

Appendix F – Operations, Localities and Waste Update

Operations and Localities – Progress to Date

Meeting / Activity	Date	Outcome
Community Services Committee	18 th October 2022	<p>Direction of travel approved for an internal improvement programme and market readiness preparation.</p> <p>Noted the resources required to continue (approved at S&R on 29th September 2022)</p> <p>Note that the planned saving were subject to further detailed analysis (see post-committee work, below)</p> <p>Note that a decision on the future of Operations and Localities would be due back to committee.</p>
Post-Committee Development Work <ul style="list-style-type: none"> - Validating proposed savings – examples, track record, demonstrate early progress and housekeeping gains - Developing detailed project plan - Clarity on delivery resources 	18 th October 2022 – 21 st November 2022	<p>Detailed outcomes presented to Operations and Localities Member Workshop on 21st November, summarised in this Appendix.</p> <p>Confidence that savings are deliverable, with case studies provided.</p> <p>Indicated that special committee sessions may be required for Community Services to approve at key decision points.</p>
All Member Workshop	21 st November 2022	Presentation of progress to-date and next steps, including an opportunity to discuss and shape the direction of travel for the project.
Strategy and Resources Committee	1 st December 2022	Recommendation to approve that the Operations and Localities update from 18 th October Committee, taken together with this appendix, to form the basis of the budgets to be finalised during the January committee cycle

Introduction

Community Services Committee in October 2022 – For Operations and Locality including Waste

Business case outlining progress made on the service review and recommending a twin track approach for the direction of travel:

- 1. 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.
- 2. Market readiness preparation** – to undertake early market engagement to assess the market readiness and appetite to deliver Operational Services, in whole or in part.

Financial Context for Ops and Localities including Waste

- Current 2022/23 Budget £5.7m (General Fund gross spend including Waste). £3.6m net spend:

Committee	Service	Pay £k	Non Pay £k	Income £k	Tranche 2 Budget £k
Community Services	Waste Services	271	3,168	(1,188)	2,251
Community Services	All Operational Services	75	156	(312)	(81)
Community Services	Parks and Open Spaces	335	856	(350)	841
Community Services	Streets & Public Conveniences	556	259	(238)	577
Community Services	Ops, Locs and Waste	1237	4,439	(2,088)	3,588

- 55 FTE across GF and HRA (38 in GF, subject to review of allocations)
- £1.7m total savings plan for the Council overall in 2023/24
- Subject to approval, proposed savings target for Ops, Localities and Waste of £312k (c.5% gross spend):
 - Ops & Localities savings: £239k
 - Internal Improvement Plan
 - Market Engagement and Commissioning
 - Appropriate specification of services (E.g. comparison of cut frequencies has shown that our 16 cuts in some areas is higher than those employed in other Councils - i.e. 12 or lower)
 - Bring bank removal: £50k
 - Green waste charges: £23k – Inflationary uplift to be agreed at January Committee

Operational Improvements update - Progress to Date

Financial management and Training

- Additional Agresso training for the Head of Service and Operational Support Team Leader in order to produce spend reports, analysis, previously created by Finance.
- Ensure purchase orders are raised against the correct codes and review relevant budgets to ensure that spend is in the correct location, to allow accurate costing / cost control.
- Involving and operational managers / service leads in understanding of budgets and financial management.
- Analysing spend and income with operational managers to identify risks and opportunities.
- Identifying spend where better commercial arrangements might be achieved.

