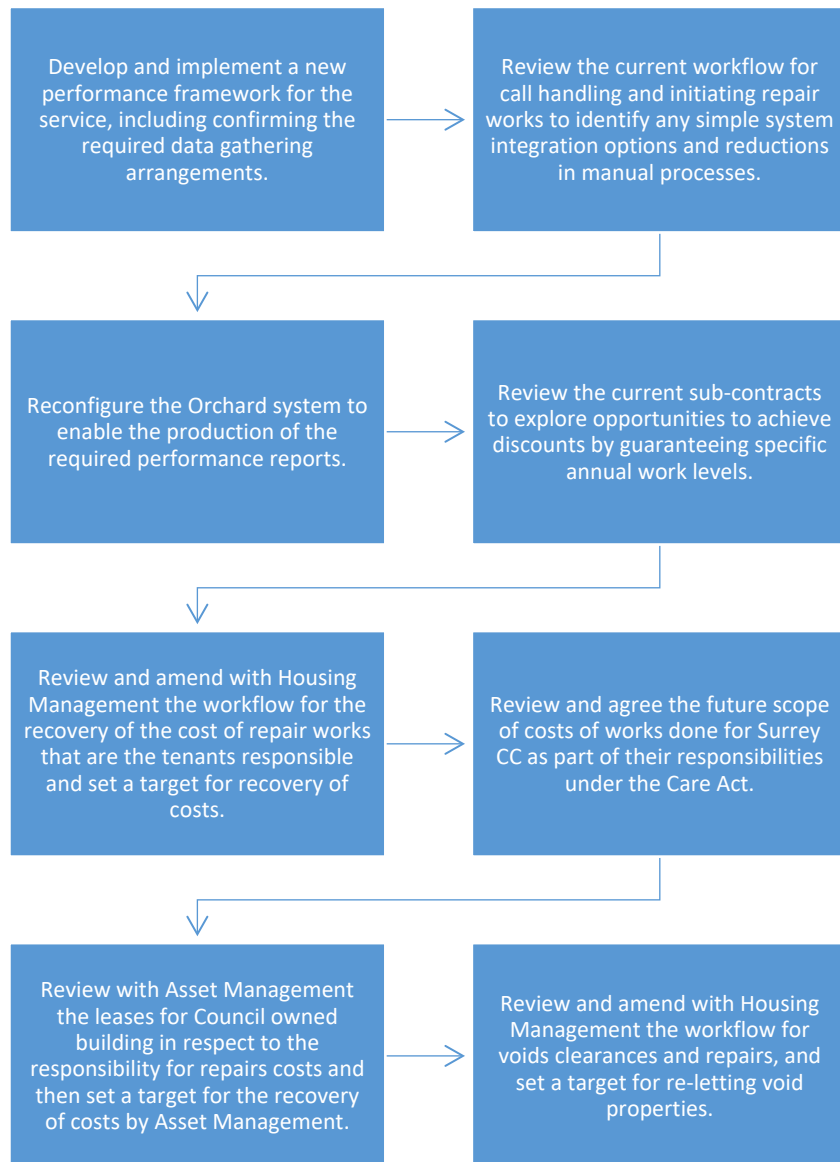
Option 1: By developing a mixed economy for the delivery of housing repairs. This would involve creating an extended local supply chain of sub-contractors on longer term contracts to support the local economy and increased employment opportunities. This would then reduce the workload for the direct workforce, allowing it to be reduced in size

Option 2: By seeking partner arrangements with local social landlord or other councils or outsourcers to piggyback on to their housing repair delivery arrangements to drive service improvements and economies for scale from a bigger and higher performing housing repairs service.

The results of the benchmarking are limited because the Council cannot provide the information and data to enable full benchmarking. Therefore, it is not possible to confirm how the service is operating or within tolerance of commercial expectations.

The recommended next steps can be split down into interim improvement measures to improve the housing repair service and then deciding the future service delivery arrangements and implementing these arrangements.

Detailed below are the recommended interim improvement measures:



5.1.4 Vehicle Maintenance

The review has been based on benchmarking the performance of the current operating model for vehicle maintenance against the performance profile for a high performing vehicle maintenance service to confirm savings opportunities.

The Council does not collect performance data to allow full benchmarking of the current vehicle maintenance operation, and this is recommended as the key measure to evidence VFM going forward. This report is therefore limited in benchmarking that could be done to assess VFM.

