

London Borough of Barnet

Waste and Street Scene Services: Outline Business Case

In-House with Stretch Targets

September 2012

Document Control

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Document location	This document will be published on the Barnet Council website as part of the democratic process for CRC.

Version Control

Version	Details of update	Author(s)	Issue date	Status
0.1	First draft	Joseph Silva	24/09/12	Draft
0.2	Incorporating comments from Head of Corporate Programmes and Assistant Director for Operations	Joseph Silva	25/09/12	Draft
0.3	Incorporating comments from CDG	Suzanne Hope / Graham Young	3/10/12	Draft
0.4	Incorporating further comments from CDG	Suzanne Hope / Graham Young	16/10/12	Draft
1.0	Issued for Cabinet Resources Committee	Suzanne Hope	29/10/12	Final

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1 Executive Summary

The council has reviewed the options available to the council for the future delivery of waste and street scene services. Through financial and non-financial analysis the authority has identified the most advantageous delivery methods to ensure efficient long term delivery of these services - that of an in-house stretch with support option and an outsourced service. Given the proximity of the total score of this to the highest ranked option it was considered appropriate to develop this option which would allow the services to develop new initiatives before reviewing the options for service delivery again in two years. This document describes the business case for the in-house stretch with support option.

Option	Description	Confidence (Savings)	Adjusted saving (£)*	A relentless drive for efficiency	One Public Sector approach	New relationship with customers	Total out of 50
1	Outsource	90%	2,401,845	29	3	11.25	43.25
2	In-house stretch with support	80%	2,247,230	26.25	4	11.75	42
3	Outsource post in-house improvement	90%	2,207,130	25	3.5	11	39.5
4	Shared Outsource	70%	2,051,318	25.25	2.75	11.25	39.25
5	In-house stretch delivered by a mutual	60%	1,685,636	18.5	3.25	13	34.75
6	Current in-house MTFs with additional support	90%	1,697,173	19.25	4	9.75	33

*Annualised savings averaged across eight years

Table 1, extract from Options Appraisal (table extracted from Options Appraisal, Appendix C)

The table below sets out the expected savings by year where the cost of change is incurred in year one and savings would be realised from year two, the expected start date of a new contract. The cumulative savings across the period are expected to be £17.9m.

In-house stretch Option

	Year 1 2012/13	Year 2 2013/14	Year 3 2014/15	Year 4 2015/16	Year 5 2016/17	Year 6 2017/18	Year 7 2018/19	Year 8 2019/20	Year 9 2020/21	Total (cumulative)
Annual financial benefit	-	852,025	2,344,903	2,488,766	2,536,629	2,536,629	2,536,629	2,536,629	2,536,629	18,368,839
Cost of change	391,000									391,000
Net financial benefit								Total for 8 years		17,977,839
								Average per year		2,247,230

Table 2, Annual savings from an in-house option

The scope of the Waste and Street Scene Project includes the following services:

- Waste Strategy
- Refuse Collection
- Recycling
- Street Cleansing
- Greenspaces
- Highways operational service

Under existing arrangements, the current services are delivered with a gross budget of £22.3m and the services generate £6.2m of income. Staffing levels associated with services equate to 335 full-time equivalents, as detailed in Appendix A. The financial modelling undertaken suggests an average annual benefit of £2.25m.

This savings estimated along with this option is premised on the following:

- Identify and implement income optimisation e.g. chargeable services areas as well as generating additional demand for income in areas such as parks, and commercial waste.
- Extend the role of behaviour change to other areas of the service, opportunities may include optimising operational effectiveness at HWRCs, increasing community led participation and reducing the need for street cleansing, through tackling fly tipping and littering.
- Maximise the flexibilities within each service to create an inclusive response and management function, regularising management and supervisory functions leading to a reduction of managers from 10 to 8. Investigating efficiencies derived from more appropriate shift patterns, including possible split shifts. Combination of street scene and green space operational structure expected to release savings.
- Learning from best practice elsewhere there may be potential to apply technology to improve service delivery. This will require resource to scope what opportunities may be available and support through implementation. Delivery through and in-house option will likely be more challenging than through an external partner as the approach requires development. The approach could be developed in partnership with the NSCSO.
- Working with community groups to support enhancements to infrastructure, generating improvements in parks and seeking support in Town Centres where traders share responsibility for the public space.
- Significant restructuring of staff at all levels would be required in order to deliver services that are able to meet the stretch targets. In order to deliver further efficiency savings it would be likely this would require more restructures.

It is recommended to Members that at the current time these services would benefit from remaining in-house whilst new service options are explored. This would allow the Council to develop the service and reduce the cost of service delivery whilst

banking the savings directly. It would also allow the Council time to develop new ways of working such as commissioning local or charitable organisations to deliver elements of the service in partnership with local resident groups. An example of this could be commissioning Groundwork to deliver park maintenance and utilise their expertise in engaging resident groups (e.g. Friends of Parks) to take on more ownership for their local green spaces. The Council would also have time to consider transferring the responsibility for whole areas of public realm to managing companies – this approach could be adopted in the regeneration areas (Colindale, West Hendon and Brent Cross/Cricklewood).

It is recommended that after a period of two years the services are reviewed again. The Council is aware that other Local Authorities are likely to be looking at procuring some or all of these services in or around 2014 so there may be future opportunities for collaboration should the Council wish to pursue that route.

