

**MEETING**

**ENVIRONMENT COMMITTEE**

**DATE AND TIME**

**THURSDAY 11TH MAY, 2017**

**AT 6.30 PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ**

**TO: MEMBERS OF ENVIRONMENT COMMITTEE (Quorum 3)**

Chairman: Councillor Dean Cohen BSc (Hons)  
Vice Chairman: Councillor Brian Salinger

John Hart  
Dr Devra Kay  
Alison Cornelius

Graham Old  
Agnes Slocombe  
Alan Schneiderman

Peter Zinkin  
Adam Langleben  
Alan Or-bach

**Substitute Members**

Sury Khatri  
Lisa Rutter

Nagus Narenthira  
Stephen Sowerby

Tim Roberts  
Laurie Williams

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is at 10AM on 8 may 2017. Requests must be submitted to Paul Frost 020 8359 2205 paul.frost@barnet.gov.uk

**You are requested to attend the above meeting for which an agenda is attached.**

**Andrew Charlwood – Head of Governance**

Governance Service contact: Paul Frost 020 8359 2205 paul.frost@barnet.gov.uk

Media Relations contact: Sue Cocker 020 8359 7039

**ASSURANCE GROUP**

## ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of the previous meeting	5 - 16
2.	Absence of Members	
3.	Declarations of Members' Disclosable Pecuniary Interests and Non-Pecuniary Interests	
4.	Report of the Monitoring Officer (if any)	
5.	Public Questions and Comments (if any)	
6.	Members' Items	
7.	Street Scene Alternative Delivery Model - Additional Information	17 - 42
8.	Schools Parking Pilot Scheme Appendix A, referred to in the report, will follow separately.	43 - 48
9.	Extension of the contract with Fleet Factors Limited for the provision of Parts, Good & Supplies for the Transport Services Workshop until 31 December 2018	49 - 54
10.	Footway Damage To follow.	
11.	Highway Adoption Policy / Criteria To follow.	
12.	Any Other Items that the Chairman Decides are Urgent	

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# Decisions of the Environment Committee

15 March 2017

Members Present:-

AGENDA ITEM 1

Councillor Dean Cohen (Chairman)  
Councillor Brian Salinger (Vice-Chairman)

Councillor John Hart  
Councillor Dr Devra Kay  
Councillor Alison Cornelius  
Councillor Graham Old  
Councillor Alan Schneiderman  
Councillor Agnes Slocombe  
Councillor Peter Zinkin  
Councillor Adam Langleben

## 1. MINUTES OF THE PREVIOUS MEETING

Councillor Alan Schneiderman proposed in relation to item 10, paragraph 4 that the minutes be amended to read *'that the decision of the process be deferred.'* This was seconded by Councillor Agnes Slocombe. The Committee agreed this amendment.

Councillor Adam Langleben stated that item 10 of the minutes within paragraph 3 it was stated that detail of the equalities impact assessment be sent Members of the Committee. He therefore reminded officers of this.

**RESOLVED that subject to the amendment referred to in the preamble above, the minutes of the Environment Committee held on 11 January 2017 be approved.**

## 2. ABSENCE OF MEMBERS

None

## 3. DECLARATIONS OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

The following declarations were noted:

Councillor	Item	Declaration
Councillor Brian Salinger	Item 6 - Funding of Bowling Clubs	Councillor Brian Salinger declared a Non-Pecuniary Interest. He stated that he had been in discussions with Member of the Friary Park Bowling Club. Councillor Salinger took part in the consideration and voting process.
Councillor Brian Salinger	Item 6 - Improving air quality around schools	Councillor Brian Salinger declared a Non-Pecuniary Interest. He stated that the list of schools with the Member's Item includes Schools which his grandchild attended and also schools which he was a governor. He said that he was the Chairman of Moss Hall Nursery School Governors. Councillor

		Salinger took part in the consideration and voting on the item.
Councillor Peter Zinkin	Item 6 - Improving air quality around schools	Councillor Peter Zinkin declared a Non-Pecuniary Interest. He stated that the list of schools with the Member's Item includes Schools which his grandchild attended. Councillor Zinkin took part in the consideration and voting on the item.
Councillor Peter Zinkin	Item 15 Highways Planned Maintenance Programme 2017/18	Councillor Peter Zinkin declared a Non-Pecuniary Interest. He stated that one of the schemes was on the road that he lived. Councillor Zinkin took part in the consideration and voting on the item.
Councillor Adam Langleben	Item 11 Playing Pitch Strategy 2017/2022	Councillor Adam Langleben declared a Non-Pecuniary Interest. He stated that the report made reference to regeneration areas and noted that was is a trustee of the West Hendon Estate Community Trust Fund. Councillor Langleben took part in the consideration and voting on the item.
Councillor Dean Cohen	Item 6 - Improving air quality around schools	Councillor Dean Cohen declared a Non-Pecuniary Interest. He stated that he is a School Governor at Menorah Foundation School. He took part in the consideration and voting on the item
Councillor Alon Or-bac	Item 6 - Improving air quality around schools	Councillor Alon Or-bac declared a Non-Pecuniary Interests. He stated that he is a School Governor at Martin Primary School. He took part in the consideration and voting on the item.
Councillor Brian Salinger	Not stated	Councillor Brian Salinger declared a non-pecuniary interest as he owned an electric car.

#### 4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

#### 5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

The Environment Committee noted the details of public questions that had been submitted by residents who were given the opportunity of asking a supplementary question. Mrs Mary O'Connor was given the opportunity to ask supplementary questions. However, she stated that she wanted other residents to be able to ask their questions.

The Committee heard public comments from Mr Philip Davis, Ms Lisa Pate, Mr Derek Bluston, Mary O'Connor and Mr Tucker. In all cases Members of the Committee were given the opportunity to ask all speakers questions.

## 6. MEMBERS ITEMS

### **Members Item – Cllr Alon Or-bach – Donoghue Waste Management and Skip Hire**

The Committee noted the verbal representation from Ward Member Councillor Ryde.

Council's Constitution, Meeting Procedure Rules, Section 17 provides that no business at any meeting of a Committee or Sub-Committee shall be transacted after 10pm and any business transacted after that time shall be null and void. Therefore this matter was not considered or determined.

### **Members Item – Cllr Alan Schneiderman – Funding of Bowling Clubs**

Council's Constitution, Meeting Procedure Rules, Section 17 provides that no business at any meeting of a Committee or Sub-Committee shall be transacted after 10pm and any business transacted after that time shall be null and void. Therefore this matter was not considered or determined.

### **Members Item – Cllr Agnes Slocombe – Hire of Parks, Green Spaces and Other Council Premises**

Council's Constitution, Meeting Procedure Rules, Section 17 provides that no business at any meeting of a Committee or Sub-Committee shall be transacted after 10pm and any business transacted after that time shall be null and void. Therefore this matter was not considered or determined.

### **Members Item – Cllr Dr Devra Kay - Parking of Large Vans that turn Residential Streets with No Parking Restrictions into Car Parks**

Councillor Devra Kay introduced the item and requested that the Committee supported his Member's Item.

Councillor Kay introduced the item and requested that the Committee consider her Members Item.

The Committee noted the public comment by Derek Bluston.

Having considered the Member's Item the Environment Committee:

**RESOLVED that the Commissioning Director for Environment be requested to report to a future meeting a report outlining commercial vehicles parking on residential streets.**

### **Members Item – Cllr Adam Langleben - Improving Air Quality Around Schools**

Council's Constitution, Meeting Procedure Rules, Section 17 provides that no business at any meeting of a Committee or Sub-Committee shall be transacted after 10pm and any business transacted after that time shall be null and void. Therefore this matter was not considered or determined.

## 7. MOTION FROM FULL COUNCIL

The Committee heard verbal representation from Councillor Grover who introduced his motion which was part of the agenda of the Full Council meeting on 31 January 2017. The Administration Motion had not been considered at the Full Council meeting and therefore as outlined within the Council's Constitution the matter be referred to the Environment Committee for consideration.

The Chairman noted that Councillor Schneiderman had an amendment to the motion as contained in the report. Therefore he was given the opportunity to introduce his amendment.

The Committee voted on the amendment to the Motion in the name of Councillor Schneiderman.

For – 5

Against – 6

The amendment was therefore lost.

The Committee voted on the substantive Motion in Councillor Grover's name.

For – 6

Against – 5

The Motion was therefore carried.