VFM is driven by the frequencies for inspection and servicing of vehicles and then the organisation of work and the productivity levels of Vehicle Mechanics. In respect to the former, current vehicle inspection frequencies are in line with

industry standards; and current vehicle servicing frequencies are in line with industry standards.

From the financial information provided **£86,815** (excluding the costs of Taxi inspections) is being spent annually on the inspection and servicing of the Council's directly owned fleet. Detailed in the table below as a comparison is a benchmark cost for inspection and servicing of the Council's directly owned fleet.

Benchmarked Costs for Inspections and Servicing of the Council's Fleet

TDC Vehicle Type by Gross Weight	Number	Average Annual Inspection & Servicing Cost	Total Cost by Vehicle Type
2.0 Tonne Light Commercial Vehicles	4	£550	£2,200
2.2 Tonne Light Commercial Vehicles – Older Vehicle	1	£770	£770
3.5 Tonne Light Commercial Vehicles	21	£3,900	£81,900
Heavy Goods Vehicles	2	£15,000	£30,000
Heavy Goods Vehicles – Older Vehicles	3	£16,500	£49,500
Total Benchmarked Costs	31		£164,370

This highlights a positive £77,555 against the benchmarked cost. This underspend needs further due diligence in respect of the actual costs of vehicle maintenance because the financial information provided did not include a full build of costs and there may be charges going directly to service budgets. Also, maintenance may be low given the Council has recently purchased a number of vehicles and maintenance is therefore lower in earlier years.

The results of the benchmarking are limited because the Council cannot provide the information and data to enable full benchmarking. Therefore, it is not possible to confirm the service is operating within tolerance of commercial expectations.

With the gaps contained within the data and information supplied, it is strongly recommended that these gaps are closed out to ensure that the current delivery model can be fully evaluated and tested for VFM.

Whilst out of scope of vehicle maintenance specifically, the Council's policy is to purchase vehicles through prudential borrowing because it offers better VFM than leasing as many Councils are doing. There may be an opportunity to discuss with Biffa on waste services whether savings can be achieved through the Council funding vehicle purchases.

There is an issue of the scheduling of the work causing backlogs in other works in the workshop and the service has been trying to even out taxi inspections over the year, rather than scheduling them primarily in February and March each year.

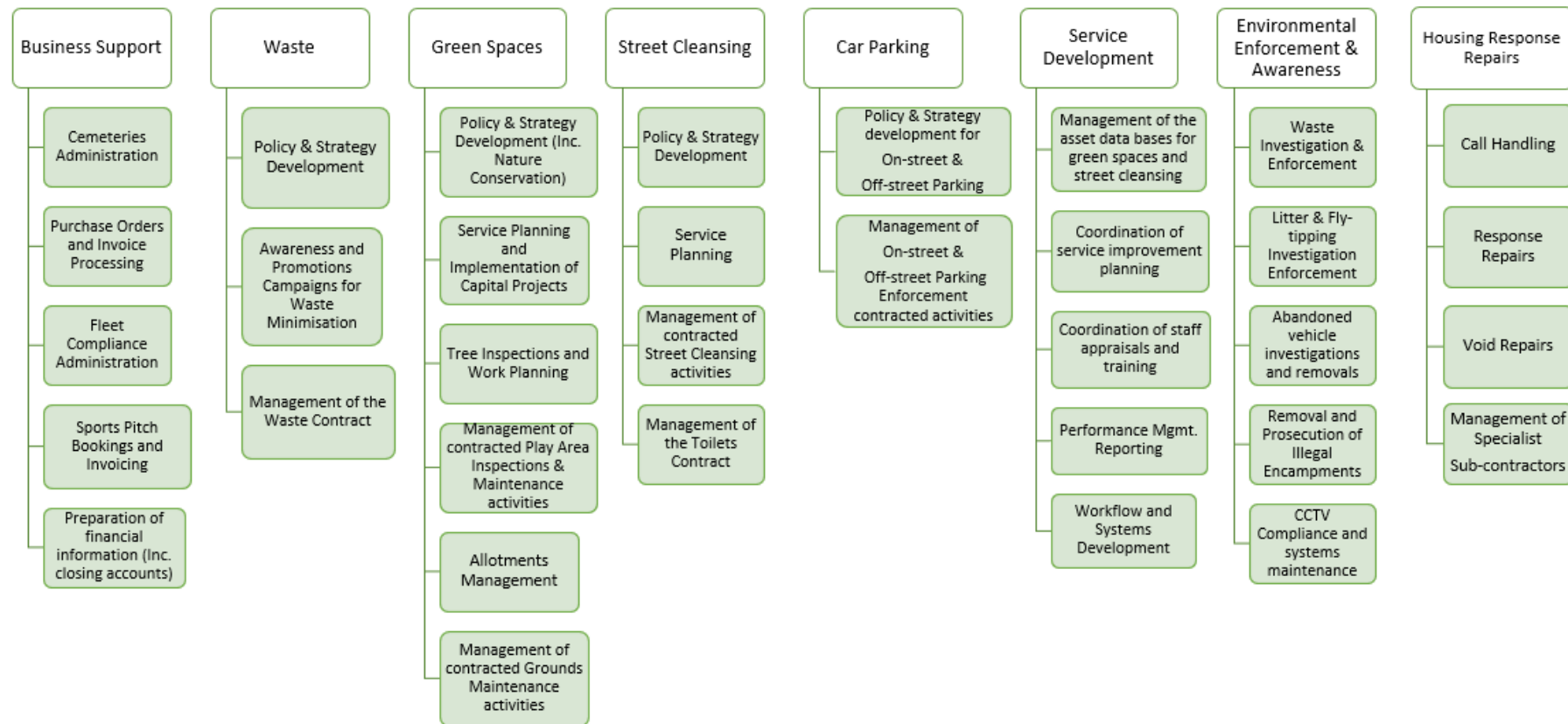
There is also a resilience risk given the dependency upon one key employee and this needs to be considered in the different service delivery models.