Accountability, ownership and savings

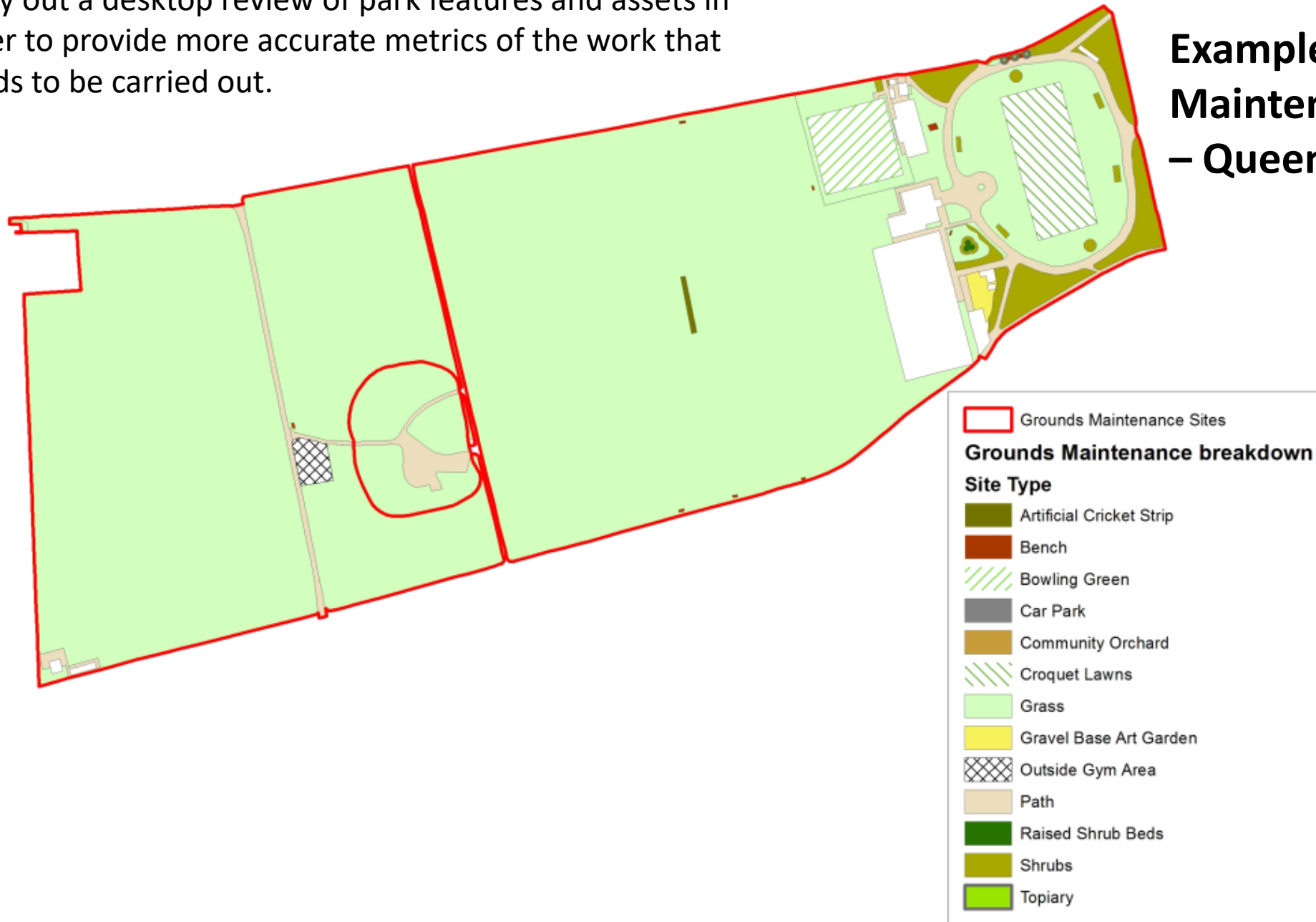
- Develop culture where operational managers are accountable for budget setting, efficiency improvements and the ongoing performance against this.
- Business case developed to purchase a portable industrial shredder that will be self-funding, deliver transport and disposal cost savings, as well as a service improvement to residents.
- Mechanical sweeper saving delivered.

Purchase order control

- Ensuring that purchase orders have been placed before work / supplies are delivered.
- Control all expenditure by the Operations team via a sign off approval process.

- Carry out a desktop review of park features and assets in order to provide more accurate metrics of the work that needs to be carried out.