Councillor Salinger proposed an item onto the committee work programme a report instructing officers to develop options for how the motion could be implement including costing. This was seconded by the Chairman Councillor Dean Cohen.

The Environment agreed was requested to vote on this.

For – 6

Against – 4

Abstain – 1

In addition to this Councillor Langleben proposed that Burnt Oak Conservation Area be included within the scheme. This was seconded by Councillor Schneiderman.

The Committee agreed was requested to vote on this.

For – 6

Against – 4

Abstain – 1

**RESOLVED that a report be added to the Committee's Work Programme to request that officers develop options on how A Public Realm Management Forum for Barnet could be implemented, including costings and the Burnt Oak Conservation Area.**

## **8. STREET SCENE ALTERNATIVE DELIVERY MODEL – REVISED OUTLINE BUSINESS CASE (OBC2)**

The Chairman introduced the report and suggested that Option C be removed and request that the Commissioning Director for Environment submit further information to a future meeting in regards to Options A and B.

The Committee considered the report including the consultation performed with residents and council staff

Having considered the comments made by the Committee, the Commissioning Director for Environment outlined that if Members were minded to remove Option C a report could be submitted to the Committee that provided further information on Options A and B.

### **RESOLVED that:**

- 1. The Committee approves the transfer of Green Spaces Governance (Lot 4) to the Environment Commissioning Group, to be restructured and aligned to the delivery of the Parks and Open Spaces Strategy and the Capital Investment Programme.**
- 2. The Committee request that the Commissioning Director be instructed to submit report at a future meeting which:**
  - o Outlines an efficient, effective and economic service that best delivers street services for residents and businesses across the Borough**
- 3. That the Committee agree that Option C (outsourced option) be deleted.**

## **9. ENFORCEMENT AND WASTE REGULATIONS**

The Commissioning Director for Environment introduced the report. He outlined the Street Scene Enforcement Trial and the Keep Barnet Clean campaign.

Councillor Alan Schneiderman moved an amended to recommendation 2 requesting that the Environment Committee delay approval until the next meeting and rthat a report be resubmitted detailing the potential for an in-house service option or a Barnet Group option This was seconded by Councillor Agnes Slocombe.

The Chairman requested that this be voted on.

Vote –5

Against – 5

Absent – 1

Councillor John Hart was not in the room to vote on this item and therefore the Chairman used his casting vote. Therefore the amendment was lost.

The Chairman, Councillor Dean Cohen requested that recommendation 1 be voted on and that was unanimously agreed.

The Chairman Councillor Dean Cohen moved that recommendation 2 be amended to read:

*That Environment Committee approve the procurement of a street scene enforcement contract with the view of an income share model.*

The Chairman requested that this amendment be voted on.

For – 6

Against – 0

Abstain – 5

This was carried.

The Chairman requested that recommendation 3 be voted on:

For – 6

Against – 0

Abstain – 5

The Chairman requested that recommendation 4 be voted on:

For – 6

Against – 0

Abstained – 5

The Chairman requested that recommendation 5 be voted on:

For – 11 (all)

The Committee therefore:

**RESOLVED that:**

- 1. The Committee note the street scene enforcement update and the recommendations in Appendix A.**
- 2. The Committee approve the procurement of a street scene enforcement contract with the view of an income share model.**
- 3. The Committee note the on-going discussion with other local authorities about the possible joint procurement of a new street scene enforcement contract.**
- 4. The Committee requested the Commissioning Director for Environment carry out a review of the current street scene Fixed Penalty Notices (FPN) and Penalty Charge Notice (PCN) levels (£), including the early payment discounts, including those in areas of street scene which are not currently enforced.**
- 5. The Committee noted the draft Barnet Waste Regulations 2017 set out In Appendix C, and approved the six week public consultation**

**10. ENVIRONMENT COMMISSIONING PLAN 2017/18 ADDENDUM**

The Commissioning Director for Environment introduced the report. He outlined the updated targets for 2017/18 in an addendum to the Commissioning Plan within Appendix A.

Having considered the report the Committee voted on the recommendation.

Voting was recorded as follows:

For – 6

Against – 5

**RESOLVED that the Committee approved the addendum to Environment Committee Commissioning Plan for 2017/18 as set out in Appendix A.**

## **11. PLAYING PITCH STRATEGY 2017-2022**

The Commissioning Director for Environment introduced the report. He noted the consultation and the updated Playing Pitch Strategy.

Councillor Brian Salinger requested that Sports Clubs within the Borough be considered favourably when lease renewals are being considered by the Council. This was agreed by the Committee.

Councillor Alan Schneiderman moved an amendment to the report that included bowls clubs and netball. It was requested that both sports be given the same consideration as other sports and therefore a report be resubmitted to a future meeting of the Environment Committee.

The Chairman requested that this be voted on:

For – 6

Against – 1

Abstained – 4

This amendment was carried

Having considered the report the Committee:

**RESOLVED that:**

- 1. The Committee note the outcome of the public consultation and adopts the updated Playing Pitch Strategy on behalf of the Council.**
- 2. The Committee agreed that Sports Clubs within the Borough be considered favourably when lease renewals are being considered by the Council. The Chairman agreed to communicate this to the Chairman of the Assets, Regeneration and Growth Committee and the membership of that Committee.**
- 3. The Committee agree that bowls and netball be given the same consideration as other sports and therefore a report be resubmitted to a future meeting of the Committee.**

## **12. LOCAL IMPLEMENTATION PLAN (LIP) WORK PROGRAMME 201718**

The Commissioning Director for Environment introduced the report. The Committee noted that appendices 2, 3 and 4 had been tabled and published on the website.

Having considered the report the committee, the Committee voted on the recommendations. Votes were recorded as follows

For – 6  
Against – 0  
Abstained – 5

**RESOLVED that:**

1. **The Committee approved the Local Implementation Plan (LIP) work programme for “Corridors, Neighbourhoods and Supporting Measures” as detailed in Appendices 1-4 of this report to be funded from the 2017/18 LIP allocation.**
2. **The Committee grant delegated authority to the Commissioning Director for Environment to adjust the detailed programme and funding for individual proposals as they develop.**

**13. HIGHWAY PLANNED MAINTENANCE - PROPOSED FOOTWAY TREATMENT TYPES UPDATE**

The Commissioning Director for Environment introduced the report. He provided an update to the Committee on work carried out to date and on the different standardised types of footways and their service benefits and costs.

The Committee noted that in respect to the information relating to type 2 treatments was not accurate in the report (2.18). The Commissioning Director for Environment verbally corrected the information and stated that the recommendations were accurate which the Committee were being requested to consider and determine.

The Committee considered how developments and conservation areas are considered prestigious. Mr Blake informed the Committee that this was in connection with major redevelopment schemes which enable enhancements of an area.

Councillor Alan Schneiderman moved that a third recommendation be added to include - that residents in all residential streets should have the choice between paving stones and asphalt. This was seconded by Councillor Adam Langleben. The amendment was put to the vote:

For – 5  
Against – 6

The amendment was lost

Having considered the report the committee the recommendations were put to the vote. Voting was recorded as follows:

For – 6  
Against – 5

**RESOLVED that:**

- 1. The Committee noted the trials carried out using the standardised footway types, as detailed in paragraph 2.18 and Appendices 1 and 2, and the standard use of a Type 3 treatment to footways.**
- 2. The Committee noted the continued use of the standardised footway types, as detailed in paragraph 2.18 and Appendices 1 and 2 for footway works throughout the Borough with Type 3 being the standard treatment and Type 1 being used for town centres and conservation areas.**

**14. FOOTWAY PARKING REVIEW UPDATE**

The Commissioning Director for Environment introduced the report. He detailed the outcome of the review of footway parking undertaken in the 71 roads and requested that further consultation be carried out with all Members of the Council. He stated that these roads had not been formally exempted from the London Wide footway parking ban and this report outlined the review undertaken together with the necessary measures and recommendations to formally exempt these roads to meet the requirements of the Council's agreed Parking Policy.

Councillor Peter Zinkin proposed an amendment to recommendation 3 to ensure that there was not automatic enforcement on roads other than the 71 and that enforcement on any other road should be subject to judgement to be exercised by an officer of the Council. He added that this would provide necessary flexibility. The amendment was seconded by Councillor John Hart.

This was agreed by the Committee.