2 The Purpose of the Outline Business Case and Options Appraisal

In light of the current saving pressures it was considered appropriate by the Council to review the options for service delivery that would allow the services involved the flexibility to develop whilst meeting the MTFS requirements.

The Options Appraisal seeks to review all options for the future delivery of the services in scope with the top rated options then developed into an outline business case that is able to articulate both a robust baseline and the scale of the financial case across the services, to demonstrate how this can be best achieved in the current financial climate. Alongside the financial case the outline business case looks to establish the benefits to both council and customer in regard to service delivery for the option.

The Options Appraisal was produced in two stages. The first identified all possible options and tested the ability to meet the savings agreed by Cabinet¹. Those that passed this were then investigated in more depth to identify which route would be of most benefit to the council and customer both financially and non-financially. A financial model was developed to support the evaluation of the options and sits behind the scoring. The evaluation of options progressed through an internal challenge process with officers to ensure the consistency of scoring. This outline business case has been built around the option deemed of greatest benefit. This is a dynamic document and will be updated at key points in procurement to ensure it continues to show it would provide benefit to both council and customer.

2.1 Development of the option to outline business case

This outline business case has been developed following options appraisal of thirteen options. The options appraisal consisted of two stages, with a more detailed evaluation conducted on seven options. The options and evaluated sub-options are set out below:

Option	Sub-option
1. In House Model – based on current service plans	1a. Delivered by in house team
	1b. Delivered with additional transformational support
	1c. Delivered through a mutual
2. In House Model Developed to stretch savings targets.	2a. Delivered by in house team
	2b. Delivered with additional transformational support
	2c. Delivered through a mutual
3. Split service - retain split with Waste	3a. Delivered with another borough

¹ Business Planning report to Cabinet 20 February 2012

Option	Sub-option
and Recycling, Green Spaces, Highways and Street Cleansing	3b. Delivered with a private company (part outsource)
4. Shared Service	4a. Delivered in house with another Borough (Harrow)
	4b. Shared procurement only, separate outsourced contract
	4c. Shared service delivered through outsourcing. (Brent)
5. Outsource	5a. Full outsource, straight away
	5b. Outsource following in house improvement

Table 3 Options investigated

The evaluation criteria were designed based on the One Barnet principles. Stage one was a high level options appraisal against:

- A relentless drive for efficiency (70%)
- One public sector approach (15%)
- New relationship with customers (15%)

The weighting of stage one predominantly focussed on efficiency, reflecting the need to save £1,250,000 by 2016. The project board agreed to weight efficiency at 70% for stage one to ensure that all options were robust enough to meet the minimum savings required. This also ensured that the long list could be evaluated and reduced to a more manageable size for stage two of the options appraisal.

At stage one, option 1a (in house Medium Term Financial Strategy – MTFS – delivered by the in house team), was used as a benchmark score for evaluating the other options, any option that scored the same as or higher than this option was evaluated in more detail at stage two. Option 1a was not evaluated in detail at stage two since the case for change has been developed as set out in the Strategic Outline Case

There top six options that scored above option 1a and moved to stage two were:

- 1: Outsource
- 2: Outsource post internal improvement
- 3: Shared outsource
- 4: Current in house MTFS with additional support
- 5: In house stretch delivered by a mutual
- 6: In house stretch with support

As part of the second stage review a variant of the option, 'shared outsource', was considered and evaluated at stage two. This decision was made based on identifying ways in which the original shared outsource option could be modified and stretched further. The revised shared outsource option comprises of a set of conditions for a successful shared enterprise, which was developed through the West London Alliance exercise. These conditions include the co-establishment of effective joint governance and lengthening of timescales to allow for a procurement strategy to evaluate best value from the market. The development of this option reflects the

evolution of the dialogue between parties during the drafting of the options appraisal and business case.

The evaluation criteria at stage two was based on the One Barnet principles but included more detail than stage one. The criteria are outlined below:

- Price (50%)
- Investment (5%)
- Risk transfer and guarantee of delivery (5%)
- Pace of service transformation (5%)
- Flexibility and sustainability (5%)
- Potential for staff incentivisation (5%)
- Performance (10%)
- Citizen focus (10%)
- Super outcomes (5%)

The evaluation was weighted by confidence in the delivery of savings and the overall risk of each model has also been taken into account.

The criteria are consistent from Stage One to Two. In Stage Two the balance shifts from a heavier emphasis on financial targets (based on the need to achieve the MTFS) to reflect the importance of service performance, customer satisfaction, and achievement of Barnet Super Outcomes.

The final evaluation scores for the six options at stage two are as follows:

Option	Description	Confidence (Savings)	Adjusted saving (£)*	A relentless drive for efficiency	One Public Sector approach	New relationship with customers	Total out of 50
1	Outsource	90%	2,401,845	29	3	11.25	43.25
2	In-house stretch with support	80%	2,247,230	26.25	4	11.75	42
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*Annualised savings averaged across eight years

Table 4 Stage two evaluation of options

There is more detail on both stage one and stage two of the option appraisal in appendix of this outline business case. There is a summary report as part of this appendix which explains the recommendations from the option appraisal.

Though the scoring is relatively close between the top three options, there are material differences between them. If delivered effectively, a shared outsource should deliver the maximum benefit to Barnet and so is ranked first. An outline business case is being developed to further describe the shared outsource option. Given the proximity in scores, an outline business case (i.e. this document) has been developed for the 'in house stretch with support' option. Both outline business cases will be assessed.

