

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 20 February, 2017**

#### **Joint Report of the Cabinet Members for Visible, Leisure and Regulatory Services, and Building Services, Highways and Transportation**

#### **Reshaping Services: New Business Model for Visible Services and Transport**

##### **Purpose of the Report**

1. To progress the introduction of a new business model for the Visible Services and Transport Division.

##### **Recommendations**

1. That Cabinet endorses the proposals for changes to the Visible and Transport Division, as outlined in this Report, as a basis for referral to Scrutiny Committee (Environment and Regeneration) and Scrutiny Committee (Healthy Living and Social Care) for their consideration.
2. That, subject to recommendation one, Cabinet approves the proposed business model and implementation plan as described in this report.
3. That subject to recommendations one and two, Cabinet delegates authority to the Director of Environment & Housing, in consultation with the Leader and Cabinet Members for Visible, Leisure and Regulatory Services, and Building Services, Highways and Transportation to:
  - Undertake the necessary consultation and engagement activity as described in this Report, and
  - Respond as appropriate to such engagement and consultation, and
  - Report back to Cabinet any changes to the proposals resulting from the consultation process, and
  - Progress the implementation of proposals following the conclusion of all necessary consultation and engagement activity.
4. That Cabinet receives an additional report in due course outlining the proposals for further savings and any significant changes to the proposals contained in this report.

## **Reasons for the Recommendations**

- 1-2. To enable the proposals for changes to the delivery model for Visible Services and Transport to be progressed following consideration by Cabinet and the relevant Scrutiny Committees.
3. To ensure that the process for progressing the changes, as outlined in this Report is undertaken as efficiently and effectively as possible in accordance with the Council's policies and procedures.
4. To ensure Cabinet receives details of the proposals for further savings.

## **Background**

2. Cabinet approved the Reshaping Services Strategy in November 2014. The aim of the Strategy is 'to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges. The Council's budget has been under pressure for a number of years with some £35 million in savings identified between 2010/11 and 2015/16. Further substantial savings have been identified as being necessary in future years. The challenge is therefore to consider alternative delivery models for services across the Council. This is essential to mitigate the impact of cuts and assist in continuing to provide priority services.
3. Within the context of Visible Services and Transport, reshaping savings of £300k are required during the 2016/17 financial year, £525k in 2017/18 and £1.375m in 2018/19. This excludes other specific revenue savings. These figures need to be considered in the context of continued year on year budget reductions since 2010. In contrast to these increased financial constraints, the expectations of service users are ever increasing. This requires service managers to adapt smartly to the reduction in resources if standards of service are to be maintained.
4. In order to ensure that the review of services was considered holistically, projects from Tranche 1 (Transport) and Tranche 2 (Visible Services) were combined under a single transformational change project. The proposals contained in this report are the result of reviewing the current service delivery arrangements against a range of improvement options to establish the most appropriate new operating model for the Division. The needs of our citizens have been taken into account along with current and projected budget demands and the likely requirements to have to work regionally on a range of functions in the near future.

## **Relevant Issues and Options**

### **Service Review**

5. A review, led by the Director of Environment and Housing and the Head of Visible Services and Transport, sought to develop a new target operating model for service delivery that would enable the protection of services within the budget available, wherever possible. The project builds upon the principles developed by the Transport Savings Review programme (as detailed in the report from the consultancy "Edge" who reported in 2014) and the People Too Alternative Service Delivery Review, a high level independent assessment of the available service transformation options undertaken in 2015/16.
6. The transport review proposed the implementation of a single integrated transport unit in order to manage both external and internal transport services. The associated

report and the detail surrounding the key recommendations is provided at Appendix A to this Report. (Edge Report - hyperlink only).