Having considered the report the Committee:

**RESOLVED that:**

- 1. The Committee note the contents of this report and appendices.**
- 2. That subject to the 5 roads listed below the Committee resolved to authorise the parking of vehicles completely on or part of the footway in Barnet in accordance with Section 15(4) and 15(5) of the GLC General Powers Act 1974, beginning with the 71 roads listed in Appendix B of this report where identified.**
- 3. That subject to the above agreed amendment the Committee resolves to authorise the enforcement of illegal footway parking by the Parking Enforcement Contractor in roads where footway parking is not permitted in line with the Council's Parking Policy following the actions set out in Paragraph 3.**
- 4. That subject to the 5 roads listed below the Committee approved the recommended options listed in Appendix A of this report in relation to the proposed measures to regulate footway parking in the 71 prioritised roads, subject to Ward Members / residents consultation and Equality Impact**

**Assessments (EQIA) at an estimated total one off cost of £244,417.11 to be met from the Service Development Reserves.**

- 5. That the Commissioning Director is authorised to resolve any objections received from residents and businesses during the consultation process and proceed with implementation in consultation with Ward Members.**
- 6. That the Environment Committee approves the process for considering new requests for footway parking as detailed in Paragraph 4 of this report.**
- 7. The Committee agreed resolution 1 – 6 above subject to the 5 roads listed below and the deletion on paragraph 4.2 as follows:**

*If a new request is made for footway parking, until the investigation is completed and a decision made whether to permit footway parking in a given road, footway parking will not be permitted and the applicant will be informed accordingly.*

Road 1	Courthouse Road
Road 2	Courthouse Gardens
Road 3	Pyecombe Corner
Road 4	Lullington Garth
Road 5	Twineham Green

## **15. HIGHWAYS PLANNED MAINTENANCE PROGRAMME 2017/18**

The Commissioning Director for Environment introduced the report. He stated the report outlined the delivery of the 2017/18 Highway Planned Maintenance and Network Recovery Plan (NRP) Work Programme as listed in Appendix A.

Councillor Alison Cornelius requested that Priory Close and two Totteridge roads be amended which was agreed.

Having considered the report the recommendations were put to the vote:

The vote was recorded as follows:

For – 6  
Against – 0  
Abstained – 5

### **RESOLVED that:**

- 1. That the Committee approve the capital expenditure of £8 million for the delivery of the 2017/18 Planned Maintenance and Network Recovery Plan work programme consisting of carriageway and footway renewal works as listed in Appendix A of this report.**
- 2. That the Committee agree the proposed investment proportions detailed in paragraph 5.2.3 of this report.**
- 3. That subject to the overall costs being contained within agreed budgets, the Commissioning Director for Environment is authorised to instruct Re to**

implement the schemes proposed in Appendix A by placing orders with the Council's term maintenance contractors or specialist contractors appointed in accordance with the public procurement rules and or the Council's Contract Procedure Rules as appropriate.

**16. ADOPTION OF SECTION 16 LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON ACT 2003**

The Commissioning Director for Environment introduced the report

Councillor Peter Zinkin moved that resolution 3 (below) be inserted which was supported by all Committee Members.

Having considered the report the Committee:

**RESOLVED that:**

- 1. The Committee recommended to Full Council that the Council should adopt Section 16 of the London Local Authorities and Transport for London Act 2003 ("the Act") so as to give effect to highway enforcement powers concerning unauthorised vehicle crossings over footway and verges for the benefit of public safety.**
- 2. The Committee recommended to Full Council that the Council fixes a day on which Section 16 of the London Local Authorities and Transport for London Act 2003 will come into operation. The Appointed Day for implementation of the adopted legislation should be 10th July 2017 pursuant to Section 3 of the (Act); and that the resolution and associated public notices be published in accordance with Section 3 of the Act.**
- 3. The Committee recommended to Full Council to note that, by adoption of this legislation, crossovers should not be enforced where they are no longer usable.**

**17. COMMITTEE FORWARD WORK PROGRAMME**

The Committee noted the work programme.

**18. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

The Chairman noted that he had agreed that to accept an urgent item relating to legionella. Therefore he allowed Councillor Alon Or-bach the opportunity to outline his concerns in regards to water supply within the Borough.

Having considered the item the Committee:

**RESOLVED that the Chairman be requested to write to the Chief Executive in order for Members of the Committee to receive an update on this issue.**

The meeting finished at 9:59pm

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	<h2>Environment Committee</h2> <h3>11<sup>th</sup> May 2017</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Street Scene Alternative Delivery Model – Additional Information</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Commissioning Director for Environment</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>Yes</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A - Option Cost Comparison</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Jamie Blake – Commissioning Director for Environment  <a href="mailto:Jamie.Blake@barnet.gov.uk">Jamie.Blake@barnet.gov.uk</a>                  Kitran Eastman - Strategic Lead, Clean and Green  <a href="mailto:Kitran.Eastman@barnet.gov.uk">Kitran.Eastman@barnet.gov.uk</a></p>

## Summary

On 15 March 2017 the Environment Committee considered options for the alternative delivery of Street Scene services. The Committee decided not to proceed with either an outsourced model or a shared service. Furthermore the Committee requested that officers carried out further work on the options for the Streetscene ADM to ensure that most efficient, effective and economic in-house option for running the Streetscene services was found from within the Barnet Family. This report sets out information on options to deliver high quality street scene services to residents and businesses. These options are i) In-house with management support from The Barnet Group) with staff still employed by Barnet Council, ii) Local Authority Trading Company (The Barnet Group ) with all street scene staff being transferred to The Barnet Group and iii) a reformed in-house model with Management oversight by LBB. These options have been assessed to find the most efficient, effective and economic option for the future delivery of Street Scene services, specifically; recycling & waste collection, street cleansing, and green spaces maintenance.

The assessment shows that based on the respective benefits, risks, opportunities and ability to contribute to the Environment Committee’s Medium Term Finance Strategy (MTFS) savings targets, of each of the options, a reformed in-house model is likely to be

the most efficient, effective and economic option. This option did not form part of the public consultation which took place from the week commencing 07 November 2016 to the week ending 15 January 2017. A review of the detailed free text comments, however, indicated that this option is in line with the view expressed by many respondents. A preference was shown for in-house services due, in part to the belief that they are both high quality and the council is a trusted service provider

## **Recommendations**

- 1. That Environment Committee approves option E as set out in section 1.15 to 1.29 for the Street Scene Delivery Unit services including; recycling and waste, street cleansing, and green spaces maintenance (Lots 1-3) to revert to a full In-House service**
- 2. That Environment Committee note and agree to the timescale, to revert to a full In-House service as set out in section 1.27, and agree that the Streetscene ADM project has concluded and that an implementation project will now commence**

### **1. WHY THIS REPORT IS NEEDED**

#### Background

- 1.1 In September 2015, the council commissioned the Street Scene Alternative Delivery Model project (ADM) to assess the best way of delivering Street Scene services in the future. Its purpose is both to ensure the future delivery of high performing services against key strategic indicators, and to deliver the challenging savings targets facing the services now and over the next period of the Medium Term Financial Plan (MTFP).
- 1.2 The council has a statutory duty to maintain the urban environment and support public health via services such as; recycling and waste, street cleansing, and maintenance of green spaces. These are universal services which are highly visible to, and used by, residents.
- 1.3 As part of the Medium Term Finance Strategy approved by Environment Committee in November 2015, and an updated version approved in November 2016 by Policy and Resources Committee, a target saving of £900k by 2019/20 has been allocated to the ADM process.
- 1.4 Additionally, the ADM project must maintain the current recycling and waste, street cleansing, and maintenance of parks and open spaces service provision as expressed through the key drivers below; in line with the Commissioning Group intentions for 2020:
  - Re-use, recycle or compost 50% of all municipal waste and minimise the amount of municipal waste being sent to landfill.
  - Provide services to residents and businesses that are cost effective, easy to use, and encourage positive behaviour change.
  - Manage and maintain a high quality physical environment that contributes to the quality of life of residents and visitors, enhances local areas, and supports a thriving local economy.

- Work with partners to secure investment in public spaces.
- Implement relevant delivery models that deliver a stable and sustainable financial position.
- Build stronger local communities by promoting volunteering and other forms of community engagement.
- Relevant and targeted enforcement that promotes prevention of forms of anti-social behaviour.