6. Structure of Services

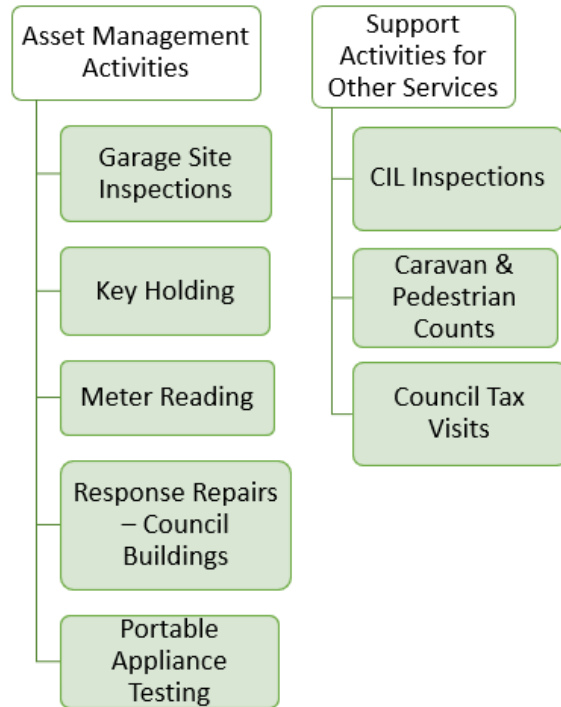
The current model and operating structure creates a number of challenges for the service including:

- Silo based without optimising staff capacity and expertise including multi-skilling
- Operations is separate to Localities and Waste services
- Lack of integrated focus on services provided to residents and communities
- Lack of clarity and definition of commissioning and provider.

The current services provided by Operations is set out below:



There are other services within Operations that could be transferred to other areas of the Council:



The future structure is being considered but will likely move to an integrated Neighbourhood/StreetScene model across Operations, Localities and Waste services and will need to reflect the agreed delivery model:

- Focused on services to residents
- Consideration of services to be retained within Operations
- Immediate opportunities to restructure prior to new delivery model and potential outsource
- Link to customer and digital strategy
- . Savings could potentially be combination of less posts but also redefining roles and hence expected costs but excluding direct operational roles which would be in outsourcing savings.

7. Future Service Delivery Models

Other than Waste Services and the Biffa contract, the majority of services are delivered in-house and external suppliers are engaged in various aspects of service delivery. This is creating a disjointed service delivery model and impacting value for money.