<http://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2014/14-09-08/Transport-Savings-Programme-Update---Appendix-1.pdf>

7. The project followed the standard approach to options appraisal that all projects within the Reshaping programme are adopting. This involved consideration of the range of potential models of service delivery as identified in the original baseline assessment and challenge processes. For these services, the following models were appraised:
  - Internal Service Provision (via a programme of internal transformation)
  - Collaboration with one or more public sector bodies
  - Local Authority Trading Companies
  - Joint Ventures (with a public sector partner)
  - Outsourced Arrangement
8. As the scale of the project was significant and the models being appraised included those where the Council had limited direct experience, it was decided that working with an external consultant for a time limited period to assist in the options appraisal would be beneficial. In December 2015, the Council engaged People Too to support the development and delivery of an options appraisal as part of the Alternative Service Delivery Review.
9. The process considered the opportunities, key risks and high level financial benefits to be achieved by each model, in addition to a series of service strategies and a recommended way forward for the Council. A copy of the executive summary of the People Too report is attached at [Appendix B](#).
10. The work undertaken by the Council with People Too considered both the financial and non-financial impacts of the range of models listed in 7 above. Based on the analysis of costs, a model whereby the Council transforms services internally and seeks collaboration in a number of areas was seen to have the highest potential financial impact in terms of savings. This is evidence of the result of having been operating as a “lean” organisation for a number of years and, as such, the potential financial margin from wide-scale outsourcing or a joint venture is somewhat curtailed. The potential risk to service delivery resulting from a reduction in direct Council control of the whole service was also considered, in conjunction with the illustrative financial appraisal.
11. On consideration of the options appraisal, it was determined that the preferred operating model for the service would be based upon an internal transformation model, with a focus on the following:
  - Internal operational change and improvements;
  - Opportunity to utilise spare capacity created via the operational changes above in parallel to a reduction in agency and overtime spend;
  - Consideration of collaboration with other public sector organisations to create economies of scale; and
  - Development of trading opportunities but also consideration of the increase in capacity required and the costs, benefits and risk of doing so.

12. In order to drive forward the recommendations of both the People Too Alternative Service Delivery review and the Edge Transport review, the Director and Head of Service assembled a project team consisting of managers and team leaders from across the service areas, supported by staff from Human Resources, Accountancy, Business Improvement and the Directorate's own Business Support team. The team were tasked with the creation of a new target operating model for the provision of Visible and Transport Services. Governance for the project (formalised via an agreed brief and Terms of Reference) was provided via the setup of a Visible and Transport Services Programme Board, headed by the Managing Director and Leader of the Council.
13. The project team commenced work by considering the approximately 243 individual activities undertaken across the range of in-scope services and identified two major themes.
14. The first theme was one of a separate approach to task management across service departments and office bases, which was particularly evident when similar services were being undertaken by different teams. During the service review workshops, the most commonly quoted example of this duplication was observed when different teams were assigned broadly similar tasks largely depending on the location of the incident. For example, under the current operation depending where a bench is located it could be the responsibility of Parks, Highways or Waste Management to maintain or repair.
15. The second theme observed was the lack of smart, tangible data available to ensure the accurate planning and resourcing of services. The People Too Alternative Service Delivery review served to highlight the lack of useful, tangible units of service measurement data linked to key services such as grass cutting and cleansing. Services have historically been largely resourced via the use of experienced managers who are able to quickly judge the amount of resource required to be dedicated to a specific task. The weaknesses of this approach has been exposed when experienced staff leave the service, as there can be a deficiency in available service data to be utilised by new managers entering the service. Continuous redesign of services to achieve efficiency will only be possible if investment in resource and asset management systems is made to increase the amount of useful data regarding key services.
16. The standard of service delivery Visible Services and Transport offers to its customers was generally considered to be of a good or high standard, as evidenced by the work of Edge, People Too and previous surveys undertaken to assess the satisfaction of our citizens. However, a number of other issues with the current delivery model were identified during workshops with staff as impacting upon the ability to deliver these high service standards. These issues are summarised below:
  - Current split of the workforce across multiple locations makes it difficult to manage staff.
  - Emergence of non-standard practices across services within the department.
  - Lack of access to accurate management information to enable effective decision making.
  - Limited access to mobile technology.
  - An artificial separation of the front and back office leading to the creation of delays in service delivery.