### Revised Outline Business Case (OBC2)

- 1.5 As part of the Street Scene Alternative Delivery Model Revised Outline Business Case (OBC2) an evaluation was carried out on four options in 2016. These included:
- **Option A:** In-house option (with management support from The Barnet Group)
  - **Option B:** Local Authority Trading Company (The Barnet Group)
  - **Option C:** Outsourced
  - **Option D:** Shared service
- 1.6 An online public consultation was held on the options put forward in OBC2 for a ten-week period; from the week commencing 07 November 2016 to the week ending 15 January 2017. The detailed results of the public consultation are available in the background papers (6.2) to this report. 506 individuals responded to the public consultation.
- 1.7 On 15 March 2017 the Environment Committee decided not to proceed with:
- **Option C:** Outsourced
  - **Option D:** Shared service
- 1.8 Furthermore the Committee requested that officers carried out further work on the options for the Streetscene ADM to ensure that most efficient, effective and economic option for running the Streetscene services was found from within the Barnet family.

### Additional Information and Review of Options

- 1.9 This report sets out information on three options to deliver in-house high quality street scene services to residents and businesses.
- **Option A:** In-house option (with management support from The Barnet Group)
  - **Option B:** Local Authority Trading Company (The Barnet Group)
  - **Option E:** (Additional Option) A reformed in-house model (No support from The Barnet Group)
- 1.10 Option E - a reformed in-house model is based on the change and improvements within the Street Scene Delivery Unit (DU) over the last 12 months. In 2015 the council carried out a strategic review of the Street Scene

DU to ensure that it was fit for purpose to address the demands of a developing Borough, and the changing nature of public service delivery. Whilst this had been raised previously through the various audit processes; the DU at that time had not taken the opportunity to invest in additional senior management capacity with the attendant problems which then emerged.

- 1.11 An audit action plan was produced to monitor improvements made by the DU in all the key areas of concern. To resolve the identified issue of a lack of senior management capacity within the DU, The Barnet Group (TBG) was engaged to provide senior management oversight to the DU for an agreed period of time. They have utilised a combination of their internal management resources and suitable specialist support to help develop and deliver the short to medium term financial and operational KPIs. All staff (apart from two interim managers) have remained employees of the council, and remain on council terms and conditions.
- 1.12 Over the last 12 months the Streetscene DU has made important strides forward to becoming a more flexible, cost effective, responsive service. The street scene staff have worked hard to instigate these changes, as well as implement depot relocation projects and the changes brought about through the Unified Reward project. In addition the audit action plan are substantially completed, all issues have been addressed or are currently being delivered. The Streetscene DU has taken on the mantle of the changing nature of public service delivery, and although significant transformation still needs to be implemented, there are significant improvements between the current service and the service in 2015.
- 1.13 Based on the pre December 2015 DU model an in house delivery unit was ruled out due to the concerns surrounding it and the risks involved. Given the work carried out over the last 12 months by the DU staff with the help of TBG, the inclusion of a reformed in-house model as an option is now possible and so has been included.
- 1.14 Across all three options the affordability criteria has been adjusted to take account of the removal of the Lot 4 Green Spaces Governance, as the meeting of the Environment Committee on 15 March 2017 agreed that Green Spaces Governance would transfer to the Environment Commissioning Group.

#### Option E Review

- 1.15 Option E - In a reformed in-house model, staff would continue to be employed by the council. The Street Scene Delivery Unit would complete a transformation programme over the next 12 to 18 month. This will ensure the service runs in the most effective, efficient and economical way possible.
- 1.16 **Track Record** – As set out in section 1.15 to 1.29 the DU has worked hard and made important strides forward to becoming a more flexible, cost effective, responsive service, which has been shown through both the ADM process and projects such as the depot relocation. Front line services during this time have continued to be run, with little change in public satisfaction, which are some of the highest rated services in the council.

1.17 The assessment below is based on the current plans in progress to implement MTFs savings projects, and additional reforms of the service which would build on the DUs work over the last year. The service would become the responsibility of the Council's senior management team in line with the General Functions Committee paper found in 6.7 background papers. TBG would have no further role. The service would be directly managed by a Streetscene Director who would be a full time permanent employee of the council.

1.18 **Cost v Savings** – To evaluate option E it has been compared to the affordability criteria and each of the other options. The affordability criteria indicative of the services cost with the MTFs savings achieved. The headline figures for this option can be seen in the table below:

<b>Option E: Reformed in-house model</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Cumm.</b>
Affordability Criteria	£12,334,483	£11,222,618	£10,130,527	£33,687,628
Option E Affordability (Not including transformation cost)	£12,331,122	£11,222,342	£9,482,642	£33,036,107
Variation from Affordability (Not including transformation cost)	<b>-£3,361</b>	<b>-£276</b>	<b>-£647,885</b>	<b>-£651,521</b>
Transformation Cost	£652,912	£200,000	£300,000	£1,152,912
Option E Affordability (Including transformation cost)	£12,984,034	£11,422,342	£9,782,642	£34,189,019
Variation from Affordability (Including transformation cost)	£649,551	£199,724	<b>-£347,885</b>	£501,391

A comparison of the cost breakdown for each option can be seen in Appendix A.

It is believed that this option can be managed within the existing senior management current resources, without a significant incremental increase in expenditure. No additional spend has been included in the costings.

Forecast of full year figures have been used for 2017/18 to enable a clear comparison to be made. The roll out of any option, however, depends on the decision of the committee and will impact on the actual of MTFs savings for 2017/18.

1.19 Key elements where there is financial variation between the options include:

- Timing of the move to zonal recycling and waste collections
- The scale of the requirement of transformation funding

- The potential savings from 2018/19 for enhanced financial control
- Staff savings in 2017/18
- Reduction in the amount and of transformation funding which would be required
- The TBG management fee cost (£1.8m over three years)
- The TBG contingency (£0.75m over three years)
- The level of achievable specified savings
- The level of LBB client cost

1.20 **Service Improvement** – A significant amount of the future service improvement which is required both to meet the commissioning intentions and the MTFs savings set by Environment Committee are technical Streetscene based changes. This will require significant sector knowledge and background to successfully implement. Ensuring that the DU has an in-house management structure with service experience, and sits within a wider environment service, will reduce risk and issues with future service improvements, through increased knowledge and support for the street scene staff.

1.21 **Income Generation** – In 2016/17 the DU has expanded the commercial recycling and waste business through new collection options. This will continue in 2017/18 with the expansion of recycling services. In any of the three options there will be a need to continue to expand this service and other commercial services, therefore likelihood and risk is rated the same across all options. For this option part of the DU transformation would include the creation of a strong commercial focus, both in organisations set up and approach. This would include staff development and training, and use of partners i.e. ensuring new employees in key roles bring in specialist commercial experience; review of delivering wider commercial offer to business within Barnet; working with Capita support and experience. In addition work would be done to establish links with best practice local authorities who have successfully commercialised and expanded their commercial offer.

1.22 **Technology and Innovation** – Across all three options there will be a need to improve customer service and customer interaction through the use of new technology. Better use of innovation and technology for future service planning is rated the same across all options.

1.23 **Public Consultation** – As a new option, Option E did not form part of the public consultation. A review of the free text comments, however, has been completed, looking for information and views put forward which can be able to be related to Option E. Details of these can be found below.

1.24 For questions 11 and 12 of the consultation, we asked the public whether it mattered to them which of the shortlisted options were chosen if services were run well and, if so, to explain why. Residents in favour of Option A generally gave the following reasons in support:

- Council-run services are perceived to be cheaper or more “cost-effective”
- Council-run services are perceived to be of higher quality

- Council staff are seen to be more locally focused
- Concerns were raised about staff rights, if there were to be a move away from in-house services
- The council would be seen to be more accountable / responsible for services if they remain in-house

1.25 For question 13, we asked the public if they would like to comment on the options from the long-list which included discounted options. The majority of responses were opposed to outsourcing, rather than focusing on other options. There were, however, some comments in support of pre-December 2015 with the proviso of having effective senior management in place, other responses stated that services should be in-house but did not provide reasons why. This may have been because the respondents had previously given the comments set out in the above paragraph.