3 Strategic fit

The overarching aim of the One Barnet programme, as set out in the One Barnet Framework, is to create a citizen-centric council. Citizens are "to get the services they need to lead successful lives, and to ensure that Barnet is a successful place."² Barnet Council faced a funding gap of £53M³ in the three years from 2012 and this is expected to further increase in the next Comprehensive Spending Review from 2014/15. In order to help mitigate the impact of both the current funding gap and expected further savings required the council is exploring implementing the in-house stretch with support option as well as the shared outsource option. The expectation is that the in-house stretch with support option will result in a decrease in their costs and increase in income.

Local Authority waste collection has changed considerably over the last 10 years, as can be demonstrated by the change in the recycling rate – in 2000/01 average council recycling in England was 11% and in 2010/11 it was 40%. In order to deliver this step-change in performance, councils have turned to a number of different collection methodologies and delivery mechanisms including the following:

- Dramatic increase in alternative weekly collection for residual waste;
- Increased consideration of joint working; and,
- Increased consideration of outsourcing waste collection.

The council is currently developing a Strategic Outcome Framework for the new commissioning council. It is expected that one of these key objectives will be a well maintained and balanced environment through maintaining attractive and accessible green and open spaces, reducing levels of household waste and increasing recycling. A key part of delivering this objective will be through increasing citizen engagement and involvement through behaviour change. It is expected that increased engagement and potential ownership, as seen with the transfer of allotments to a charitable trust of allotment holders, will encourage greater involvement in working with the council to look after local parks and streets and

² One Barnet Framework report to Cabinet 29 November 2010, pg 6

³ Budget, Council tax and Medium Term Financial Strategy (MTFS) report to Cabinet 14 February 2011

reduce the levels of residual household waste. Requiring continuous innovation as part of the service will put the council in a strong place to be able to respond to future funding constraints.

In line with the One Barnet principles it is expected that the improvement of service delivery through the in-house stretch with support option should:

A new relationship with citizens

- Improve communication with residents to change waste and recycling behaviour.
- Simplified recycling instructions to enable increased recycling
- Greater community involvement and ownership of local parks and streets.
- Greater use of parks and open spaces to improve health and personal outcomes of residents thereby reducing their reliance on health and social services.

A one public sector approach

- Be able to work effectively with local businesses and third sector groups to provide opportunities for those looking for work to develop new skills.
- Be flexible and therefore able to rapidly respond to changing demands.

A relentless drive for efficiency

- Be innovative and maximise evolving technology, thinking, and practice
- Identify and implement income optimisation models.
- Streamline structures to provide the most efficient street environment service.
- Operate as efficiently as possible to provide consistently high service delivery within a reduced budget.

4 Scope

The council services in scope are listed below:

- Refuse and recycling collections
- Waste strategy
- Street cleansing
- Greenspaces
- Highways operational team

The majority of the services above are currently delivered in-house and current budget and employee numbers are summarised below. In the table below the budget for the delivery of recycling through May Gurney is included in the Recycling/ Waste Strategy line where the contract management sits.

Service	FTE	Gross 12/13 Expenditure budget £000	Total 12/13 Income budget £000
Recycling/Waste Strategy	6.6	4,486	(1,102)
Refuse	103	5,584	(2,313)
Street Cleansing	127.06	4,127	(40)
Greenspaces	89.83	6,342	(1,473)
Highways operational team	9	1,732	(1,255)
Total	335	22,271	(6,183)

Table 5 Service scope with costs

Further detail on the services can be found in Appendix A.

4.1 Detailed baseline costs

The approach taken to calculate current delivery costs and the financial benefits associated with Street Scene Services is outlined below.

For each service the project established the current service cost, assessed the potential for the service to improve and the scope to generate savings through a joint approach in order to develop the financial case.

The total budget is £17.4m per annum, with the greatest expenditure within domestic refuse. Trade Waste, Green Belt Land, Allotments, and Sign Shop are net income generators contributing to total income of £6.2m per annum.

Cost Centre description	2012/13 Expenditure Budget	2012/13 Income Budget	12/13 Budget (£)	*Support costs assumption (£)	Total (£)
Recycling	3,835,890	(1,102,210)	2,733,680	242,811	2,976,491
Civic Amenities	649,670	0	649,670	33,262	682,932
Street Cleansing	4,126,800	(40,000)	4,086,800	251,220	4,338,020
Domestic Refuse	5,535,975	(150,000)	5,385,975	325,189	5,711,164
Trade Waste	47,690	(2,162,686)	(2,114,996)	8,757	(2,106,239)
Allotments	71,624	(89,684)	(18,060)	4,607	(13,453)
Parks & Open Spaces	4,628,572	(957,170)	3,671,402	269,949	3,941,351
Sports Grounds	388,590	(311,290)	77,300	22,453	99,753
Green Belt Lands	3,810	(106,860)	(103,050)	794	(102,256)
Trees Mgmt	1,249,830	(8,200)	1,241,630	67,058	1,308,688
Highways Responsive	754,447	(647,000)	107,447	50,099	157,546
Winter Maintenance	647,600	(229,870)	417,730	32,792	450,522
Highways Stand by	92,850	(89,310)	3,540	4,936	8,476
Sign Shop	237,230	(288,930)	(51,700)	15,080	(36,620)
Total	22,270,578	(6,183,210)	16,087,368	1,329,005	17,416,373

Table 6 Elements of base service cost by service

5 Benefits Case

The benefits sought by the project align with the council's strategic One Barnet objectives. The key benefits for change are set out below.