In addition to the structure challenges identified, there are further considerations in terms of a future service delivery model:

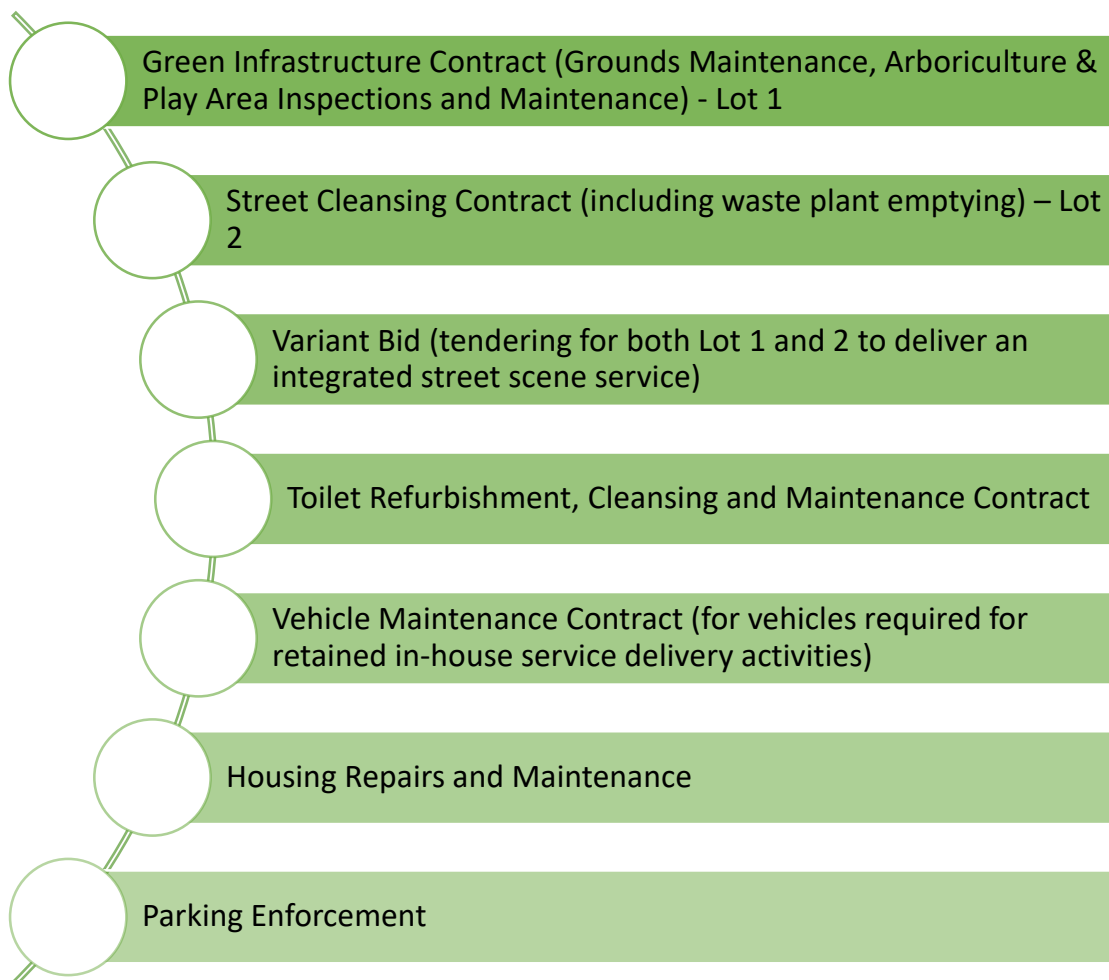
- Services are small giving rise to a lack of economies of scale and in some cases resilience risks with dependency on one or a few staff
- Limited capacity and expertise to deliver the change required in terms of redesigning operating models, accelerating change to new service specifications and measuring and assessing against agreed outcomes
- Mixed economy of in-house and a range of external suppliers creates duplication and fragmentation
- Officer issues in terms of ensuring professional training and development and career opportunities.

The proposal from the service review is to consider all future service delivery options:

1. In parallel, with internal improvement programme, undertake a soft market test exercise between October and December 2022 and provide options and recommendations to the December committees
2. Key delivery models to be considered:
 - Full or partial outsource of one or more services
 - Improved retained services
 - Arm's length model has been discounted given small scale of services against cost of setting up and running an arm's length company

3. As set out in the individual service reviews, there is an alternative interim and/or longer term option for Housing Repairs and Maintenance in developing an extended but robust local supply chain
4. Under any service delivery model, an asset register and system, specifications and outcomes would need to be developed for each service and would align with the Council's commissioning model principles. This is a substantial task given the current position of Operations services
5. Following November Committee decision, then move to commissioning of new delivery model which if an outsource model would be a 9 month programme to September 2023.