1.26 The full consultation report can be accessed in in the background papers (6.2)

1.27 **Timescale** – To implement this option a Full Business Case (FBC) would not be needed, and the ADM process would come to an end. The timescale for implementation can be seen below:

Option E Implementation Tasks	Date	Description
Environment Committee	10/05/2017	OBC2 Decision
Transfer of responsibility	15/05/17	Transfer of responsibility from TBG to LBB (in line with 6.7 background papers)
Service Transformation	15/05/17 to 30/09/2018	
<i>Street Cleansing Changes</i>	April to June 2017	
<i>Commercial Waste Service Transformation</i>	May 2017 to September 2018	
<i>Staff Restructure</i>	May to September 2017	
<i>Recycling and Waste Policy Implementation</i>	May to March 2018	
<i>Implement zero based budget restructure</i>	June 2017	
<i>Streetscene services move out of Mill Hill Depot</i>	July 2017	The final move of Streetscene services out of the Mill Hill Depot
<i>Time banded waste collections implementation</i>	August 2017	
<i>Recycling Trade waste expansion</i>	May to September 2017	
<i>Copthall Depot Relocation</i>	November 2017	<i>Move of green spaces Copthall depot</i>
<i>New IT management System Implemented</i>	January 2018	

1.28 **Option E Conclusion** - this option poses both risks and benefits to the Council

Risks	Benefits
All risk directly held by LBB	The support of a wider environment and public realm management specialists for Street Scene in service transformation
Removes savings which could be achieved through the alignment of similar services with Barnet Homes such as those for grounds maintenance	Clear vision for the service set by the Commissioning intentions and MTFS guidance by Environment Committee and the council's senior management team
	Good understanding of residents and locality
	No large impact on staff through a TUPE transfer
	Quickest timescale for commencing with 2017-18 MTFS savings targets. <ul style="list-style-type: none"> <li>• ADM Savings - £250k</li> <li>• Other street scene savings - £1,245k</li> </ul>
	In house option supported by public

1.29 In conclusion this option poses both risks and benefits to the council, but it could be a viable option to deliver Streetscene services in the future. The key benefits to this option are

- Timescale – Option E enables service change to commence sooner, giving stability to staff and clarity to enable the service to transform. This option gives the greatest ability for the Environment Committee Commissioning intentions and 2017-18 MTFS savings.
- Savings - Overall this option shows the greatest savings to 2019-20, and meets the affordability criteria in all three years (excluding transformation funding). Over the three years is also requires less transformation funding than option A and B.
- Public response – The public consultation clearly showed a preference for in-house service due, in part to the belief that they are both high quality and the council is a trusted service provider.

#### Option A Review

1.30 Option A - The in-house option (with management support from The Barnet Group), as per the information set out in the original OBC2 document which can be accessed in in the background papers (6.2). The information, quality score, issues and risks in the OBC2 report is still pertinent to Option A and should be considered in conjunction with the information in this section.

1.31 **Track Record** – Over the last year The Barnet Group have helped stabilise and refocus the Street Scene Delivery Unit (DU) following the strategic review

of the DU in 2015. One of the areas of concern was a lack of senior management capacity, resulting in a lack of response to the significant change needed to deliver against Key Performance Indicators (KPIs). To resolve the identified issues The Barnet Group was engaged to provide senior management oversight to the DU over the last year. In this time there have been important strides forward to becoming more flexible, cost effective, responsive services, without a significant dip in public satisfaction. The street scene staff have worked hard to instigate these changes, as well as depot relocation projects and the changes brought about through the Unified Reward project.

- 1.32 **Cost v Savings** – To enable the financial evaluation of Options A and B in the revised OBC, it has been compared to the affordability criteria and each of the other options. The affordability criteria below are indicative of the services cost with the MTFs savings achieved. The headline figures for this option can be seen in the table below:

<b>Option A: In-house (with TBG)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Cumm.</b>
Affordability Criteria	£12,334,483	£11,222,618	£10,130,527	£33,687,628
Option A Affordability (Not including transformation cost)	£12,878,215	£12,481,792	£10,804,592	£36,158,600
Variation from Affordability (Not including transformation cost)	£537,732	£1,259,174	£674,065	£2,470,972
Transformation Cost Requested	£1,628,278	£1,798,834	£243,000	£3,670,112
Option A Affordability (Including transformation cost)	£14,500,493	£14,280,626	£11,047,592	£39,828,712
Variation from Affordability (Including transformation cost)	£2,166,010	£3,058,008	£917,065	£6,141,084

- 1.33 A comparison of the cost breakdown for each option can be seen in Appendix A.

- 1.34 This option would incur a small level of client side costs which would be additional spend, to aid the monitoring of the street scene service from within the council. This would include performance monitoring and reporting of the management agreement, ensuring health and safety reviews and checks were fit for purpose, and ensuring that the goals of the municipal recycling and waste strategy were being achieved. All other internal costs, services, and recharges would remain the same within the Council.

- 1.35 Overall, this option does not fully achieve a cost model within the affordability criteria which has been set. This is in large part due to the annual TBG management fee of £600,000 and £250,000 contingency fund which form part of this option. Between 2017/18 and 2018/19 this option is £2,470,972 over budget based on the analysis.
- 1.36 The significant level of transformation cost requested, further reduces the viability of option A. The request for £3,670,112 transformation funds would take the option to £6,141,084 over budget if no transformation funding was available.
- 1.37 **Service Improvement** - A significant amount of the future service improvements which are required both to achieve the Commissioning intentions and to reach the MTFS savings agreed by Environment Committee are technical Streetscene areas, and would need sector knowledge and background to successfully implement. The support structure provided by TBG is not specialist in either Streetscene or Environment. As such this is a risk area to the service, and short and medium term improvements and development.
- 1.38 **Technology and Innovation** – Across all three options there will be a need to improve customer service and customer interaction through the use of new technology. Better use of innovation and technology for future service planning is therefore rated the same across all options.
- 1.39 **Income Generation** – In 2016/17 the DU have expanded the commercial recycling and waste business through new collection options. This will continue in 2017/18 with the expansion of recycling services. In any of the three options there will be a need to continue to expand this service and other commercial services, therefore likelihood and risk is rated the same across all options.
- 1.40 **Public Consultation** - As part of the public consultation respondents were asked to choose, from the shortlist in OBC2, the option that they believed would deliver the best services for them. The results for option A are supplied below:

OBC2 - Shortlisted Options	Response Totals	Response %	Ranked Position
In-house (with management support from The Barnet Group)	222	55%	1 <sup>st</sup> out of 4

- 1.41 The full consultation report can be accessed in the background papers (6.2).
- 1.42 **Timescale** – To implement this option a Full Business Case (FBC) would need to be completed as the next stage of the ADM process. The Full Business Case would need to be agreed by Full Council before the ADM project could be concluded and a long term agreement with The Barnet Group be entered into. The timescale for implementation can be seen below.

Option A Implementation Task	Date	Description
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Option A Implementation Task	Date	Description
Environment Committee	10/05/2017	OBC2 Decision
FBC drafting and negotiation with TBG	15/05/17 to 01/09/17	Detailed business case, contract/agreement positions and working practices to be negotiated and agreed with TBG
TBG Board Approval	01/09/17 to 30/09/17	In principle agreement by TBG board ahead of Full Council decision
Circulation for Full Council	10/10/17	Internal circulation and checks for reports
Full Council Meeting	31/10/17	FBC Decision
New Contract Start	01/11/17	

1.43 **Option A Conclusion** - In conclusion as this option is significantly over budget, while also not reducing the risk to the Council of service transformation, it is recommended that it not be taken forward.

#### Option B Review

1.44 Option B -The Local Authority Trading Company (The Barnet Group) as per the information set out in the original OBC2 document which can be accessed in in the background papers (6.2). The information, quality score, issues and risks in the OBC2 report is still pertinent to Option B and should be considered in conjunction with the information in this section.

1.45 **Track Record** - Over the last year The Barnet Group have helped stabilise and refocus the Street Scene Delivery Unit (DU) following the strategic review of the DU in 2015. One of the areas of concern was a lack of senior management capacity, and as a resulting in a lack of response to the significant change needed to deliver against Key Performance Indicators (KPIs). To resolve the identified issues The Barnet Group was engaged to provide senior management oversight to the DU over the last year. In this time there have been important strides forward to becoming more flexible, cost effective, responsive services. The street scene staff have worked hard to instigate these changes, as well as depot relocation projects and the changes brought about through the Unified Reward project.

1.46 Option B would require a TUPE transfer of all of the Streetscene staff to TBG (or subsidiary company thereof). As a partnership the DU and TBG have shown the ability to start to implement organisation changes. Currently TBG do not, however, have a track record of technical street scene service led changes. The key areas of service change approved within the Environment Committee MTFs savings include; i) changes in street cleansing regimes - using different mechanisation, changes in frequency and new town centre regimes, ii) delivery of changes to annual bedding planting, returning areas of parks and open spaces to "natural" areas and so reduce the level of

maintenance as well as revising highway grass cutting frequencies and improving scheduling iii) challenging income generation targets across a range of chargeable services including but not limited to additional collections, and the identification of new services where charging the user in order to offset the impact of wider budget reductions is appropriate iv) a revised waste offer to increase recycling including making it easier to recycle food waste and compulsory recycling of dry and food waste and increasing recycling in flats by working with managing agents. These elements alone represent £3,250k savings within the MTFS savings, of the total of £3.870m required

- 1.47 **Cost v Savings** – To enable the financial evaluation of Options A and B in the revised OBC, affordability criteria were set. These affordability criteria were indicative of the maximum cost budget estimated for the in-house options; including MTFS savings.

