

THE VALE OF GLAMORGAN COUNCIL

CABINET: 24<sup>TH</sup> APRIL, 2017

REFERENCE FROM ENVIRONMENT AND REGENERATION SCRUTINY  
COMMITTEE: 14<sup>TH</sup> MARCH, 2017

“ RESHAPING SERVICES: NEW BUSINESS MODEL FOR VISIBLE  
SERVICES AND TRANSPORT (REF) –

Cabinet had, on 20<sup>th</sup> February, 2017, referred the report to the Scrutiny Committee for consideration. Members were informed that Cabinet had, in November 2014, approved the Reshaping Services Strategy, the aim of the Strategy being 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. For Visible Services and Transport, reshaping savings of £300k were required during the 2016/17 financial year, £525k in 2017/18 and £1.375m for 2018/19.

A review, led by the Director of Environment and Housing and the Head of Visible Services and Transport was therefore undertaken which 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 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 Alternative Service Delivery Review Report prepared by “People Too” was attached at Appendix B to the report.

On consideration of the options appraisal, it had been 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 as referred to above, in parallel to a reduction in agency and overtime spend
- Consideration of collaboration with other public sector organisations to create economies of scale
- Development of trading opportunities but also consideration of the increase in capacity required and the costs, benefits and risk of doing so.

The proposed target operating model had been designed by the Visible Services and Transport Project Team and challenged and developed by the Director and Head of Service. In addition to this, a set of risks related to the design and adoption of the new model had been considered by the Project Team at a workshop facilitated by a risk specialist from the Council’s insurers.

A business plan to support the development and implementation of the new target operating model for the future delivery of these services was attached at Appendix C to the report. The proposed model comprised four distinct areas:

1. A Neighbourhood Services Group divided into Operations and Healthy Living and Performance
2. An Engineering Group
3. An Integrated Transport Unit
4. A Construction and Development Group
5. A Business Support Unit for the Directorate.

It was proposed that the model would deliver a total annual budget saving of £900k.

The Director of Environment and Housing, in presenting the report to the Committee, advised that in general the services within the Directorate were well respected and referred to the fact that the Council was the third lowest cost provider in Wales for waste and the second best for recycling. The Director introduced a number of members of staff to the Committee, who were present at the meeting in the public gallery to hear the debate. The Director also referred to the fact that by 2019 the Department would have to save £2.2m which was greater than 10% of its overall budget. The Director had also met with Unions and all staff, and advised that the report had been presented to the Healthy Living and Social Care Scrutiny Committee the previous evening.

In undertaking the review the Department had placed a hold on vacant positions appointing agency staff during the process, thus allowing for the Department to make any changes as appropriate without losing staff members. The Director further advised that the Council was under extreme pressure to make savings and asked to ensure that those savings were sustainable without having a detrimental effect on the public. He took the opportunity to thank all the staff for their engagement with the project and in developing how the whole process could be achieved.

The Head of Visible Services and Transport then presented a PowerPoint presentation to the Committee and explained the objectives of the review as outlined below:

- A new target operating model
- Achievement of financial savings required
- Adoption of a model whereby services received by the public would be largely unchanged
- Build upon previous reviews
  - Transport Review (Edge)
  - Alternative Service Delivery Review (People Too) – focus on internal transformation.

The preferred operating model namely in-house (plus collaboration), focused on internal operational change and improvements, the opportunity to utilise spare

capacity created through operational changes, to build capacity and create social value. It required change to management capacity and investment to deliver, to develop outcome focused services and assets and required the establishment of a revised operating model (based on an in-house and collaboration model) to deliver savings efficiencies and service improvements for users.

In undertaking the approach, the Department had used the Council's project management methodology, considered a new service delivery model for over 240 activities, had set up a project team with the proposals being challenged and risk assessed by the Director and Head of Service. Governance for the project was provided by a Project Board led by the Leader of the Council and Managing Director.

The scope of the review covered the areas of highways and engineering, road safety, fleet and passenger transport, parks and grounds, leisure, waste collection, street cleansing and business support. The review findings for the development of the New Model identified the following main issues:

- Current split of the workforce across multiple locations
- Emergence of non-standard practices across service
- Lack of access to accurate management information
- Limited access to mobile technology
- An artificial separation of the front and back office
- Lack of standardised technology
- Need to be cost effective in relation to private sector companies offering similar services
- A lack of communication between the business and corporate services
- "Visible Services" a strong "brand" but there was confusion regarding which environment services it covered.