- Lack of standardised technology that would enable the effective implementation of whole system solutions.
  - Need to be cost effective in relation to private sector companies offering similar services.
  - A need to understand, refer and comply with legislation, which can be seen by staff as impacting on them “getting on with the job”
  - A lack of communication between the business and corporate services to find effective solutions to issues.
  - The term “Visible Services” was considered to be a strong “brand” but there was an element of confusion regarding which environment services were contained within the department.
17. The highly “visible” nature of services such as waste management, cleansing, highways and parks requires a special approach to service redesign. Customer perception of such services is highly subjective, particularly surrounding the degree to which certain services and standards are viewed as “statutory” in the public eye, regardless of whether there is a statutory requirement to provide that service. In respect of this, each of the services currently undertaken in scope were analysed by the project group to determine new methods of service delivery, reduction of non-value adding activity and the actual resource required if these new working practices were implemented.
18. The proposed redesign of the current service delivery model attempts to address these key themes. The proposed target operating model has been designed by the Visible Services and Transport project team and challenged and developed by the Director and Head of Service. In addition, a set of risks relating to the design and adoption of the new model have been considered by the project team at a workshop facilitated by a risk specialist from the Council’s Insurers.
19. A business plan to support the development and implementation of the new target operating model for the future delivery of these services can be found in [Appendix C](#). The target operating model sets out how the Service would operate in the future, including an overview of the required process, service and employment structural changes necessary to deliver the project. The business plan outlines the implications, benefits and risks associated with delivering the target operating model.

### **A New Target Operating Model**

20. The redesigned model has been built upon a series of general operating principles. The practices and procedures of each of the teams will be developed using these principles as a basis:
- Demand for services will be minimised by adopting a “right first time” approach to service delivery.
  - Ownership of tasks will be at team level, rather than the responsibility of functions.
  - All Neighbourhood Services to be rebranded under a single service delivery model, irrespective of physical location.
  - Roles and activities will be evaluated to focus on tasks that add value to the customer.
  - Staff will be required to work out of a single centralised location. However, where possible, staff based in the field will be required to go straight to site.

- Systems that support the delivery of services will be implemented with a cross-functional focus in order to gain maximum value from investment.
- Teams will have access to mobile working technology in order to remove unnecessary staff travel.
- In line with the new staff charter, managers will seek to build a working environment in which staff are empowered to develop, be creative and offer flexible solutions to meet customer demand.
- Access to services will be promoted via the most cost effective channel with the use of digital service promoted in line with the Council's digital service.
- Increased emphasis on the creation of trainee and professional graduate roles that provide teams with the ability to succession plan and retain key skills.

21. The proposed model comprises four distinct areas.

(i) A “**Neighbourhood Services**” group would be created to enable a range of frontline services to be delivered by a multifunctional team supported by a single flexible and resilient management team. The group would consist of two neighbourhood groups: Operations and Healthy Living and Performance, each managed by an Operational Manager.

(ii) A single “**Engineering**” group led by an Operational Manager which will provide traditional professional engineering services, including management of traffic and road safety, structures, drainage, flood risk and coastal engineering management. The Engineering functions are seen as possibilities for future collaboration as the national reform of local government proposals become clearer

(iii) A Passenger Transport and Policy team and a fleet management team would be developed through the creation of a formal **Integrated Transport Unit**. The Passenger Transport and Policy functions are seen as possibilities for future collaboration as the national reform of local government proposals become clearer. For the Fleet service, the opportunity for future income generation is also considered to offer significant potential.

(iv) The final element of the proposed operating model is to create a freestanding **Construction and Development** group offering the opportunity for the Service to generate increased income through designing and constructing schemes for clients in addition to the traditional Highways construction works.

### **Neighbourhood Services**

22. Neighbourhood Services comprises two groups; Neighbourhood Operations and Healthy Living and Performance, each managed by an Operational Manager.

23. The key services that would be provided by the new unit are:

- Street, Parks and Resort Cleansing
- Waste Collection (including domestic and commercial refuse and recycling collection)
- Parks, Grounds and Sports Pitch Maintenance
- Day to Day Highways and Footway Maintenance
- Environmental Enforcement
- Leisure and Sport Services
- Leisure Contract Management

- Performance Management
  - Asset Management and Development
24. Neighbourhood Services replaces the traditional waste, cleansing, parks and highway maintenance teams with a multi-disciplinary unit that seeks to provide services across a range of functions. The use of the neighbourhood model requires that teams are assigned to a geographical zone and require teams to deliver services in a cohesive, cost effective manner.