<b>Option B: LATC (TBG)</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Cumm.</b>
Affordability Criteria	£12,334,483	£11,222,618	£10,130,527	£33,687,628
Option A Affordability (Not including transformation cost)	£12,412,215	£11,217,292	£9,477,592	£33,107,100
Variation from Affordability (Not including transformation cost)	£77,732	-£5,326	-£652,935	-£580,528
Transformation Cost Requested	£1,628,278	£1,798,834	£243,000	£3,670,112
Option A Affordability (Including transformation cost)	£14,040,493	£13,016,126	£9,720,592	£36,777,212
Variation from Affordability (Including transformation cost)	£1,706,010	£1,793,508	-£409,935	£3,089,584

- 1.48 A comparison of the cost breakdown for each option can be seen in Appendix A.
- 1.49 This option would incur a level of client side costs which would be additional spend, to enable the monitoring of the street scene service contract from within the council.
- 1.50 Overall, this option does not fully achieve a cost model within the affordability criteria which has been set, due to the significant level of transformation cost requested. The request for £3,670,112 transformation funds would take the option to £3,089,584 over budget if no transformation funding was available.

- 1.51 Without the transformation costs option B would move below the affordability criteria by 2018/19. Cumulatively between 2017/18 and 2018/19 this option is £580,528 under budget based on the analysis.
- 1.52 Additional work would need to be done to assess the impact of other areas of work such as insurance and insurance claims, communications, information management, estates etc, to ensure that the council's remaining budgets were unaffected by Option B. This work would form part of the Full Business Case, to be negotiated with TBG.
- 1.53 **Service Improvement** - As a partnership the DU and TBG have shown the ability to start to implement organisation changes. A significant amount of the future service improvements which are required both to achieve the Commissioning intentions and to reach the MTFS savings agreed by Environment Committee are technical, and would need sector knowledge and background to successfully implement. The support structure provided by TBG is not specialist in either Streetscene or Environment. As such this is a risk area to the service, and short and medium term improvements and development.
- 1.54 **Technology and Innovation** - Across all three options there will be a need to improve customer service and customer interaction through the use of new technology. Better use of innovation and technology for future service planning is therefore rated the same across all options.
- 1.55 **Income Generation** – In 2016/17 the DU have expanded the commercial recycling and waste business through new collection options. This will continue in 2017/18 with the expansion of recycling services. In any of the three options there will be a need to continue to expand this service and other commercial services, therefore likelihood and risk is rated the same across all options. TBG have a different background and portfolio of services to that currently within street scene. This wider knowledge base could provide good support for the services if there is a need for diversification and expansion of the business.
- 1.56 **Public Consultation** - As part of the public consultation respondents were asked to choose, from the shortlist in OBC2, the option that they believed would deliver the best services for them. The results for option B are supplied below:

OBC 2 - Shortlisted Options	Response Totals	Response %	Ranked Position
Local Authority Trading Company (The Barnet Group)	141	35%	2 <sup>nd</sup> out of 4

- 1.57 The full consultation report can be accessed in the background papers (6.2).
- 1.58 **Timescale** – To implement this option a Full Business Case (FBC) would need to be completed as the next stage of the ADM process. The Full Business Case would need to be approved by Full Council before the ADM project could be concluded and a long term agreement with The Barnet Group be entered into. The timescale for implementation can be seen below

Option B Implementation Task	Date	Description
Environment Committee	10/05/2017	OBC2 Decision
FBC drafting and negotiation with TBG	15/05/17 to 01/09/17	Detailed business case, contract/agreement positions, reporting mechanisms and working practices to be negotiated and agreed with TBG
Finalising Client Team Structure	15/05/17 to 01/08/17	Review of required client resource for inclusion in the FBC
TBG Board Approval	01/09/17 to 30/09/17	In principle agreement by TBG board ahead of Full Council decision
Circulation for Full Council	10/10/17	Internal circulation and checks for reports
Full Council Meeting	31/10/17	FBC Decision
Preparation for TUPE	01/11/17 to 31/01/18	Work between LBB, CSG and TBG
Contract Mobilisation	01/11/17 to 31/03/18	Including novation of subcontracts, and agreement of working monitoring arrangements
New Contract Start	01/04/18	
New Client Team Setup	01/03/18	
TUPE transfer of Staff	01/04/18	

1.59 **Option B Conclusion** - this option poses both risks and benefits to the Council

Risks	Benefits
The Barnet Group are not Street Scene specialists, and may only provide limited support to Street Scene in service transformation	More risks transfers to TBG for delivery (although ultimately would be borne by LBB as owners of TBG)
Lack of long term vision for service transformation	TBG have a wide knowledge base including income generation providing good support for the diversification and expansion of the business.
Moves away from the core business of TBG, which may put pressure on other services	Good understanding of residents and locality
Delay in achieving 2017-18 MTFS savings targets.	Alignment of similar services with Barnet Homes such as those for grounds maintenance
Large impact on significant number of staff through TUPE transfer	

Risks	Benefits
Introduction of a two tier contract system with new staff on TBG Flex and TUPE transfer staff on LBB Terms and conditions	

1.60 The key issues which would need to be resolved in the FBC include:

- Impact of back office function with the transfer of functions to TBG
- Full contract payment mechanism
- Performance mechanism
- Contract management arrangements.

If these issues cannot be resolved then the FBC would not be able to be agreed.

1.61 In conclusion option B poses both risks and benefits to the council. The key risk relates to the finance position in 2017/18 and 2018/19 and the required £3,670K of transformation funding. The timescale for the service to transfer to TBG would now be April 2018 putting significant pressure onto 2017/18 savings, in addition to the current £92,732 shortfall. In addition the level of transformation funding requested is currently not available within the Council's budget for Environment Services. The secondary risk is the move away from the core business of TBG which could put pressure on other TBG services, which are key to Barnet residents. This may be especially pronounced given TBG (and its subsidiary's) employ approximately 550 staff, this would increase by 400 with the addition of Streetscene. As such it is recommended that option B is ruled out.

### Preferred Option

1.62 Based on the additional information provided above and the information in the Outline Business Case 2, assessment shows that based on the respective benefits, risks, opportunities and ability to contribute to the Environment Committee's MTFs savings targets, of each of the options, Option E a reformed in-house model is most likely to be the most efficient, effective and economic option. This is in line with the views expressed within the public consultation which took place from the week commencing 07 November to the week ending 15 January 2017.

## **2. REASONS FOR RECOMMENDATIONS**

2.1 **Recommendation 1** - It is recommended that Environment Committee approves Option E as set out in section 1.15 to 1.29 for the Street Scene Delivery Unit services including; recycling and waste, street cleansing, and green spaces maintenance (Lots 1-3) to revert to a full In-House service. This will provide stability and clarity to enable the service to transform, meet the Commissioning intentions and MTFs savings set by Environment Committee.

2.2 **Recommendation 2** - It is recommended that Environment Committee note and agree to the timescale, to revert to a full In–House service as set out in section 1.27, and agree that the Streetscene ADM project has concluded and that an implementation project will now commence. This will enable a clear mandate for the service to be reformed to meet the Commissioning intentions and MTFS savings set by Environment Committee. It will also enable the ADM project to be closed, outstanding risks to be transferred to implementation projects and lessons learnt sessions to be held.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 Three options were evaluated as part of this paper, and the considerations given to each option can be seen in section 1. An alternative option for consideration is Option B, however, the assessment suggests that this would not be the most efficient, effective and economic option.

### **4. POST DECISION IMPLEMENTATION**

4.1 If the recommendation is agreed then the timescales and approach set out in section 1.27 will be followed. Items for the work programme will be identified and updates will be reported to Committee as required.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

5.1.1 The Environment strategies and frameworks set out the strategic vision and future demand management for Recycling and Waste, Parks and Open Spaces, Street Cleansing and Enforcement. The Alternative Delivery Model project serves as a vehicle for delivering this vision at the operational level. The strategies have therefore shaped the service requirements of the Alternative Delivery Model.