During the presentation the Head of Service also referred to the design aims of the new model as a consistent service for customers, the removal of a separate approach to service delivery, develop enhanced service resilience, achieve £900k efficiency savings and have adherence to the key principles of the Well-being of Future Generations Act.

The suggested implementation approach was outlined as:

- A Phased approach to implementation
- Introduction of a new Target Operating Model
- Review of Model, relocation of service to a single base were first stages
- The New model would seek to achieve £900k savings
- A Balance required between achievement of savings and ability to deliver services
- Progression of collaboration initiatives, additional services in fleet / construction combined with additional income generation would assist in realising the further savings required.

The following Customer Impact Summary had also been developed:

<b>Service</b>	<b>Service Delivery Change</b>	<b>Customer Impact Assessment</b>
Waste Collections	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 <sup>nd</sup> August, 2016.
Litter Picking	Zonal approach as part of a neighbourhood services team. Removes separate working practices.	Positive perception as a result of single team approach. A better co-ordinated resource on the street with additional resources for enforcement.
Highway Maintenance	Part of a wider neighbourhood services team offering greater resilience and service co-ordination.	Positive. Improved customer experience due to increased use of digital / mobile technology.
Grass Cutting Cycle	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 was to be an area where the department would seek to work with partners to minimise impact.
Fleet	Changes to team offer opportunities to improve service and income. Reinforcement of management structure creating an Integrated Transport Unit	Positive improved customer experience. Greater range of services offered to internal, domestic and commercial customers.
Construction and Design	Opportunities for business development and income generation.	Positive. Enhanced commercial service to be offered for departments outside of highways.
Parks and Grounds Maintenance	Zonal approach as part of a neighbourhood services team.	Positive perception as result of single team approach. A better co-ordinated resource on the street with additional resources for enforcement.
Leisure and Sport	No major change.	Neutral.
School Crossing Patrols	No changes to service delivery.	Neutral.
Engineering	Greater resilience via a more permanent work force (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.

Passenger Transport and Policy	No changes to actual service delivery but staff more flexible giving greater team resilience. Reinforcement of management structure creating and Integrated Transport Unit.	Improved customer experience due to increased levels of resilience, flexibility and reliance on new technology to assist with the management transport services.
Asset Development and Performance	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.

As already outlined by the Director, the staffing implications sought to retain as many permanent members of staff as possible whilst removing the reliance on agency staff. All staff in the service had been regularly briefed via a number of mechanisms including StaffNet, notice boards, question and answer sessions. However, it was noted that the multifunctional approach to service delivery may result in skills gaps with staff being offered re-training where necessary. The implementation timeline was outlined as follows:

Action	Date
Initial Cabinet report	February 2016
Update to staff and Trade Unions	February 2016
Engagement on the Operating Model and Business Case – including Scrutiny consideration and staff engagement	March 2017
Cabinet consideration of Final Report	March / April 2017
Staff and Union consultation	April / May 2017
Consultation evaluation	June / July 2017
Selection process	July / August 2017
Avoiding Redundancy / Redeployment	August 2017
Implementation of Changes to Model	September 2017

The Head of Service also advised that the services within the Department were generally well regarded, with good and excellent performance in some areas and also with some award winning services. The Head of Service stated she had every confidence in her Service Managers to adapt to this new way of working and one of the objectives of the review had been had been to build on the previous reviews that had taken place e.g. the Edge report previously reported to the Committee and the People too report.

In considering both the presentation and report, a Member congratulated the service on work to date, particularly in light of the current financial challenges, and commented that he concurred that it was no longer viable for the Council to continue to salami slice and as such a thorough review of the structure had had to be undertaken. However, concern was raised as to the extent of the projected savings and whether they had been independently verified. The Director, in response, advised that the Department was fairly confident that the £900k was achievable. Following the response the Member added that a significant issue in their locality was dealing with complaints, however, the Head of Service advised that in terms of

complaints, the Department did not get that many in terms of the kind and number of services it provided, however there was an acknowledgement that further work needed to be undertaken with Contact1Vale as to how such matters could be addressed.

Following a query in relation to opportunities within commercial waste, Committee was advised that the Department would consider the case for business opportunities for commercial waste including any impact to the tax payer.