### **Engineering Services**

25. The creation of an Engineering Group, managed by an Operational Manager seeks to provide traditional engineering support and guidance to enable the Neighbourhood Services team to deliver to its priorities.
26. The key services that are included within the new Engineering and Transport team are:
- Highway Development
  - Drainage and Coastal Management
  - Structures
  - Traffic
  - Road Safety (including School Crossing Patrols)

### **Integrated Transport Unit**

27. The development of an Integrated Transport Unit seeks to harness the knowledge and expertise of the current passenger transport and fleet management team within a central hub. The unit will have responsibility for all transport policy and vehicle services currently provided by the Authority and will seek to build upon the work of the Transport Savings Programme in increasing efficient and effective use of transport.
28. The Cardiff Capital Region City Deal sets how the Cardiff Capital Region will deliver the investment needed to support the area's growth plans. As part of these arrangements, it acknowledged that certain key services such as Transport, Policy and Engineering are likely to operate on a more regionalised basis over the next five years. The Structure has considered this and in order to facilitate any such regional arrangements Transport and Engineering groups have been designed to enable functions and staff to either take on further regional working or transfer staff and functions to operate regionally elsewhere as and when required.

### **Construction and Development Unit**

29. The proposed creation of a discrete construction and development group for the Service provides the opportunity to generate increased income through designing and constructing schemes for clients, in addition to the traditional Highways schemes.
30. The three Operational Managers for Neighbourhood Services and Engineering will be expected to provide general management cover for each other as necessary, to assist the Service area's management resilience and flexibility. This flexible working also offers managers the opportunity to learn all aspects of the service area.

### **Directorate Support**

31. Further, the service delivery units are provided support by a Directorate Support team, led by a Business Support Manager, who reports directly to the Director of Environment and Housing Services. Activities required of the team will include reception and customer services support to the business receptions, in addition to performance management, business development and administrative support to the business units.
32. The first focus of implementation would involve the reorganisation of staffing structures and business processes to achieve the structural changes described above, focusing on operational efficiencies in the delivery of in-scope tasks. This would be followed by a move to one operating centre (Alps Depot, Wenvoe), with satellite vehicle parking located in the Barry area. A single operating centre would aim to reduce the management resource required and would help to promote a culture of more flexible working across the various service disciplines.
33. It is proposed that the model described above would deliver a total annual budget saving of £900k (with part year savings being delivered in 2017/18 and the remainder in 2018/19).
34. The table below sets out a selection of key services and the predicted impact of the delivery model upon both customer and staffing groups:

Summary of Implications of the New Operating Model		
Service	Service Delivery Change	Customer Impact Assessment
<b>Waste collections</b>	No changes to service delivery. A more permanent and flexible workforce with less reliance on Agency Staff.	Neutral. Recent changes already made to waste rounds 2/8/16.
<b>Litter picking</b>	Zonal approach as part of a neighbourhood services team. Removes separate working practices.	Positive perception as result of single team approach. A better coordinated resource on the street with additional resources for enforcement.
<b>Highway Maintenance</b>	Part of a wider neighbourhood services team offering greater resilience and service coordination.	Positive. Improved customer experience due to increases use of digital/mobile technology.
<b>Grass cutting cycle</b>	No changes to strategic cutting routes but there will be less cutting to open spaces to improve biodiversity.	Neutral. Certain areas may notice changes to frequency of cutting and this may generate complaints. This is an area where we will seek to work with partners to minimise any impact.

<b>Parks and Grounds Maintenance</b>	Zonal approach as part of a neighbourhood services team.	Positive perception as result of single team approach. A better coordinated resource on the street with additional resources for enforcement.
<b>Leisure and Sport</b>	No major change.	Neutral.
<b>School Crossing Patrols</b>	No changes to service delivery.	Neutral.
<b>Engineering</b>	Greater resilience via a more permanent workforce (rather than agency) and options for trainees and apprenticeships. Road Safety included in this team.	Positive. Quicker and improved response times for customer queries and requests.
<b>Passenger Transport and Policy</b>	No changes to actual service delivery but staff more flexible giving greater team resilience. Reinforcement of management structure creating ITU.	Improved customer experience due to increased levels of resilience, flexibility and reliance on new technology to assist with the management of transport services.
<b>Fleet</b>	Changes to team offer opportunities to improve service and income. Reinforcement of management structure creating ITU.	Positive Improved customer experience. Greater range of services offered to internal, domestic and commercial customers.
<b>Construction and Design</b>	Opportunities for business development and income generation.	Positive. Enhanced commercial service to be offered for departments outside of highways.