The proposed approach and Lots are set out below



8. Waste Services

- 8.1 As identified previously there are 3 areas of that have been identified that will help improve the financial position of the Council as set out below.

8.1.1. Under the new contract the Council has responsibility for setting the price for the garden waste collections. Last year the price was increased by 4% though the current contract indexation is at 7.11%.

*NB this excludes wage inflation so the actual indexation in 2022/23 will be higher.

Currently £23,000 increased income has been identified in 2023/24 to reflect a notional increase in prices of 2.5%. However, this does need to be reviewed as a result in the difference between the price increase and the contract indexation.

8.1.2. Currently the Council operates a Bring Bank recycling service, though there is no statutory duty to do so. A potential £50,000 saving has been identified if this service stops, though the actual saving will only be determined once there is clarity on the internal recharge from the Streets team in connection with the service and the loss of recycling credit income.

8.1.3 There is an opportunity to engage on elements of the specification for the waste collections. Much of the specification in terms of collection frequencies is in line with sector best practice and therefore there could be limited scope here.

9. Key Recommendations and Proposals

In summary the key recommendations for Operations and Localities including Waste are as follows:

1. Operations:

- Further operational analysis of each service area
- Develop target operating model to deliver immediate savings and inform longer term service delivery model and structure
- Review all external expenditure with suppliers for value and compliance purposes
- Review current operational management across all services with a view to make them more effective
-
- Ensure staff issues are identified and resolved including training and development and key corporate policies such as Health and Safety
- Commence data and performance management improvements

2. Waste Services:

- Implement immediate savings opportunities
- Review current Biffa contract and enter into negotiations to identify opportunities for savings or to mitigate inflationary pressures

3. Structure:

- Develop two phased approach
- Initial changes under current service delivery model
- Second phase confirmed once future service delivery model agreed

4. Service Delivery Models:

- Soft market test to be undertaken October to December 2022
- All options to be considered and submitted to November Committees
- Develop service specifications and outcomes
- Define future commissioning model

5. Financial Management:

- Detailed review of current budgets to align with current services and between general fund and HRA
- Identify and track against short and longer term savings opportunities
- Rebase budgets as improvement programme delivered including restructure and future service delivery models
- Detailed analysis to align with budget process for 2023/24

6. Risk Assessment:

- Need to develop a full risk assessment covering all areas from people to operations and key policies such as Health and Safety

7. Change Programme

- Develop detailed improvement plan
- Identify resource capacity and capability to deliver the change programme.

10. Financial Analysis

10.1 Financial Analysis and Profile

Given the current position and recommendations across Operations and Localities including Waste, savings opportunities are high level given the detailed further work required and will be developed in more detail between October and December 2022.

The table below shows the latest position, which sets out potential savings of up to £387k, with £312k phased in 2023/24:





Service Review: Operations and Locality incl Waste						Overall RAG status				Amber
Area of Savings Opportunity	Key Assumptions	2023/24 ('000s)				2024/25 ('000s)				Total ('000s)
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Waste: Increase Garden Waste charges		£23				£0k				£23
Waste: Bring sites		£50				0				£50
Operations TOM redesign and remodelling, Integrated Model and potential outsource	Key savings focus: <ul style="list-style-type: none"> Restructure of service New operating model and specifications for all services incl grounds maintenance Externalise services based on soft market test 	£239				£75				£314
		Sub Total								£387

The savings from Operations will specifically come from:

- Restructure of services at management level and reducing service silos. Part of this process would be to align structure and roles with remuneration
- Move to new service delivery model including potentially outsourcing
- New operating model for each service and integrated across services in terms of how services are designed
- Developing specifications and outcomes across all services with clear options for members to consider.

11. Measurable outcomes

11.1 Critical Success Factors

	<p>Financial</p> <p>An overall reduction in net budget of 15% by 23-24 over 18 months An overall reduction in expenditure on 'Enabling and Back Office' functions of 15-20% by 23-24 A higher proportion of the budget is spent on 'front-line' services and the Councils priorities</p>
	<p>Residents and Service Users</p> <p>Service Users are involved in the redesign of services Resident and Service User feedback and insight is used to drive service improvement Residents and Service Users are directed to use the least cost channel to access Council services</p>
	<p>Services</p> <p>Service Delivery models are assessed & service delivery is undertaken by the most appropriate means Service performance is measured, benchmarked and actively managed Service levels are set at an appropriate level which is aligned to Council priorities</p>
	<p>Staff</p> <p>The Council has a smaller directly employed workforce Managers and staff are engaged and accountable for their performance Staff feel valued and motivated and understand the values and behaviours expected of them</p>

Given the lack of data and therefore ability to create a baseline and set targets, we have provided a direction of travel below.