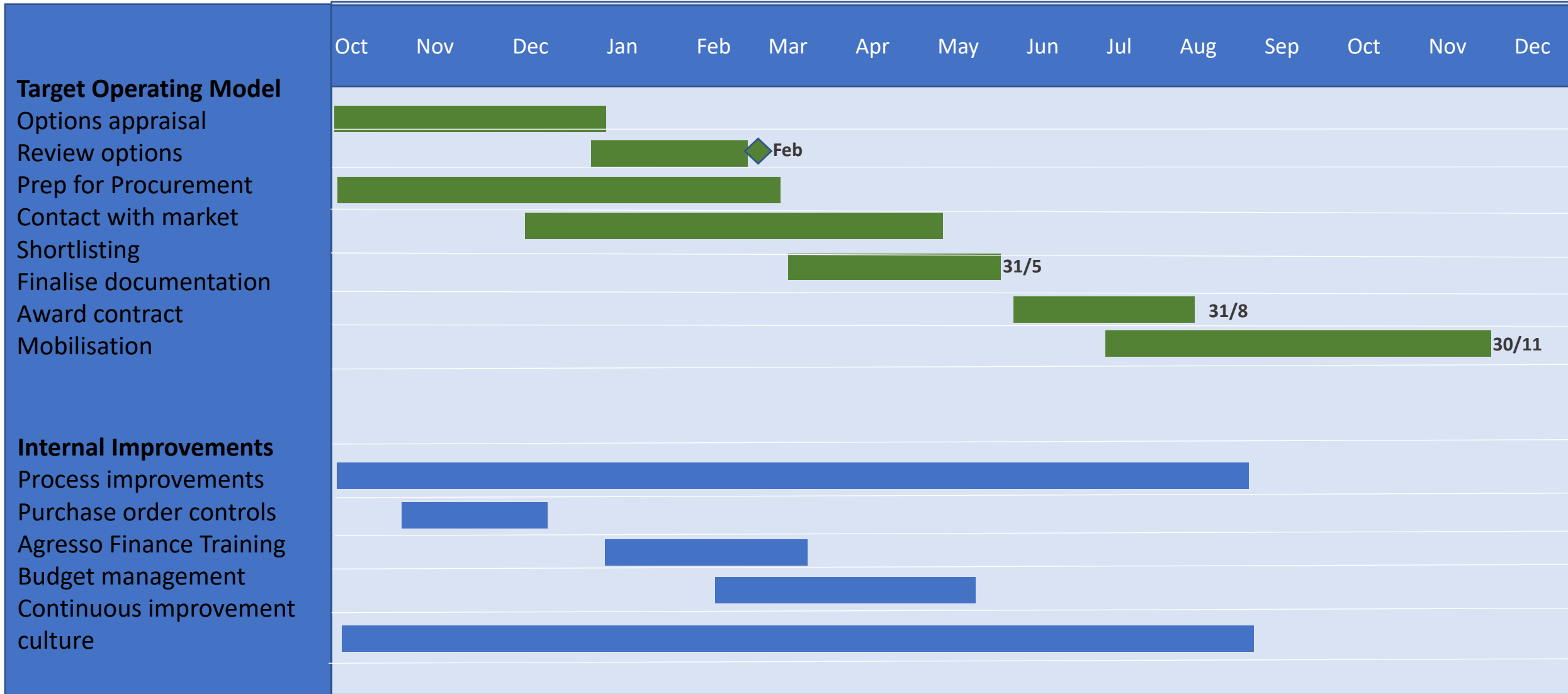
Example - Grounds Maintenance GIS Layer – Queens Park



Approach to soft market engagement

- Existing Service Delivery - data collation for the market
 - Existing service specifications being documented/update
 - Work done in of support modelling
 - Modelling exercise to inform service level options and affordability
 - GIS features being fully developed – project team established and focussed on delivery
- Market Engagement process being shaped for implementation across December and January
 - Market engagement advert to be placed by Procurement team
 - Approaches to be made directly to those marketplace suppliers already known
 - Approaches being made to authorities who have recently been through this process
 - Key areas of interrogation and evaluation being developed for interested suppliers
 - Full procurement timetable being developed in preparation/assumption of formal market testing post January 2023