<b>Asset Development and Performance</b>	New team to drive asset transfer and development forward. Improved management of assets.	Positive due to increased emphasis on the need to improve the management of assets.
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35. An equality impact assessment is being undertaken in relation to these proposals. At this stage it is anticipated that there will be no adverse impact on protected groups. However, close engagement is being undertaken with both staff and customers during the business transformation process. The purpose of this is to identify and mitigate against any adverse impact that may be identified in that process. The equalities impact assessment will be maintained throughout and following the implementation of the project.
36. Implementation of the new model places an increased reliance on technology to ensure that staff have access to accurate and timely information relating to customer requests and work priorities.
37. Once embedded and reviewed, a further phase of work would be undertaken in order to achieve the financial savings required in future years. As outlined above, Visible Services and Transport has significantly evolved in recent years in order to meet changes in resident and customer expectations and levels of demand. Cabinet will recall the issues experienced in the refuse collection and recycling services when the numbers of vehicles were reduced and collection rounds changed in 2016. Whilst these services have now settled down and are operating well with fewer resources, it is felt that if the full level of saving was to be targeted within the first phase of this significantly sized transformation project there could be a considerable risk of service standards in many areas falling below what our citizens would reasonably expect.
38. Therefore it is considered that learning lessons from this initial phase before progressing towards the further financial savings would better safeguard the Council's risk. Details of the risks associated with moving to this operating model have been considered and the detail can be found within the business plan (Section 5 refers). This would include a further review of the way in which activities are undertaken and charged for by the new service, including even greater control of procurement costs and income. This element of the project will consider the levels of service delivered, identify further options for alternative delivery methods (for example, via collaboration with other local authorities, in particular the regionalisation of certain functions and the City Deal), provision by alternative suppliers on behalf of the Council and the way in which service costs are recovered through charging. It will be important to consider as part of this work, the impact on overheads and the reduction or re-allocation of these within the Council following savings being realised.

## **Resource Implications (Financial and Employment)**

### **Employment Implications**

39. In order to deliver the target operating model in phase one, a remodelling of the structures for service delivery and associated management will be required. A summary of the likely impact of the proposed changes to staffing levels, including the probable impact on vacant posts and use of agency staffing, is illustrated below which is subject to consultation and job evaluation processes:

Staffing Element	As-Is FTE	To-Be FTE	Comment
<b>Frontline</b>			
A-D	120.64	128.54	Increase of FTE
E-G	49.81	55.0	Increase of FTE
Agency	75.6	22.65	Reduction of FTE
<b>Frontline Total</b>	<b>246.05</b>	<b>206.19</b>	Reduction of FTE
<b>Office Based</b>			
A-D	11.80	14.58	Increase of FTE
E-G	36.43	53	Increase of FTE
H+	40.61	42	Increase of FTE
Vacancies	8.5	0	Reduction
Agency	15.5	0	Reduction in FTE
<b>Office based Total</b>	<b>112.84</b>	<b>109.58</b>	Reduction in FTE
<b>All Staff</b>			
A-D	132.44	143.12	Increase of FTE
E-G	86.24	108.0	Increase of FTE
H+	40.61	42	Increase of FTE
Agency	91.1	22.65	Reduction in FTE
Vacancies	8.5	0	Reduction
<b>Total</b>	<b>358.9</b>	<b>315.77</b>	Reduction in FTE
<b>Total Cost 16/17</b>	<b>£9,700,000</b>	<b>£8,800,000</b>	Figures do not include any overtime or standby payments
<b>Potential Savings</b>		<b>£ 900,000</b>	

40. The implementation of this business transformation within Visible Services & Transport enables service sustainability for the long term. This will contribute to increased service flexibility, enhanced succession planning, and reduce service reliance on agency staff.
41. Members will note the large reduction in use of agency staff highlighted above. Under the new model there will however still be a need for the Service to use agency staff for seasonal and chargeable capital projects. In recent months, the service has followed a policy of not recruiting to permanent posts in many areas in preparation for the move to the new model. In deliberately not filling posts and using agency workers, the impact on permanent staff will be lessened in the implementation of the proposals described in this report. There may well, however, be a mismatch between skills, grades and vacancies available and in such circumstances there will be opportunities for retraining to avoid redundancies wherever possible.
42. The proposal will enable the Service to focus on delivering a more flexible customer-orientated service, where service availability extends where needed beyond the

normal working day through the establishment of new working patterns that better meet the needs of our customers.