Critical success factor	How will success be measured?
Financial Savings	There are substantial opportunities for savings although some inflationary risks. The current targets are £312k for 2023/24 and a further £75k in 2023/24. The recommendations demonstrate the areas of focus and potential.
Residents and Service Users	This is not measured currently and needs to be part of the future service design and satisfaction measures.
Services	There are little or no measures in places and these outcomes will be developed in line with new specifications.
Staff	There are currently no staff measures. These need to be partly based on corporate organisational development and direct staff measures such as satisfaction, sickness and turnover and also operational related measures such as professional training and development.
Social Impact	There are no social value and impact measures across the Council and a framework should be developed for all services to contribute to achieving.

Critical success factor	How will success be measured?
	Operations and Localities and Waste are services where substantial social impact can be achieved, and other Councils have focused on this opportunity. For example, targeting local employment and apprenticeships/work experience and supporting local suppliers.

11.2 Risk Assessment

The risks below are service based in summary and exclude cross-organisation risks including in the delivery of the Future Tandridge Programme.

Risk	Mitigation
Risk of service failure given lack of operational management and control	Additional interim change resource proposed and focus on short term recommendations made in this review
People related risks including applying corporate policies and meeting professional training and development needs	A full people risk assessment should be undertaken over the next 6 months to assess risk and develop improvement plan
Health and Safety	Not within the scope of the review, but given service review findings, a Health and Safety review needs to be undertaken to ensure compliance
Compliance with Council procurement and contract regulations	Operational and Procurement review of all external expenditure and current contracts for compliance and VFM.

12. Conclusion

The service review has identified substantial challenges in service provision in Operational Services are operationally poor against sector best practice. These service cover substantial general fund and HRA funding and urgent action is required to baseline and then drive short and longer term improvement. There are however opportunities for substantial savings that could be material to the Council meeting its financial challenges.

The capacity and expertise to turnaround these services should not be underestimated, and the review has identified a substantial improvement programme over the next 12 months. The Council will need to invest in additional resources to achieve the turnaround.

The table below shows the summary milestones:

Service Review: : Operations and Locality incl Waste		Overall RAG status	
			Amber
Planned milestones	Planned delivery date	Status (R/A/G)	Commentary if Amber or Red
Phased Waste localities and Ops restructure	Sep 22 – Sept 23	Amber	Needs investment in resources and technology
Soft market test	Oct - Dec 2022	Green	
Operational activities to deliver internal savings	Oct 22 – Sep 23	Green	
Potential Outsourcing	Jan - Sep 23	Amber	Soft market test will provide recommended option for members to approve but resources will be required to delivered preferred option
Grounds Maintenance Contract expiry	Sep 23	Amber	Will be mitigated through service delivery option approved by December 2022 but will required resources to manage procurement and develop specifications

Appendix B – FTP Service reviews – Community Partnerships progress update

Service	Community Partnerships	
Lead Officer	Julie Porter	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Alternative funding sources for the IRIS Programme – working with health and SCC partners 2. Partnership work to support a community intervention through the non-recurrent funding allocated in 22/23 3. Anti-social behaviour – Enforcement, Problem Solving, evidence gathering, prevention and awareness and victim support and guidance needs to be mapped across the authority and a new process agreed 4. Additional work streams - Lottery administration, grant funds, Community transport and Leisure development is due to fall into the remit of the team, no current resources are identified to carry out this work 5. Undertaking a review of the costs of grant funded projects 6. Wellbeing Prescription - Assess the financial impact of the service on the Council 	<p>There is a Countywide initiative to deliver the IRIS programme to all GP’s in Surrey. Review is in progress but this is a longer-term goal</p> <p>Wellbeing Prescription Contract Contract - Modeling of 3 options taken place and presented to commissioners. Longer term proposal discussed. Need to look at contingency for a 1-year plan.</p> <p>Partnership work with Reigate & Banstead Borough Council to support community intervention through non-recurrent funding. A project plan has been drafted awaiting Job description signoff for September launch</p> <p>Review of TDC community/voluntary grants and lottery administration - a report going to Community Services Committee in September</p> <p>Anti-social behaviour (ASB)- Enforcement, Problem Solving, evidence gathering, prevention and awareness and victim support and guidance needs to be mapped across the authority and a new process agreed. Explore the potential for creating a new post for an ASB Enforcement officer role funded from the HRA.</p>	

