
“MODIFIED IN HOUSE” – NEIGHBOURHOOD SERVICES PROJECT

Reason for the Report

1. To provide Members with an update on the work being undertaken to develop and deliver the ‘Modified In House – Neighbourhood Services Project’. In doing this the item will review:
 - The initial scope and aims of the ‘Neighbourhood Services Project’;
 - The budget proposals which the ‘Neighbourhood Services Project’ has been tasked to achieve;
 - The outcome of ‘Phase 1’ of the project which was based around a pilot in the South West area of Cardiff;
 - The relationship between the ‘Neighbourhood Services Project’ and the development of the ‘Infrastructure Services Project’;
 - The next phase of the ‘Neighbourhood Services Project’.

Background

2. The ‘Neighbourhood Services Project South West’ was first considered by the Environmental Scrutiny Committee during the task & finish exercise titled ‘Infrastructure Business Model & Alternative Delivery Option’. At a meeting in December 2014 Members were briefed on a new pilot for the South West area of Cardiff. The key elements of the pilot were:
 - **Location** - that it would focus on the South West area of the city, i.e. the Ely, Caerau, Canton and Riverside wards;
 - **Purpose** – to develop and pilot a model for outdoor asset maintenance with the longer term intention of implementing the model across all of Cardiff’s

neighbourhood management areas. In addition to this the project was designed to inform the 'Infrastructure Services Project' and help generate across Directorate savings;

- **Develop Local Knowledge** - to improve the local proactive approach for addressing issues, for example, keeping footpaths clear, not pruning all vegetation. This it was hoped would make the Council more aware, proactive and responsive to local area needs;
- **Multi – Skilled Approach** – to enable an autonomous, multi-skilled, customer focused workforce, for example, where workers make proactive decisions to resolve or report other issues;
- **Review Service Delivery Levels** – to review, challenge and adapt the standard of service. This it was felt would help address budget challenges;
- **Group Functions** – to group similar functions across the city to facilitate efficiency savings and eliminate waste between Directorates. This it was felt would reduce back office and management costs to protect frontline services;
- **Coordination** – to allow for better coordination of services to tackle issues important to customers;
- **Ownership** – to create a sense of ownership of local environmental issues;
- **Services in Scope** – The services within scope were management and operation of grounds maintenance; litter; enforcement (Civil Parking Enforcement, Waste, Parks Rangers) in South West Neighbourhood Management area; fly tipping; small scale graffiti; minor potholes; housing green space; new housing courtyard areas; special garden maintenance; clean and clear teams; highways grounds maintenance (excluding high speed routes); highways enforcement; education & enforcement teams;
- **Services not in Scope** – residential and commercial waste collection; the graffiti team.

3. It was explained that improvements across the areas in scope were required to address a number of issues, these included:

- **People** – to reduce the number of people across direct and support services. This would increase the range of tasks undertaken per employee to deliver key functions; to improve morale / attendance and to increase productivity.

- **Quality** – to publish the frequency and standard for services; to reduce customer complaints and repeat complaints.
- **Cost** – to reduce the resources used in delivering the services; to reduce the level of assets used to deliver the services, for example, vehicles, equipment, supplies & buildings.
- **Time** – to reduce frequency of services and remove duplication and systemic waste.

4. The key principles of the 'Neighbourhood Services Project South West' were described as:

- Designing services based on geographical requirements;
- Designing budgets based on geographical requirements;
- To help the Council behave and deliver as 'One Council';
- To design infrastructure to prevent problems;
- To create the right measures based on geographical requirements for continuous improvement;
- To allow leaders to remove barriers to enable teams to do their jobs;
- To allow teams to be responsible for tasks and their area;
- To support teams to problem solve;
- To build a sense of ownership throughout service teams;
- To ensure that there is clear and relevant dialogue with front line delivery teams;
- To align Council assets to deliver against local requirements;
- To create and support opportunities for Environmental Champions;
- To make decisions on current shared knowledge and expertise;
- To identify what needs to be done and delivered in one step;
- To simplify record keeping of tasks;

- To tailor support services to the geographical requirements whilst maintaining geographical flexibility;
- To engage with local communities and Elected Members to understand 'What Matters' and how they can contribute.

2015/16 Budget Proposals

5. Three budget proposals were made against the 'Neighbourhood Services Project', these were:

- **ENV1** - *Full Year Effect of 2014/15 actions includes efficiencies taken with collections/cleansing and enforcement where they were part completed in 2014/15 and the benefits roll into 2015/16 - reviewing the project support levels required for waste and cleansing. Streamlining cleansing and enforcement operations to deliver neighbourhood services. Multi-functional teams set up to tackle litter and waste presentation issues in specific wards. A neighbourhood service approach informs understanding of local needs and a develop knowledge of historical issues in order to ensure resources are prioritised accordingly. The redesign of the education and enforcement team changes from 2014. Dog fouling issues are now dealt with by ward based teams. Most areas have not seen a difference in the number of teams in their area, but the size of the teams has scaled down slightly in certain areas. In addition, two responsive teams deal with priority issues. Shop fronts have continued to be done daily. A review of commercial prices and expansion into new income areas has been explored.*

This estimated that total savings of £557,000 could be achieved. It includes employee savings of £357,000 and additional income of £200,000. The planning status was described as 'realised' and all risk aspects were categorised as 'Green'.