5.1 Strategic benefits

The in-house stretch with support option has several strategic benefits for the Council:

- staff employed directly by the Council are potentially more engaged and so committed to “going the extra mile” because they had chosen to work for the Council,
- the in-house stretch option could be implemented fairly quickly as it will not go through an extended procurement process, and hence will also not incur costs related to procurement,
- staff employed by the Council will be more flexible in how they can contribute (or further contribute) to the delivery of Council objectives (e.g. hosting the Olympic Torch Relay, and providing support on gritting during winter),
- there are greater chances that the high customer satisfaction levels that the service currently enjoys will continue as they are already delivering the high level of service,
- there will be greater control to implement any changes to the service more quickly (e.g. adherence to any new European Union regulations on emissions),
- the utilisation, and potential success, of behaviour change initiatives directly by Council staff could provide greater lessons for a more effective utilisation of behaviour change in other service areas,
- in the longer term, there is potential to trade services and generate greater income that could directly contribute to the bottom line of the Council. Trading services could include providing the service for other Councils and commercial organisations within Barnet,
- the opportunity to be supported by external subject matter experts will allow innovative new ideas to be absorbed by Council staff in the longer term delivery of services,
- there will be no need for a retained client function as another layer in the organisation,
- there will be greater transparency if the service remains in-house compared to if it were externalised.

5.2 Non-financial benefits

A summary of the potential non-financial benefits of the project, and how they align with the One Barnet key principles is provided below.

A new relationship with citizens

The service will:

- be able to deliver behaviour change in residents and businesses with regard to waste and recycling,
- drive greater levels of engagement with Friends of Parks Groups and develop local ownership schemes as appropriate,
- build on the current successful model of adopt-a-street to widen the involvement across the borough,
- maximise opportunities for engaging local residents and businesses in how they can look after their localities,
- ensure that engaging local people, either directly or through voluntary and charitable organisations, can offer pathways into work through volunteering or work placements,
- ensure the visible environment is maintained to current service levels as a minimum to provide a clean and green environment for residents and businesses,
- become more responsive to changing citizen needs within the borough and be able to adjust service levels accordingly,
- take advantage of new innovation in the market place to both improve service delivery, issue resolution and engagement with the community.

A one public sector approach

The services will:

- work with local groups and businesses particularly in relation to management of green spaces in order to ensure that the community is engaged and where opportunities for work placements or volunteer work present themselves these are captured and developed.

A relentless drive for efficiency

The services will:

- benefit from the experience of a private sector organisation (NSCSO provider) in enhancing performance whilst realising operational efficiencies,
- be able to provide flexible deployment arrangements of staff to take into account the requirements based on seasonal demands.
- Identify new opportunities to reduce the baseline cost of services such as development of public realm companies in regeneration areas.

5.3 Benefits for staff

The in-house stretch with support option has several key benefits for staff:

- staff whose objective is to serve the people as a Council employee will continue to do so,
- the opportunity to enhance expertise and insight from the provision of short-term external change support,
- there is a perception that there will be greater wellbeing of staff if the service remained in-house,
- training – staff are provided on-going training once every 12 to 14 months to support their further development,
- opportunities to develop skills through working with the new NSCSO provider to develop services,
- improvements to the business will engender a continuous positive approach by staff to improving their and customers experiences.

5.4 Financial Benefits – assessing the potential to improve

The key element to the achievement of savings is through an in-house stretch with support delivery model that drives performance improvement and achieves efficiency. This savings estimated along with this option is premised on the following:

- identify and implement income optimisation e.g. chargeable services areas as well as generating additional demand for income in areas such as parks, and commercial waste,
- extend the role of behaviour change to other areas of the service, opportunities may include optimising operational effectiveness at HWRCs, increasing community led participation and reducing the need for street cleansing, through tackling fly tipping and littering,
- maximise the flexibilities within each service to create an inclusive response and management function, leading to a reduction in managers from 10 to 8. Possibly changing shift patterns, to split shifts. Combination of street scene and green space management structure expected to release savings,
- learning from best practice elsewhere there may be potential to apply technology to improve service delivery. This will require resource to scope what opportunities may be available and support through implementation. Delivery through an in-house option will likely be more challenging than through an external partner as the approach requires development. The approach could be developed in partnership with the NSCSO.

The business case uses a mixture of feedback from the services and commercial judgement to identify potential for improvement. The baseline for the model is based on the As-Is staffing and performance level in these service areas - this would likely change in the next two years (through internal transformation/consolidation), and

hence the business case will need to be revised, since changes will impact the performance and team size. Initially the restructure of Street Cleansing and Greenspaces will prompt this. However in order to meet targets it would be expected that a more significant restructure of staff at all levels across all services involved would be required. It should also be expected that more staff restructures would likely be required as the service develops.

The profile provides an early yet realistic level of benefit realisation to support the council's immediate financial challenges, and supplements this with year-on-year targets for improvement thereafter. Transformation identified within the current MTFS highlights savings to be achieved of:

- 2013/14 £882,000
- 2014/15 £1,211,000

A core element of the potential savings relates to the improvement of recycling rates through effective and expanded behaviour change of local residents. The assumptions utilised for the potential for improvement is set out in more detail below.