In recognising that it was important to make savings by reducing the expenditure for agency staff, a Member queried how this was likely to be achieved together with the potential cost of redundancies and whether such actual costs would be taken from the Visible Services' reserve. The Head of Service acknowledged that a number of agency staff were covering vacant posts which was an expensive option for the service, but was a good option whilst the business transformation was ongoing to ensure the protection of permanent jobs. Redundancy payments would be taken from the Visible Services' reserve, the current estimate for this being around £300k but there was also a Council ERR fund with a budget of £600k-£700k that could be utilised.

Although acknowledging that agency staff had been appointed whilst undertaking the review, a Member raised concern as to how they were being kept in the loop with the Head of Service reassuring Committee that she had undertaken a number of briefings with the agency staff and had made it clear from the outset in relation to their appointment.

Members also queried the opportunity to encourage apprenticeships / traineeships as it was apparent that there was a lack of young people working for the Vale and that this was an opportunity to address the current imbalance. Following a specific question as to where apprentices would be positioned in the organisation, the Head of Service advised that there would be a number of trainee graduate positions throughout the service areas, including engineering, within the Neighbourhood teams and in general right across the business. It was suggested that a figure of up to 15% young people should be encouraged. Concern was however also expressed as to whether the review had adequately addressed all collaboration opportunities and whether there had been missed opportunities.

The Chairman, pointed out that, in her view, the Council should not consider collaborating at this stage until "it had its own house in order". The Head of Service advised that with regard to the age profile, this had been considered during the review and the Department would look at assisting people to learn and gain experience in many areas. The "People Too" report had also considered five models of operation and had recommended the internal plus collaboration approach as the best way forward for the service with the most important aspect in relation to the review being the invitation for staff to be party to the review, which allowed for ownership of the process. The Director also advised that he had undertaken talks with at least two other Local Authorities, one which had said it would not be in a

position to collaborate, and the other stating that they would be interested but were not at this stage yet.

Members, although acknowledging the concept of Neighbourhood Teams and agreeing that in their view this was the appropriate route, recognised the high level of support that would be required. Paragraph 30 referred to the fact that the three Operational Managers for Neighbourhood Services and Engineering would be expected to provide general management cover for each other, as and when necessary, to assist the service area's management resilience and flexibility. Such flexible working would also offer managers the opportunity to learn all aspects of the service area. Reference was made to mobile working but acknowledging that this would not be the solution for every aspect of the service, although it could save a considerable amount of travel time. Following a request for further information in relation to the Operational Managers' role, the Head of Service advised that this would entail covering for general management duties and for the Operational Managers to bond and understand how various aspects of the business worked.

The Cabinet Member for Building Services, Highways and Transportation, with permission to speak, recognised that addressing the internal service issues was currently the priority and developments for further collaboration with regional and other Local Authorities could be considered in the future.

Both the Cabinet Member for Visible, Leisure and Regulatory Services and the Cabinet Member for Building Services, Highways and Transportation stated that they considered it important that the review was undertaken by staff rather than via consultants as, in their view, why should the Council need to pay consultants to tell it what its staff already knew. They considered it to be a robust document and the Cabinet Member for Visible, Leisure and Regulatory Services stated that he supported his Cabinet Member colleague in the view that although there was a long way to go, the Department was saving jobs and doing its best for its staff. He took the opportunity to thank the officers for all their work undertaken to date and requested that the Committee support the review.

The Director, in conclusion, stated that his vision for the service was for a collection of "borough type" services closer to the community.

Following consideration of the report and the presentation, it was subsequently

#### RECOMMENDED –

- (1) T H A T the proposals for changes to the Visible Services and Transport Division, as outlined in the report and presented to Committee, be endorsed.
- (2) T H A T a future report be presented in due course outlining the proposals for further savings and any significant changes to the proposals contained in the Reshaping Services Business Model for Visible Services and Transport.
- (3) T H A T the above recommendations be referred to Cabinet.

### Reasons for recommendations

- (1) In order to enable the proposals for changes to the delivery model for Visible Services and Transport to be progressed and following the information provided in the presentation to the Committee.
- (2) In order that further consideration outlining the proposals for further savings can be given and for a report to be presented on any significant changes to the proposals contained in the Reshaping Services Business Model.
- (3) To advise Cabinet of the Committee's position."

Attached as Appendix – [Reference from Cabinet: 20<sup>th</sup> February, 2017](#)