#### Recycling and Waste

5.1.2 Barnet has amongst the highest levels of recycling compared with similar councils. This results in high levels of resident satisfaction and maintains the green and clean nature of the borough.

#### Street Cleansing

5.1.3 Barnet has amongst the lowest levels of littering compared with similar councils. This results in high levels of resident satisfaction and maintains the green and clean nature of the borough.

#### Parks and Open Spaces

5.1.4 It is a Commissioning ambition that Barnet is seen as a national leader in developing attractive suburban parks with its communities, that promote health and wellbeing, conserve the natural character of the area, and encourage economic growth. There are approximately 224 parks or open spaces in Barnet, including; 7 nature reserves, the Welsh Harp reservoir, 8 outdoor gyms, and over 40 play areas. Most homes in the borough are within

one mile of the nearest park.

5.1.5 The council has made a strategic commitment to enhancing borough infrastructure, as outlined in the Commissioning Plan for Environment (2015-20).

## 5.2 Health and Wellbeing

5.2.1 There are no health and wellbeing implications at this time.

## 5.3 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

### Finance and Value for Money

5.3.1 The recommendation in this report is to proceed with Option E. A summary of the assessed options is as follows:-

	Option A	Option B	Option E
Revenue overspend against affordability criteria over 3 years	2,470,972	(580,528)	(651,521)
Transformation spend required	3,670,112	3,670,112	1,152,912

5.3.2 It can be seen that Option E is assessed as the best option, both in terms of the revenue position, and transformation spend required. Option A is projected to cost significantly more in revenue terms due largely to the annual £600k TBG management fee and £250k contingency

5.3.3 The ADM project has been assigned a total Medium-Term Finance Strategy (MTFS) savings of £900k by 2019/20. This is divided into £250k by 2017/18, £550k by 2018/19 and £100k by 2019/20. There are also additional MTFS savings outside of the ADM project, for the wider Street Scene programme, of £1,245k by 2017/18, £575k 2018/19, and £1,150k by 2019/20, a total of £2,970k.

5.3.4 It is anticipated that these savings will be achieved through the transformation of Street Scene services, in line with delivering the respective action plans for each of the environmental strategies.

5.3.5 It can be seen then that the revenue costs of recommendation of Option E is projected to be affordable within the base budget less MTFS savings, from the current year. As regards the transformation costs of £1,152k which are assessed as being required, this will be subject to internal review and transformation/capital funding approval and allocated as required.

### Procurement

5.3.6 None at this time.

## Staffing

5.3.7 A robust approach to change management is currently in place, following the approval of the change management strategy for Street Scene by Strategic Partnership Board on 20 April 2016.

5.3.8 The strategy is currently being implemented by The Barnet Group. Engagement with staff, trade unions, and other senior stakeholders is ongoing.

5.3.9 Staff engagement activities include (but are not limited to):

- Surveys
- Briefings
- Newsletters
- Change champions network
- Suggestion boxes

5.3.10 This approach applies to all areas of Street Scene where change management is required; not just the ADM project (e.g. Unified Reward, Mill Hill Depot relocation).

## IT

5.3.11 The Alternative Delivery Model would need to incorporate any changes to use of IT as part of wider service delivery across the council. This is also in line with one of the assessment criteria for the ADM, which requires evidence of innovation within service delivery; making best use of existing and new technologies as available. The ADM will therefore need to be consistent with, if not better than, council IT policy and best practice.

## Property

5.3.12 The implementation of the Alternative Delivery Model is operationally dependent on the relocation of the depot facilities. Any delay, or unforeseen amendment to the depot relocation will not only have a subsequent impact on day-to-day service delivery operations ('business as usual') but could also impact the delivery of the ADM (e.g. additional fuel costs, route rationalisation etc.).

## Sustainability

5.3.13 There are no sustainability impacts at this time

## **5.4 Social Value**

5.4.1 Section 1 (3) of the Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. This has been considered as part of the ADM process.

## **5.5 Legal and Constitutional References**

5.5.1 The Council's Constitution (Clause 15A, Responsibility for Functions, Annex A) sets out the terms of reference of the Environment Committee. This

includes:

- Commissioning refuse and recycling, waste minimisation and street cleaning.
- Approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources Committee.
- Approve fees and charges for those areas under the remit of the Committee

5.5.2 This matter is not reserved to Full Council or to the Policy and Resources Committee as the Constitution specifically allocates matters of this type to the Environment Committee, including concluding the ADM project if the recommendation to this report to adopt Option E is agreed by the Committee.

5.5.3 If the final decision, however, if to approve options A or B will be for Full Council under paragraph 1.6 of section 15 of the constitution, responsibility for functions; “*all policy matters and new proposals relating to significant partnerships with external agencies and local authority companies*”. For Option A and B the Full Business Case (FBC) would need to be agreed by Full Council.

5.5.4 Section 3 (1) of the Local Government Act 1999 requires local authorities to make arrangement to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Section 3 (2) of the Local Government Act 1999 also provides that in order to fulfil this duty it must consult with representatives of persons liable to pay tax to the Authority and representatives of persons who use or are likely to use services provided by the Authority. In deciding on the persons consulted and the form, content and timing of consultation the must have regard to the Revised Best Value Statutory Guidance 2015. It is considered that the Council have properly complied with this duty as evidenced by the content of this report

5.5.5 The Public Contracts Regulations 2015 exempt from the application of public procurement law certain contracts between contracting authorities and entities controlled by them provided certain conditions are satisfied. These are known as the Teckal conditions and are:

- The contracting authority exercises over the contractor concerned a control which is similar to that which it exercises over its own departments.
- More than 80% of the activities of the contractor are carried out in the performance of tasks entrusted to it by the controlling contracting authority.
- There is no private sector ownership of the contractor (with certain exceptions).

5.5.6 Teckal considerations only apply to Options A and B. Officers will need to ensure appropriate due diligence is carried out to ensure compliance with

each of the Teckal conditions. It is understood that The Barnet Group is a company wholly owned by the council, EU Procurement Rules are likely to apply if the envisaged arrangements do not meet the Teckal exception.

- 5.5.7 If at any time the proposals under either Option A, Option B or Option E envisage either the council or The Barnet Group, trading (not recharging) a local authority ordinary function (or anything in exercise of the General Power of Competence), the council will need to put together and approve a Business case under section 95 of the Local Government Act 2003 and the 2009 Trading Order England unless the trading is with another public body. Further, all income generating options will need to be identified in order to assess the availability of the council's ability to use its trading or recharging legal powers. Proposals which will result in changes to service delivery including charging, will need to be agreed internally (scheme of delegation and any special governance structure for the wholly owned company) and may require public consultation.
- 5.5.8 Officers will need to ensure that whatever contractual arrangements exist between the Council and The Barnet Group in relation to current management services are properly managed to accommodate whatever decision is made by the Committee

## 5.6 Risk Management

- 5.6.1 All project risks are managed using the risk management procedure, as set out by the Corporate Risk Management Framework.
- 5.6.2 A full project risks table is available in the revised Business Case (OBC2), in Appendix A (See background papers 6.2)

## 5.7 Equalities and Diversity

- 5.7.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
  - Advance equality of opportunity between people from different groups.
  - Foster good relations between people from different groups.
- 5.7.2 The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies, and the delivery of services. The impact of the ADM project on staff and the public is not known at this stage. The content of both EIAs is therefore predictive only.
- 5.7.3 The nine protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Ethnicity
- Religion or belief
- Gender
- Sexual orientation
- Marriage or civil partnership.

5.7.4 The complete updated Equalities Impact Assessments (EIAs) for both service users and staff are available as background papers (6.2)

5.7.5 As the project moves into the next phase, the EIAs will be reviewed and updated in line with project requirements and in accordance with Barnet project management methodology. It is expected that the revised EIAs will show the actual scale and type of impact of the chosen delivery model option on both staff and service users.

## 5.8 Consultation and Engagement

5.8.1 As a matter of public law, the duty to consult on proposals which may vary, reduce or withdraw services will arise in four circumstances:

- Where there is a statutory requirement in the relevant legislative framework.
- Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy.
- Where the matter is so important that there is a legitimate expectation of consultation.
- Where consultation is required to complete an equalities impact assessment.

5.8.2 A full consultation report can be seen in the background papers (6.2). As explained elsewhere in the body of this report (paragraphs 1.23 to 1.26) it is considered that the degree and extent of consultation in relation to Option E (a full in-house service) has been adequately undertaken.