Key Milestone Plan



Operations – Key milestone plan - Risks

Risk	Mitigation	RAG status
Timescales - timescales to achieve a contract award by November are tight and will require activities to be run in parallel, with the formal procurement commencing by March 2023.	Detailed planning of activities, identification of expert support for each of these activities and running activities in parallel. Formal project governance and oversight. Pace and focus of project team to ensure achievement of dates.	
Formal governance / decision making - decisions will need to be made in a timely way which may not readily align with committee dates.	May require a special purpose member group or meeting – will be determined as part of the detailed planning.	
Delivery of savings – not all of the potential savings are fully within our control as some depend in part on market appetite / a successful procurement. At this stage it is not clear how attractive the market will find the procurement.	Market engagement phase will inform what TDC can do to make the procurement attractive and needs to inform the procurement approach. Financial envelope will need to be clearly communicated. Savings fully within our control to be maximised (staffing and specification)	
Capacity and capability to undertake delivery of BAU and improvement activity in parallel with preparing for and delivering the procurement.	Roles, responsibilities and leadership for each element (BAU, improvement activity and management of the procurement itself). Detailed delivery plan. Formal project governance to ensure focus is maintained on each. Address gaps.	
Availability and adequacy of suitably qualified resources and expertise to undertake the preparation for and delivery of the procurement itself (procurement, finance, legal).	Resource plan to be aligned to the delivery plan. SME time required to be identified and allocated (either from internal resources or external where necessary)	

Savings Plan Delivery

£239k in Operations and Localities

PeopleToo update

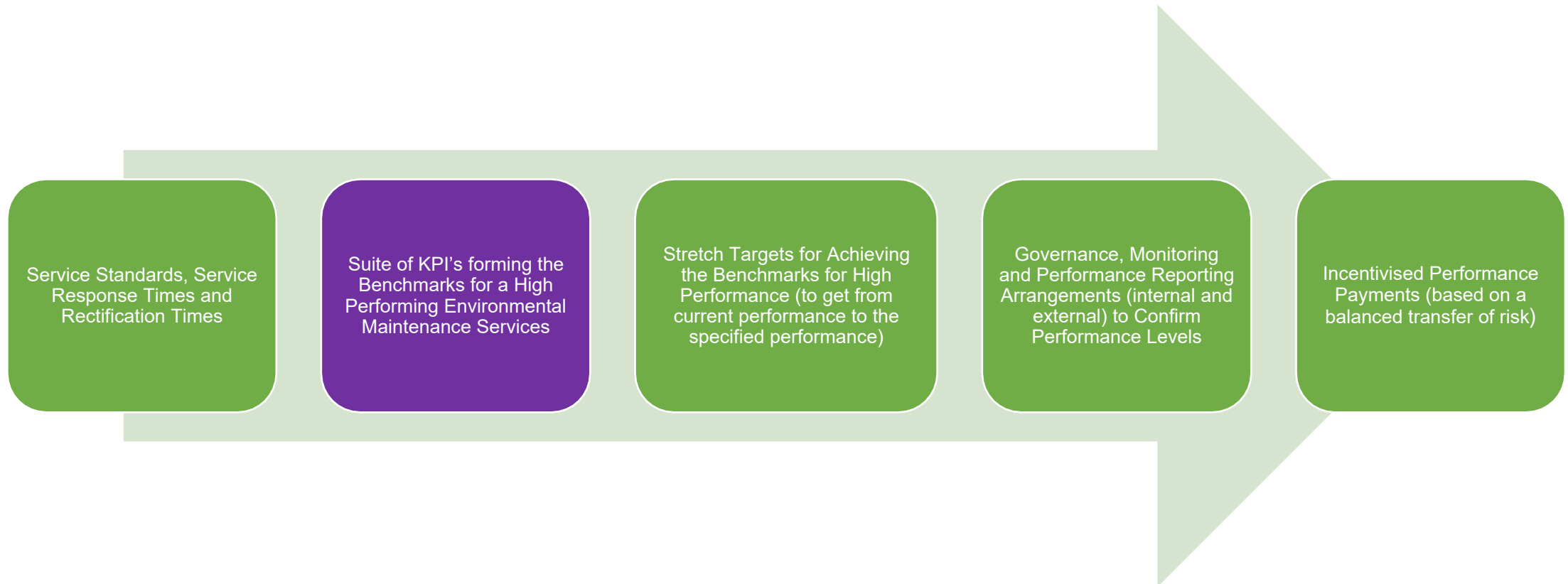
Tandridge District Council – Savings Overview for Operational & Locality Services

Member Workshop | 21st November 2022

Status of TDC Services at the Beginning of the Council Transformation Programme

Benchmark for Best Practice	Tandridge DC Status
Key Driver 1: All assets to be cleansed or maintained accurately measured in terms of the activities required.	<p>Not in place – only piecemeal data was available to support the review work.</p> <p>A work programme is now in place to capture the required measurements</p>
Key Driver 2: Clearly defined service standards for all cleansing and maintenance activities	<p>Not in place.</p> <p>Following the measuring of assets the focus will quickly shift to the developing affordable service standards</p>
Key Driver 3: Productivity levels set against those of evidenced high performing service providers	<p>No productivity levels set for in-house services or used to evidence VFM from externalised services.</p> <p>The Council will need to commit to adopting high performing productivity levels for all services whether delivered in-house or externally.</p>