- **ENV2** - *In House Improvements (council wide) and Neighbourhood Services (council wide) - the saving involves delivering year one modified in- house services through an improved in-house infrastructure services and neighbourhood based approach to service delivery across council functions of*

several directorates. This cost benefit proposal is not confined to the Environment directorate as it is a cross directorate 'One Council' project to bring resilience to services that manage streetscene, parks, bereavement maintenance of land, open landscape, enforcement activities including waste and parking enforcement, highways maintenance, technical design. It will include savings for directorate areas that support them, e.g. fleet services, facilities management and depots.

This estimated that total savings of £600,000 could be achieved; it includes employee savings of £440,000 and 'other' savings of £160,000. The residual risk for achieving this saving was described as 'Amber / Green'; the achievability of delivering the saving was described as 'Amber / Green'; and the Equalities Impact assessment risk rated the proposal as 'Amber / Green'.

- **ENV 4** - *Redesign of cleansing as part of Neighbourhood Services (Environment only) - as part of neighbourhood services project and in-house improvements the cleansing of all Council land operational methods across the city would be redesigned. This is an approach taken by other authorities in Britain, which often results in a 'Streetscene' service that not only achieves efficiency in back office support and budgetary savings, but also see the services become more responsive to the needs of the local community and allows staff to have more autonomy in responding and addressing these needs. The service changes will be responding to needs of local communities rather than relying on frequency as a measure of quality, savings will be found by bringing service teams together, removing duplicate work, based on local areas, pooling skills and resources such as enforcement and cleansing activities. This will maintain current quality standards and build resilience in these critical frontline services.*

This estimated that total savings of £450,000 could be achieved; it includes employee savings of £300,000 and 'other' savings of £150,000. The saving was at a stage described as 'detailed planning'. The residual risk for achieving this saving was described as 'Amber / Green'; the achievability of delivering the saving was described as 'Amber / Green'; and the Equalities Impact assessment risk rated the proposal as 'Red / Amber'.

6. The overall budget saving allocated against the 'Neighbourhood Services Project' was £1,607,000. From this 'Employee Savings' accounted for £1,097,000 (68.3%); 'Other' savings accounted for £310,000 (19.2%) and 'Income' accounted for £200,000 (12.5%).
7. The 'City Operations - Quarter 1 Report – 2015/16' which was received by the Environmental Scrutiny Committee on the 15th September commented on the 'Neighbourhood Services Project' savings by stating that, *'the £600k identified saving for Neighbourhood Services (Council Wide) proportioned against respective departments and the restructure will be signed off in order to proceed. Whilst a proportion of the frontline savings have been realised, the remainder is being sought through a range of approaches for Cross directorate; enforcement, fleet, business administration and eland reductions, management and support. A full saving mitigation plan is being put in place'*.
8. Following the Environmental Scrutiny Committee meeting on the 15th September the Chair of the Committee wrote to the Cabinet Member for the Environment asking for a copy of this mitigation plan. A copy of the reply to this letter and mitigation plan has been attached to the report as **Appendix 1**.
9. The 'Budget Monitoring – Month 4 Report' which was received by the Cabinet on the 17th September commented on the 'Neighbourhood Services Project' in the City Operations section of the report. It explained that *'a shortfall of £453,000 is projected against the budgeted saving in relation to Neighbourhood Services. Whilst plans are in place to deliver the full saving of £600,000 it is anticipated that some of the necessary changes will not be fully implemented until later this year'*. The figures seem to suggest that this relates to saving ENV2 which is referenced above; Members may wish to consider progress made against ENV1 and ENV4.

Neighbourhood Services Project – Phase 1 Progress

10. During the meeting officers from City Operations will have the opportunity to explain the progress made in Phase 1 of the Neighbourhood Services Project. For example, the impact that the project has had on customer contact; the changes in cleanliness of the areas reflected by Local Environmental Audit Management System (LEAMS) results; achieved savings; staff and asset productivity; Councillor feedback and lessons learnt.

Impact on the Infrastructure Services Project & Next Steps

11. Much of the work being undertaken in the 'Neighbourhood Services Project' is being used to inform the development of the Full Business Case for the 'Infrastructure Services Project'; two separate models are currently being developed to identify the relative merits of creating a wholly owned arms length company and modified in house option. It is anticipated that lessons learnt from key areas such as area based working and multi skilling will be vital components of a successful alternative delivery model. Officers from the City Operations Directorate will explain in the item how the development of these business cases are progressing, the impact that the 'Neighbourhood Services Project' is having on the Full Business Case for the 'Infrastructure Services Project' and the next steps for Phase 2 of the 'Modified In House Neighbourhood Services Project'.

Way Forward

12. Councillor Bob Derbyshire, Cabinet Member for the Environment has been invited to attend for this item. They will be supported by officers from the City Operations Directorate.

Legal Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to

Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- i. Note the contents of the attached report;
- ii. Consider whether they wish to pass on any comments to the Cabinet following scrutiny of the 'Modified In House Neighbourhood Services Project'.

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4 November 2015