43. There will be a need to continue to reduce overall absence rates for the Service and continue to up skill staff through the use of integrated Information technology systems both for day to day functions and set tasks such as procurement.
44. It will be necessary to continue to pursue joint working or collaboration opportunities with partners or other Councils to reduce costs, assist staffing issues (specialist areas) and build resilience.
45. The proposal promotes the use of trainees (including apprentices and graduates) as part of succession planning within the service. There will also be a focus on succession planning for critical posts within the service to ensure we continue to retain expertise within the service. The use of post rotation and managers covering for each other will add to the services resilience as well as offering staff the opportunity to gain skills in other areas.
46. A review of all out of hours arrangements will need to be undertaken as part of the proposal to ensure that the operational needs of the service and public requirements are being adequately met alongside the need to manage budgets and drive forward further budget efficiencies.
47. There are important human resource and employment relation implications associated with the implementation of the above proposals. The implementation of changes will require the continuation of a clear communication and engagement strategy with staff and the recognised trade unions from across the Council. To ensure a consistent approach is adopted to implementing these changes, it is proposed that changes to the services are progressed in parallel following the timeline below.
48. The timeline has been designed to ensure the continuing engagement of staff and trade unions and the meeting of all statutory and local consultation requirements.
49. A summary of the timeline of key activities for the project is set out below.

Key Activities	Description	Indicative Timescale
Pre-Cabinet Preparation	Information to trade unions. Information provided to staff.	February 2017
Initial Cabinet Report	Report to Cabinet. Cabinet Consideration.	February 2017
Engagement on the Operating Model and Business Case	Scrutiny Consideration. Engagement Meetings with Staff.	March 2017
Cabinet Consider Final Report	Cabinet Determination.	March/ April 2017

Staff and Union Consultation	Meet formally with staff and Trade Unions. 30 day consultation (minimum) begins to include potential selection proposals. End of consultation.	April 2017/May 2017
	Following close of the consultation.  Consider any applications for voluntary redundancies (as appropriate).	May/June 2017
Consultation Evaluation	Evaluation of consultation feedback and proposals refined as appropriate.	June/July 2017
Selection Process	Matching and Selection process takes place. Outcome of selection process known.	July/August 2017
Avoiding Redundancy/Redeployment	Avoiding Redundancy/Redeployment procedures implemented as required.	August 2017
Notice Periods	Staff given redundancy notice (if required).	August 2017
Implementation of changes	Changes to working practice implemented.	September 2017

50. The timeline above provides for an opportunity to engage with Scrutiny Committees, staff and the trades unions on the proposed target operating model prior to a final determination on the project by Cabinet.
51. Subject to the final determination of Cabinet, full consultation will be carried out with staff and the relevant trade unions throughout all stages of the project.
52. The above timeframe provides an indicative project plan, which may be subject to change as determined by the response to the consultation and the outcomes of each key activity as set out above.
53. It is proposed that Cabinet delegates authority to the Director of Environment & Housing in consultation with the Leader and relevant Cabinet members to conclude the implementation of the model, including the statutory consultation processes. Any changes which would result in a reduction of the amount of savings to be made will need to be considered by Cabinet via a further report. As part of these consultation arrangements, the service will progress the proposals in accordance with the Council's agreed policies and procedures, in particular the Change Management and the Avoiding Redundancy policy and procedures. Where possible, opportunities to mitigate the displacement of staff will be fully explored through matching existing staff

to appropriate posts or redeploying to suitable existing vacant positions within the Service and the wider Council. Where proposals recommend a change that involves the use of Agency staff, this will be managed via the Council's Agency provider.