Recommended Performance Framework for TDC to Adopt



Work Required to Develop the Performance Framework

- The **service standards** will need to be developed by TDC and then set out in the Service Specifications for grounds maintenance and street cleansing and complied with in full by either in-house or external service providers.
- TDC will also need to develop and include in contract documents the **rectification periods** for grounds maintenance and street cleansing service failures in respect of works carried out not being to the standards set out in the service specifications.
- The **stretch targets** for each of the recommended KPI's for grounds maintenance and street cleansing will also need to be developed by TDC after agreement or amendment of the recommended KPI's. These stretch targets are intended to drive continuous improvement on the delivery of the services.
- The **governance arrangements and reporting arrangements** then will need to be developed that include both in-house providers and external providers and this is usually done through some form of Performance Management Board that has responsibility for reporting on performance to Members.

Track Record and Relevant Projects – Anonymised – Detail Provided in Workshop

Client	Description of Work	Outcome
Council A: <ul style="list-style-type: none"> • Parks & Open Spaces Management. • Waste; • Grounds Maintenance; • Street Cleansing; • Facilities Management; • Car Parking and Parking Enforcement; • Markets; • Fleet and Vehicle Maintenance. 	Review of Operational Services applying our methodology to reconfigure the delivery of all services and delivered circa £500k in savings.	Operational Services staffing establishment redesigned and implemented; and new operating model developed for all of the services against high performing productivity levels leading to the effective and efficient deployment of resources and delivery of savings and significant evidenced improvement in service delivery standards. £500k in savings were delivered.
Council B: <ul style="list-style-type: none"> • Waste; • Street Cleansing; • Fleet and Vehicle Maintenance. 	Insourcing of waste and street cleansing services to a LATCo to deliver improved services and VFM by applying our methodology.	LATCo created and services insourced against a five year business plan that delivered savings of circa £200k against the previous contract price.

Track Record and Relevant Projects

Client	Description of Work	Outcome
Council C: <ul style="list-style-type: none"> • Waste; • Trade Waste; • Street Cleansing; • Pest Control. 	Review of Environmental Services applying our methodology to stabilise the delivery of services and remove the annual overspend of circa £190K	A new operating model developed for all of the services against high performing productivity levels leading to ensure the effective and efficient deployment of resources and the removal the annual budget overspend of £190k.
Council D: <ul style="list-style-type: none"> • Waste; • Grounds Maintenance; • Street Cleansing; • Traded Services. 	Review of all Street Scene Services applying our methodology to initial identify areas of investment required to improve service outcomes and then to deliver efficiencies.	An initial investment plan was developed for service improvements but when implemented in full opportunities for circa £600k in efficiencies were identified.

Track Record and Relevant Projects

Client	Description of Work	Outcome
<p>Council E:</p> <ul style="list-style-type: none"> • Waste; • Grounds Maintenance; • Street Cleansing; • Traded Services. 	<p>Review of all Public Realm Services applying our methodology to initial identify opportunities for savings.</p>	<p>Proposals made for a new operating model for all of the services against high performing productivity levels identifying circa £800k of savings opportunities.</p>
<p>Note: Key Drivers of Savings:</p> <ul style="list-style-type: none"> • The breadth of services in scope. • The size of the individual services of work requirements, the ‘metrics’. • The service standards driving frequency of activities. • The current operating model and the levels of productivity being achieved. • The current performance and costs of the services. 		

Savings Plan Delivery - Other

- £50k Bring Bank Saving
 - Committee Decision in January required to remove Bring Banks
 - Consideration given to Parish Councils taking responsibility – this was discussed at the Member workshop but deemed unlikely to be economic or viable for Parish Councils
- £23k Increase in Garden Waste Charges
 - This assumes an uplift of 2.5% for 2022/23 – significantly below inflation
 - A higher uplift would generate further income
 - Committee decision in January
 - Fees and Charges workshop planned for December