Service	Improvement Assumptions	Notes
<i>Waste & Recycling</i>		
Efficiencies	20%	Efficiencies will be in-line with target MTFS savings plus additional 3% efficiencies/income generation
Income	5%	Opportunities to stretch the In-house model by increasing income (Trade Waste)
<i>Street Cleansing</i>		
Efficiencies	5%	Increase the impact of behaviour change through application to parks and green spaces and street cleansing
Income		
<i>Green Spaces</i>		
Efficiencies	5%	Increase the impact of behaviour change through application to parks and green spaces and street cleansing & engage communities
Income	5%	Opportunities to stretch the In-house model by increasing income
<i>Highways</i>		
Efficiencies	5%	Seek area based efficiencies through operational synergies between green space 'on-street' services, street cleansing and highways – design strategy to combine areas and release most efficiencies
Income	5%	Opportunities to stretch the In-house model by increasing income

Table 7, Improvement Assumptions

In addition, the assumptions related to the confidence level of achieving the savings as well as the estimated costs for change support costs are described in the table below.

	<i>Assumption</i>	<i>Notes</i>
Confidence Level	80%	Additional support gives the ability to identify additional savings that are more robust
Change costs	£ 391,000	Current agreed project budget plus £200k dedicated consultancy support which incorporates identification of further savings.

Table 8, Confidence Assumption

5.5 Business Case Overview

The following table shows the expected business case scenario for the waste and street scene services. It shows the effect of cost reductions, increases in income and total cost of change which give the overall cost reduction. It indicates a net average annual benefit of £2.25m. The savings have been profiled over nine years for comparison to the other options. It would be expected that the services would be reviewed in two years to evaluate if an in-house delivery model remains the best way to provide value for money to the Council and customers.

In-house stretch Option

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	(cumulative)
Cost Reduction	-	1,005,203	2,811,472	2,931,472	2,931,472	2,931,472	2,931,472	2,931,472	2,931,472	21,405,509
Income increase	-	59,828	119,657	179,485	239,314	239,314	239,314	239,314	239,314	1,555,540
Confidence Level	80%	80%	80%	80%	80%	80%	80%	80%	80%	
Revised annual financial benefit	-	852,025	2,344,903	2,488,766	2,536,629	2,536,629	2,536,629	2,536,629	2,536,629	18,368,839
Cost of change	391,000									391,000
Net financial benefit										
										Total for 8 years
										17,977,839
										Average per year
										2,247,230

Table 9, Financial Benefit

There have been other potential areas of savings that have been identified (e.g. variable pay, Area Manager structure) that are not yet included in the above cost/savings projections as the confidence level to achieve these are still quite low. These other opportunities can be explored further during the detailed implementation planning phase.

5.6 External support

To support the delivery of the estimated savings, additional transformational support will be required in the following areas:

- achievement of savings will rely on the successful implementation of software and new technology that will require additional investment either through NSO/CSO provider or another contractor.
- additional support could focus on enabling the in-house team to progress and sustain the behaviour change programme.
- engagement of additional support will increase pace of change by identifying new efficiency savings and researching ways to implement them e.g. route optimisation. The additional support could also focus on tackling the cost pressure of agency staffing.

There would be no need to engage in a procurement exercise as the additional transformational support could be called off from the NSO/ CSO partner or the current implementation partner framework that it is already in place.

5.7 Critical success factors

The critical success factors for the waste and street services in-house stretch with support option are as follows:

- to contribute towards and remain sustainable within the council's current MTFs and expected future savings requirements
- to achieve agreed delivery cost reductions in line with the benefits case
- to achieve the minimum service levels embedded in the Service Specifications⁴ within the timescale set out in their implementation plans, this includes the achievement of target recycling levels.
- to provide a flexible service that is able to respond effectively to changing demands

⁴ These are detailed documents that will summarise the individual service requirements in terms of outcomes and outputs.

6 Risks, Dependencies, and constraints

6.6 Key Risks

Risk	Mitigating action
Financial savings targets will not be met due to either poor planning and/or poor execution.	Implement a risk-reward mechanism for any contract with external advisors. Ensure that plans are reviewed thoroughly by key stakeholders (both senior officers and front line staff).
Financial savings targets will not be met due to assumptions which are too optimistic.	Review assumptions regularly (e.g. quarterly or monthly), make any necessary adjustments based on early findings, and refine savings forecast accordingly.
There is no long term plan to develop the service (unlike an outsourced model). Any long term plans will also be affected by the 2014 elections.	Review the service in two years to assess the continued ability to deliver savings against other options of service delivery.
Industrial action by Council staff	Ensure there are appropriate channels for staff to raise concerns alongside constant communication with staff and address issues as they arise.
Behaviour change initiatives are not implemented properly and do not have the desired effect.	Adapt and learn from the Waste service experience as much as possible. Gather input on the approach from external specialists.
Income optimisation initiatives do not generate as much public interest as envisaged.	Develop a plan B price plan (e.g. "easyjet-style" pricing model)
Staff are not convinced that the objectives set for the transformation are realistic.	Utilise an effective change management approach where all staff are provided with opportunities to refine the plans and objectives.
Area manager system does not work effectively.	Ensure that roles and reporting lines are clearly defined and the support systems are in place. Include in performance management targets for managers.