### Financial Implications

54. The following section provides an overview of the financial impact of adoption of the proposed target operating model.
55. The Visible Services and Transport Division is required to deliver £300k reshaping services savings during financial year 2016/17 (which has already been achieved), and £525k during 2017/18 and £1.375m in 2018/19. These figures exclude other specific revenue savings such as further transport savings required in 2017/18. Due to the part year effect of the proposals in this report it is anticipated that they will cover the 17/18 saving and £375k of the 18/19 saving. A further report will need to be considered by Cabinet in due course to outline proposals to meet the current budget deficit for the balance of the 2018/19 saving.
56. In order to deliver the revised service, a remodelling of the staff delivery and management teams are required.
57. The current 2016/17 staffing budget (excluding overtime and standby payments) for Visible and Transport Services to provide the services outlined below is £9.7m.
58. The estimated cost of the proposed model should reduce staffing costs to £8.8m per annum. Comparing the 2016/17 budget with the proposed change will give a budget saving of £900k per annum. This equates to an estimated saving of approximately 9% of the current staffing budget.
59. The table below shows the 2016-17 original budget for Visible & Transport Services, contrasted with the current projected out-turn for the service.

	Original Revenue Budget 16/17 £000	Amended Revenue Budget 16/17 £000	Profiled Budget to Dec 16 £000	Expenditure to Date (Dec 16) £000	Probable Outturn 16/17 £,000	Variance (+) Favourable (-) Adverse £000
Highways Maintenance & Engineering	8302	8,092	6,065	6,029	8,092	0
Waste Management	7422	7,643	5,862	5,891	7,713	-70
Leisure	4218	4,470	3,488	3,490	4,470	0
Transportation	4834	4,836	3,485	3,408	4,766	70
<b>Total</b>	<b>24776</b>	<b>25041</b>	<b>18900</b>	<b>18818</b>	<b>25041</b>	<b>0</b>

60. Implementation of the proposals for the new model is estimated to realise a total budget saving of £900k. Indicative grades have been used to forecast the level of savings that would be generated as a result of implementation. These are indicative and subject to the Council's job evaluation/ Hay salary assessment processes and the consultation exercises with staff and trade unions. Based on the project plan, these savings would start to be realised from 1st September 2017, which will equate to an estimated budget saving of £525k in the 2017/18 financial year.
61. Due to the nature and scale of the changes proposed, provision for potential redundancy and actuarial payments is required. It is not possible to provide a

precise cost as this will be dependent upon the individual members of staff involved. However, based on the varying ages and lengths of service of staff within the service area this has been estimated at circa £300k. It is proposed that these costs be met from the Council's Early Retirement and Redundancy Fund to be paid back over a period of time.

## **Sustainability and Climate Change Implications**

62. This Report contributes to the Council's Corporate Plan and the organisation's contribution to the national Well-being Goals. This is demonstrated through the contribution these services make to a range of Well-being Outcomes, including an Environmentally Responsible & Prosperous Vale and an Active and Healthy Vale.
63. The proposals demonstrate how the Council is embedding the five ways of working into the transformation of its services as required by the Well-being of Future Generations (Wales) Act (2015) which requires public bodies to exercise the sustainable development principle. The proposals are consistent with the ways of working relating to involvement of the population in as much as customer demand and feedback has been used to shape the proposals. The proposals are also identifying the potential for integration and collaboration between council teams and other organisations. The proposals are structured around the need to consider the long-term implications of making significant changes to the delivery of services, by protecting front line service delivery wherever possible and ensuring budget reductions are made in a considered way. Preventative action has also been considered in the proposals through succession, planning (including the appointment of trainees), and resilience through a more flexible management structure.

## **Legal Implications (to Include Human Rights Implications)**

64. The Council has policies and procedures which are relevant to some aspects of the proposals and these policies and procedures are congruent with employment law. Advice will be taken in regards to particular issues as these arise from the Council's in-house Employment Lawyer during the progression of these proposals.

## **Crime and Disorder Implications**

65. There are no direct crime and disorder implications associated with this report. Most services are proposed to be retained under this new model. For example Street Lighting is the subject of a £1.2 million investment in residential LED lighting which once implemented will mean that LED street lights are on at night and have a longer life expectancy. The combining of the traffic and road safety sections offers the opportunity for joint working against crimes such as speeding and other traffic offences. The use of external enforcement partners through environmental enforcement and Civil Parking Enforcement assists in reducing crime and disorder.