Risks:

- ASB is high profile and impacts on resident's quality of life across the District. With no overall ASB Officer, the Council is not able to tackle low level or carry out basic intervention. Our reputation with outside partners is being impacted and issues are escalating through increased tensions.
- Administration of grants and the lottery funds if not resourced properly with the result being that. Communities may not be in a position to apply for and receive vital grants. There is also the possibility that the lottery may have to be stopped if not properly resourced.
- Failure to meet the Council's responsibilities with regards to Emergency Planning, Community Safety and Safeguarding due to lack of resources and resilience with such a small team.

Service Review: Communities and Partnerships		Report Date: 10 th August 2022									
Area of Savings Opportunity	Key Assumptions	2023/24 ('000s)				2024/25 ('000s)				Total ('000s)	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Community grant& Lottery administration and monitoring	That the Council wants to continue to fund community grants to voluntary organisations who deliver valuable services to residents. Any agreed investment would need to be offset by a top slice on the relevant grants										
Improved performance with ASB reporting and qualified ASB specialist	Tackling ASB is seen as a priority for the Council										
		Sub Total								£69	

Appendix C - FTP Service reviews – Regulatory Services progress update

Service	Regulatory Services	
Lead Officer	Alison Boote	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Further standardisation of approach between the partner councils including policy convergence to create a single model 2. Look at potential productivity improvements 3. Bring coherence and consistency of make or buy decisions 4. Exploring a risk based approach to env health inspections 5. Commercial development opportunities 6. Use of digital / online portal 	<p>Further standardisation of approach between the councils including policy convergence to create a single model.</p> <ul style="list-style-type: none"> • Both Mole Valley and TDC have separate budgets for delivery of this service. In order to create a single model this needs to be reviewed with a view to setting up a single budget for the service. • Unlike the SBCP the Environmental Health service does not have a separate web site. The service is accessed via both Mole Valley and TDC web sites. <p>Look at potential productivity improvements/Bring coherence and consistency of make or buy decisions i.e., taxis burial DFG's and animal warden</p> <ul style="list-style-type: none"> • The Animal Warden service has been changed which has resulted in a saving. We need to establish how much of a saving is being delivered. <p>Risk based approach – exploring the potential for this approach to inspections Exploring risk-based approach to Environmental Health inspections/ Commercial development opportunities.</p> <ul style="list-style-type: none"> • Looking to progress exploring the potential for developing commercial opportunities with support from PeopleToo in looking at other delivery models and providing a market assessment. <p>Use of digital/online portal</p> <ul style="list-style-type: none"> • The new portal (for licence applications and payments etc.) is going live shortly, however TDC and Mole Valley have different versions of Adelante and again this hampers a more unified customer 	

	journey. Consider moving the financial transactions to the Mole Valley cloud-based payment system in line with a single portal/web site and budget.
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Risks:

Continued political support is required from both Councils to get changes through and therefore risk should be minimised to the continuation of the relationship with Mole Valley.

Regulatory Services – Proposed savings

Service Review: Regulatory Services											
Service lead: Alison Boote											
Area of Savings Opportunity	Key Assumptions	2023/24 ('000s)				2024/25 ('000s)				Total ('000s)	Investment required ('000s)
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements Increase Garden Waste charges	Agreement between both Councils. Any costs can be capitalised for the new website build	£10				5k				£15	Y (No data assessed yet)
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
					10				5		
Productivity Improvements	Political support. Taxi check reduction releases EH officer to other activities. The animal warden saving of £17,500 continues but is not included as was effective 22/23. One part time officer vacancy may be deleted	£16				0				£16	No
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
		16									

Risk based approach to inspections, commercial	Regulatory Services are already working to a frequency of inspections in line with Govt advice but are looking at any further risk based arrangements. Commercial opportunities are few as costs may offset all income, but are being explored	0				£5k				£5	Yes
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
						5					
		Subtotal								£36	