Table 10, Risks

These risks will be assessed and managed in accordance with the council's risk management methodology.

6.7 Dependencies

Dependencies	Mitigating action
The effectiveness of behaviour change	Create and enforce a comprehensive

Dependencies	Mitigating action
will be partly dependent on creating and enforcing a charging/fining policy (e.g. a fine for dog fouling)	complementary policy of fixed penalty notice fines.
Increased income will be partly dependent on how well the Council markets its assets	Work closely with the Communications and NSCSO teams to prepare an effective campaign.
Links to Highways within Development & Regulatory Services (DRS) will impact on the size and shape of the Highways DLO	To be reviewed post DRS award, options to be evaluated and preferred option agreed.
Legal obstacles of technology already procured (i.e. Muniround) will be overcome	Clarify any remaining obstacles and agree solutions with key senior stakeholders.

Table 11, Dependencies

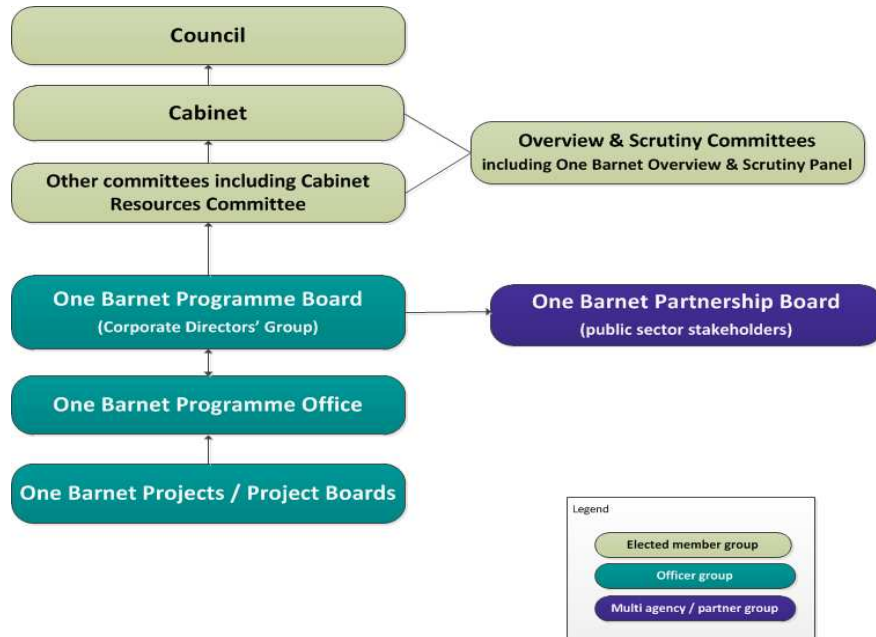
6.8 Constraints

Constraint		Mitigating action
Budget	There is no clear source of investment required to upgrade technology.	Develop invest-to-save options with Finance as part of detailed business planning.
Time	The length of time for some of the behaviour change initiatives to be embedded in the service areas (aside from Waste) is unclear.	Refine confidence levels for savings targets based on realistic timescales for impact of behaviour change as advised by experience in Waste and through external support.
Staff	The success of any new structure and operating model will be effective in as much as the Supervisors on the ground are on board and will be able to make it work.	Ensure that Supervisors are able to provide input/feedback on any new structure and operating model, and pilot test the model before wider-roll out.
Quality	The success of the in-house stretch process will be based on how well it will be executed.	Support will be provided to the officers involved in writing, approving, and implementing the plan.

Table 12, Constraints

8 Project Governance and Roles

The implementation of the in-house stretch with support option will fall under the overall internal programme governance arrangements for One Barnet, which is set out below. This provides an established mechanism for decision-making and issue escalation.

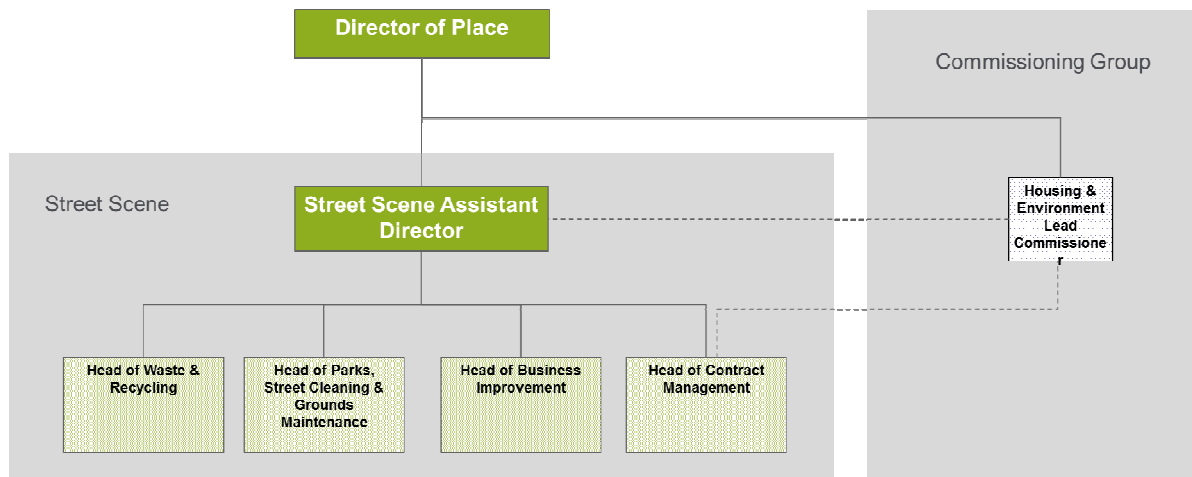


The proposed members of the Delivery Board are detailed below:

Delivery Board members
Street Scene Assistant Director
Head of Waste and Recycling
Head of Business Improvement
Head of Parks, Street Cleaning & Grounds Maintenance
Head of Contract Management
Housing and Environment Lead Commissioner
Finance Lead
HR Business Partner
Communications & Engagement

Table 13, Board membership

The structure of the Street Scene Service and how it relates to the Commissioning Group is illustrated below.



The roles and responsibilities for each of the posts are described below.

Role	Key responsibilities
Street Scene Assistant Director	<ul style="list-style-type: none"> • Make operational leadership decisions • Manage operational and regulatory relationships on behalf of the Strategic Commissioning Board • Work in partnership with other organisations to deliver the commission's specifications to time and within the specified resource levels • Support the commissioning process in the development of commissioning strategies, and through the provision of information and expertise
Head of Business Improvement	<ul style="list-style-type: none"> • Lead the implementation of the in-house stretch option model on a day-to-day basis • Lead the constant thinking on creating, testing, and rolling out innovative service delivery models • Manage operational issues and co-create strategic solutions with colleagues • Provides support on the commissioning of services • Work to ensure that corporate policies are respected by all staff across the service. Initiates proposals for the revision of, or the provision of new, corporate policies

<p>Head of Waste and Recycling</p>	<ul style="list-style-type: none"> • Manages the following services across the Borough: <ul style="list-style-type: none"> ○ Refuse collection ○ Recycling ○ Trade waste ○ Clinical waste ○ Green & Kitchen waste • Liaises with the North London Waste Authority in relation to the above services
<p>Head of Parks, Street Cleaning & Grounds Maintenance</p>	<ul style="list-style-type: none"> • Manages the following services across the Borough: <ul style="list-style-type: none"> ○ Street cleansing ○ Parks maintenance ○ Grounds maintenance • Provide estate management advice • Support local park development
<p>Head of Contract Management</p>	<ul style="list-style-type: none"> • Manages the following contracts on a day-to-day basis: <ul style="list-style-type: none"> ○ Streetlighting PFI ○ Parking contract ○ Transport contract ○ Transport function ○ DRS highways element ○ Term contracts
<p>Housing and Environment Lead Commissioner</p>	<ul style="list-style-type: none"> • Translate outcomes and priorities set by Members and the Strategic Commissioning Board (SCB) into commissioning strategies and delivery plans. • Lead multi-functional teams assembled from the resource available to the Commissioning Group to create the strategy, plan, and commission that can deliver the outcomes • Review data and insight emerging from Street Scene and external providers of services to identify new opportunities, risks and areas of poor performance • Provide technical expertise to contract management processes to help assess quality and achievement of outcomes • Define evaluation criteria and performance measures for commissions • Manage some strategic partnerships and contractual relationships with providers on behalf of the SCB • Report to Members on performance

Table 14, Roles and Responsibilities

9 Risk Management Strategy

As set out in the strategic outline case project risks will be managed in line with the council's Corporate Risk Management Strategy and Project Management Toolkit.

10 Equalities

The council has a strong commitment to making equalities and diversity integral to everything it does. It has adopted a model that recognises that people are often disabled by their environment and other people's attitudes.

It will be necessary to assess the equalities impact of service developments on the different groups of people within the borough, as outlined in the 2012-13 Corporate Plan and work will be undertaken towards this end. Should there be any staff restructuring specific equalities impact assessments will be carried out on those potentially impacted.

As part of the council's commitment to promoting equalities, the Waste and Street Scene project will carry out equalities impact assessments on both staff and customers which will gather information about any differential impacts, potential or perceived impacts on different groups, including all of those groups covered by the Equality Act 2010. Members will be able to use this information to support them in having due regard to their duties under the Act. These considerations will provide fact-specific information as well as assessing the impact of those facts on different groups of people including disabled people in Barnet.

The One Barnet programme has been explicit in how it will support the council in meeting its statutory obligations under the Equality Act 2010 by using equality assessments to demonstrate that 'due regard' has been taken to support members in making informed decision.

Appendix A: Existing Delivery Arrangements

Waste Strategy/Recycling

The waste strategy team have three key responsibilities; firstly for setting direction for the council in regard to waste and recycling including advising Directors and Members on the most appropriate collection methodology, secondly they have the direct day to day relationship with the North London Waste Authority (NLWA). Finally the team manage the contract for recycling collection, currently outsourced to May Gurney.

Alongside this the service works with local schools to improve awareness and educate children and families on recycling and impact of residual waste. Associated to this the team manage communication strategies with the public to raise awareness around recycling.

Updated key facts:

Service Area	Waste Strategy
2012-13 Employees (fte)	6.6
2012-13 Budget – Gross	£4,485,560
2012-13 Income	£1,102,210
2012-13 Budget – Net (Gross budget – Income)	£3,383,350

Primary functions for the service are as follows:

- contract management
- management of recycling services
- strategy and planning for waste and recycling
- education and promotion of waste and recycling services
- link point with NLWA.