## **Equal Opportunities Implications (to include Welsh Language issues)**

66. The Council must comply with the public sector equality duty (section 149 of the Equality Act 2010) when coming to a decision on these proposals. Section 149 requires the Council to have due regard to the need to:
  - Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - Advance equality of opportunity between persons who share a relevant protected characteristic 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: Equality Act 2010 s149 (1).
67. The protected characteristics include:
- Age
  - Gender reassignment
  - Sex
  - Race - including ethnic or national origin, colour or nationality
  - Disability
  - Sexual orientation
  - Religion or belief - including lack of belief
  - Pregnancy and maternity.
68. An equality impact assessment may have four possible outcomes, though more than one may apply to a single policy. These include:
- No major change – the impact assessment demonstrated that the policy was robust; there was no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.
  - Adjust the policy – the impact assessment identified potential problems or missed opportunities. The policy was adjusted to remove barriers or better promote equality.
  - Continue the policy – the impact assessment identified the potential for adverse impact or missed opportunities to promote equality. The justification(s) for continuing with it have been clearly set out. (The justification must be included in the impact assessment and must be in line with the duty to have due regard. Compelling reasons will be needed for the most important relevant policies.)
  - Stop and remove the policy – the impact assessment identified actual or potential unlawful discrimination. The policy was stopped and removed, or changed.
69. Work on an equalities impact assessment has commenced and engagement activities are being undertaken and evidence gathered. Although it is anticipated that there will be no adverse impact on equalities, the equality impact assessment will be regularly reviewed and revised throughout the consultation and implementation phases of the project and reported back to Cabinet as required and before a final determination is made of these proposals.

### **Corporate/Service Objectives**

70. The proposals contained in this report contribute to the savings approved as part of the Council's Final Revenue Budget Proposals 2016/17 and will be progressed via a project contained in the Reshaping Services programme.
71. As described above, these service areas are major contributors to the delivery of the Council's Corporate Plan. The Visible Services and Transport Service Plan 2016/17 contains several actions relating to this business transformation including CP1 (page 33) WVT2 (Page 34) WVT3 (Page 35), WVT4 (Page 36), WVT5 (Page 36) and WVT6 (Page 36).

## **Policy Framework and Budget**

72. This report is a matter for Executive decision by Cabinet.

### **Consultation (including Ward Member Consultation)**

73. No specific ward member consultation has been undertaken as the matters contained within the report affect all of the Council's area.

74. These proposals have been recently discussed with the recognised Trade Unions, Service Users and with employees within the Service.

75. As a key element of the Reshaping Services programme, staff within the authority have been kept up to date with project progress via a series of communications.

76. The following communication channels and methods have been used throughout the whole process:

- Monthly meetings with Trade Unions to discuss any updates regarding Reshaping Services.
- Staffnet Briefings: (<http://staffnet.valeofglamorgan.gov.uk/Staff-Central/Reshaping-Services/Visible-Services-and-Transport/Reshaping-Visible-Services-and-Transport.aspx>).
- Face-to-face – direct communication via briefing sessions and planned one-to-ones, dedicated email address and drop boxes situated within Alps Depot and Court Road main receptions. These methods of communication will remain available throughout the Reshaping process.
- Posters displaying staff updates regarding project progress.
- Staff Letter communicating progress to date from Head of Service

77. A series of staff briefings will be held during the week of this report being published. A record of the questions asked at these meetings will be made available to all Staff and will also be recorded within the report to be considered by a future Cabinet meeting.

78. Going forward a full programme of communication, engagement and consultation will be carried out as described in the Report.

### **Relevant Scrutiny Committee**

79. Following initial consideration of this report by Cabinet, it is proposed that the report is referred to Scrutiny Committee (Healthy Living and Social Care) and Scrutiny Committee (Environment and Regeneration) for consideration. The views of these Committees will be referred back to Cabinet before Cabinet reach a final determination.

### **Background Papers**

Welsh Government White Paper Reforming Local Government

[https://consultations.gov.wales/sites/default/files/consultation\\_doc\\_files/170130-white-paper-en.pdf](https://consultations.gov.wales/sites/default/files/consultation_doc_files/170130-white-paper-en.pdf)

## **Contact Officer**

Emma Reed  
Head of Visible Services and Transport

## **Officers Consulted**

Managing Director  
Head of Finance  
Head of Human Resources  
Operational Manager, Policy & Performance  
Operational Manager, Human Resources  
Senior Lawyer (Employment Law)  
Accountant (Visible Services and Transport)  
Personnel Officer (Visible Services & Housing)  
Equalities Officer

## **Responsible Officer:**

Miles Punter, Director Environment and Housing