Approximate annual volumetrics for the service are as follows:

- Recycling waste collected in 2011/2012: 27,241 tonnes
- Composting waste collected in 2011/2012: 21,315 tonnes
- Re-use waste collected in 2011/2012: 444 tonnes
- Disposal waste collected in 2011/2012: 96,466 tonnes
- Number of households in 2011/12: 140,050
- Number of trade waste customers: 2,694

Key performance indicators 2011/12

- Percentage of waste sent for recycling, composting and reuse - Target: 34%,
outturn 33.58%
- The amount of residual household waste sent for disposal per household - Target:
710kg, outturn 692kg

Street Cleansing

The Street Cleansing Service primary function is to sweep all adopted roads in Barnet, their role is to maintain a clean 'place' for residents and businesses. This involves cleansing of graffiti and hazardous waste. They also carry out investigation into fly tipping and dumped rubbish, although currently this does not cover the enforcement aspect. Alongside this the service supports the Greenspaces teams in managing demand peaks across the year e.g. autumn leaf collection.

Updated key facts:

Service Area	Street Cleansing
2012-13 Employees (fte)	127.06
2012-13 Budget – Gross	£4,126,800
2012-13 Income	£40,000
2012-13 Budget – Net (Gross budget – Income)	£4,086,800

Primary functions for the service are as follows:

- street sweeping
- investigation of fly tipping and dumped rubbish
- graffiti removal
- clinical and hazardous waste collection
- emptying of street bins
- gritting town centres and transport hubs as part of the winter maintenance plan

Approximate volumetrics for the service are as follows:

- All residential street in borough are swept every 6 weeks at present (although this is for review as some areas require more frequent sweeping)
- Graffiti is removed as required (any offensive graffiti is removed within 24 hours)
- Street bins in town centres are emptied 2 or 3 times per day, others in secondary shopping areas once daily
- Litter bins in residential areas are checked weekly

Refuse service

The primary function of this service is to collect residual residential waste on a weekly basis and business waste on a weekly basis. In addition to this the service also manages the trade waste service and bulky waste collection service.

Updated key facts:

Service Area	Refuse Service
2012-13 Employees (fte)	103
2012-13 Budget – Gross	£5,583,650
2012-13 Income	£2,312,686
2012-13 Budget – Net (Gross budget – Income)	£3,270,979

Primary functions for the service are as follows:

- household residual waste collection
- schools residual waste collection
- skip delivery and collection
- trade waste collection
- bulky waste collection
- bin delivery service.

Approximate volumetrics for the service are as follows:

- 281 skips delivered per annum
- 4 compactors emptied once per week 52 weeks per year
- 2,752 green waste bins delivered per annum
- 2,264 domestic bins delivered per annum
- 414 trade waste bins delivered per annum
- 10,400 trade waste blue bags delivered per annum
- 176,400 domestic sacks delivered
- 272 bins repaired

Greenspaces service

The responsibility of this service is to maintain all parks and open spaces owned by the local authority, this includes highway verges and green spaces on Barnet Homes estates. The service also manages the letting of parks and open spaces to residents and businesses. The service encounters seasonal pressures which are expected to be relieved to a degree from the merge with the Cleansing Service.

Updated key facts:

Service Area	Greenspaces Service
2012-13 Employees (fte)	89.83
2012-13 Budget – Gross	£6,342,426
2012-13 Income	£1,473,204
2012-13 Budget – Net (Gross budget – Income)	£4,869,222

Primary functions for the service are as follows:

- grass cutting and planting of open spaces and parks, highway verges
- grass cutting of Barnet Homes estates
- letting of parks and open spaces
- facilities management of parks buildings
- parks locking and unlocking
- tree inspection
- commissioning of tree maintenance
- commissioning of park buildings repairs.

Approximate volumetrics for the service are as follows:

- 8,700 trees inspected annually
- 76 park buildings managed
- 200 parks and open spaces maintained
- 6 million metres of grass maintained

Highways operations

The responsibility of this service is to carry out responsive highways works such as repair of pot holes, winter maintenance, and sign manufacturing & erection. This team are expected to merge with either Refuse or Street Cleansing in the coming months.

Updated key facts:

Service Area	Highways Operations
2012-13 Employees (fte)	9
2012-13 Budget – Gross	£1,732,000
2012-13 Income	£1,255,000
2012-13 Budget – Net (Gross budget – Income)	£477,000

Primary functions for the service are as follows:

- emergency repair of pot holes
- emergency repair of pavements
- roads and pavements winter maintenance
- manufacture of signs for the council (and also for trade with external clients)

Appendix B: Information Sources

Source	Description
Waste and Street Scene Strategic Outline Case	Initial review into the services in scope and identification of possible service delivery options
Waste and Street Scene Options Appraisal	Detailed appraisal of those options that could meet the MTFS targets.
SAP data	HR and Finance data associated with historic and current service delivery, as well as committed savings
One Barnet Business Case	Framework outlining costs and benefits across the One Barnet Programme
One Barnet Business Case Cabinet cover report	Cabinet report seeking approval of programme activities, investment and benefits
Interviews with key service heads	Assistant Director and Service Heads.

Appendix C: Options Appraisal

This document is attached to the report separately.