## 6. BACKGROUND PAPERS

6.1 The Environment strategies and frameworks set out the strategic vision and future demand management for Recycling and Waste, Parks and Open Spaces, Street Cleansing and Enforcement. The ADM project serves as a vehicle for delivering this vision at the operational level.

- 6.2 [Environment Committee March 2017 Papers](#) – including the revised Outline Business Case (OBC2) for the Street Scene Alternative Delivery Model project.
- 6.3 [Environment Committee September 2016 Papers](#) – including the initial Outline Business Case (OBC1) for the Street Scene Alternative Delivery Model project.
- 6.4 [Environment Committee March 2016 Papers](#) – including Commercial Waste Transformation and Street Scene Enforcement.
- 6.5 [Environment Committee May 2016 Papers](#) – including the Parks and Open Spaces Strategy, and the Municipal Recycling and Waste Management Strategy.
- 6.6 [Environment Committee July 2016 Papers](#) – including the Street Cleansing Framework.
- 6.7 [General Function Committee May 2016 Papers](#) – including Senior Management Restructure



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Appendix A

		Option A				Option B				Option E			
		2017/18	2018/19	2019/20	Cum. .	2017/18	2018/19	2019/20	Cum. .	2017/18	2018/19	2019/20	Cum. .
i	Affordability Criteria	£12,334,483	£11,222,618	£10,130,527	£33,687,628	£12,334,483	£11,222,618	£10,130,527	£33,687,628	£12,334,483	£11,222,618	£10,130,527	£33,687,628
ii	Option Affordability before Transformation Cost	£12,872,215	£12,481,792	£10,804,592	£36,158,600	£12,412,215	£11,217,292	£9,477,592	£33,107,100	£12,331,122	£11,222,342	£9,482,642	£33,036,107
iii	Variation from Affordability	£537,732	£1,259,174	£674,065	£2,470,972	£77,732	£-5,326	£-652,935	£-580,528	£-3,361	£-276	£-647,885	£-651,521
iv	Transformation Cost Requested	£1,628,278	£1,798,834	£243,000	£3,670,112	£1,628,278	£1,798,834	£243,000	£3,670,112	£652,912	£200,000	£300,000	£1,152,912
v	Option Affordability after Transformation Cost	£14,500,493	£14,280,626	£11,047,592	£39,828,712	£14,040,493	£13,016,126	£9,720,592	£36,777,212	£12,984,034	£11,422,342	£9,782,642	£34,189,019
vi	Variation from Affordability (including transformation)	£2,166,010	£3,058,008	£917,065	£6,141,084	£1,706,010	£1,793,508	£-409,935	£3,089,584	£649,551	£199,724	£-347,885	£501,391

Notes

i	The Affordability Criteria is indicative of the current in scope services costs with the MTFS savings achieved.
ii	Key cost changes which make up the variation from the current in scope service costs, i.e. COST INCREASE - TBG management fee £1m to £1.8m over 3 years, TBG contingency £0.75m over 3 years, TBG additional overheads £0.25m over 3 years, LBB client costs £0.25m and addition LBB costs such as HR, Finance, IT, Legal. SAVINGS - Move to zone based waste collections, new street cleansing regime, full cost recovery from commercial waste, use of TBG flex, enhanced financial control
iii	Variation from affordability, reflects the amount by which the option is likely to meet or miss the MTFS target. A negative figure reflects meeting/overachieving against the target
iv	Transformation costs are one off costs which are used to facility change. Transformation costs for the options include IT System purchase and installing and real-time integration, Redundancy Costs, a grounds management works system, and communication costs
v	Ongoing costs and savings as well as the one off transformation costs are included in this section, to relect the options estimated total cost over three years
vi	Variation from Affordability (including transformation) reflects that amount by which the option is likely to meet or miss the MTFS target, if transformation cost are also meet from the Street Scene Service budget. This highlights the addition transformation which would need to be funded.

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	<p><b>Environment Committee</b></p> <p><b>11<sup>th</sup> May 2017</b></p>
<b>Title</b>	<b>School Permit Scheme</b>
<b>Report of</b>	<b>Commissioning Director - Environment</b>
<b>Wards</b>	<b>All</b>
<b>Status</b>	<b>Public</b>
<b>Enclosures</b>	Appendix A – Traffic Survey results
<b>Officer Contact Details</b>	Paul Millard, Project Manager Commissioning, Environment. Tel 0208 359 2275

<b>Summary</b>
<p>This report sets out the results of the schools permit pilot scheme conducted at Childs Hill School and provides recommendations to make the scheme permanent across the borough for schools that fit the scheme criteria as detailed in the report.</p>

<b>Recommendations</b>
<ol style="list-style-type: none"> <li>1. That the Environment Committee notes the results of the traffic survey carried out in the controlled parking zone shown in Appendix A.</li> <li>2. That the Committee agrees to make the traffic management order permanent for the Childs Hill CPZ.</li> <li>3. That the committee agree to extending the scheme to all schools in the borough that meet the scheme criteria</li> <li>4. That the Committee agrees to the cost of the yearly annual permit price at a cost of £190 per permit per year</li> <li>5. That the committee agree the scheme criteria set out in 1.7 of this report</li> </ol>

## 1. WHY THIS REPORT IS NEEDED

- 1.1 This Committee agreed to conduct a school permit scheme pilot and this report provides the positive feedback the impact the pilot has had with school staff and provides further information on any impact the permit has had to residents who park in the Childs Hill Controlled Parking Zone (CPZ).
- 1.2 This report provides recommendations for the extension of the pilot and provides feedback from school staff and traffic survey data carried out before during the pilot.
- 1.3 The pilot was introduced due to the mixed results of an informal borough wide consultation with residents and permit holders over the introduction of the scheme and the results were split with the following summary results below:
  - 52% of all respondents from across the borough opposed the scheme and 47% Supported the scheme
  - 67% of parking permit holders from across the borough opposed the scheme
  - 73% of Non-Permit holder residents from across the borough supported the scheme
- 1.4 As the result was split the decision was to conduct a pilot and this report provides feedback from that pilot
- 1.5 The impact the permit has had on school staff and feedback has been overwhelming. Teachers especially feel that not having to worry about parking anymore means they turn up on time and much better prepared with less stress. They feedback the impact it has had on their ability to focus on teaching has been huge and greatly benefits pupils. The school strongly support the extension the scheme and would be devastated if the pilot was not made permanent for their staff.
- 1.6 The scheme set out criteria that a school would need to meet in order to apply for parking permits.
- 1.7 **The Permit eligibility criteria (all criteria must be met) is shown below:**
  - Only State maintained schools located within a CPZ would be eligible to apply for a School Permit.
  - Schools must have an up-to-date school travel plan in place to be eligible.
  - The permit will be only be valid within the schools catchment area
  - It will be the responsibility of the schools to manage the distribution of permits to their staff
  - That permits would not be issued in a CPZ where demand for parking places exceeds 85% of capacity.
  - That school would need and existing school travel plan.
  - The cost of the annual permit is set at £190 per annum.
  - The school decide on which staff are eligible for the limited number of permits

- That the school cannot park on the adjacent streets to the school

- 1.8 A traffic survey was carried out in the Childs Hill Area to ensure that the impact of providing extra permits to the school did not reduce capacity for parking space in the surrounding streets beyond 85%. Appendix A shows the results of this data
- 1.9 There have been no complaints from residents regarding the scheme throughout the pilot.
- 1.10 There have been no comments opposing the scheme through the statutory consultation of the experimental traffic management order
- 1.11 **It is therefore recommended** that the Environment Committee agree that the scheme be made permanent for the Child's Hill school and the experimental TMO be made permanent and the scheme be made available to all Schools in the borough who meet the criteria.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The results from the schools engagement with the pilot show overwhelming support for the scheme and they state it has only had a positive impact on the school day and their ability to provide improved teaching environment for the children.
- 2.2 This will further support Barnet state funded schools with their recruitment and retention of teachers and will help to recruit teaching staff.
- 2.3 That the pilot shows there has been no adverse impact to residents being able to park as near to their homes as possible.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 NONE

## **4. POST DECISION IMPLEMENTATION**

- 4.1 An implementation timeframe from Now until when the school term time starts in September will be needed to set the procedures up and to amend parking website and related systems to be updated to allow school staff to apply as well as timeframe needed to ensure CSG parking staff are trained.
- 4.2 The Temporary TMO will need to be made permanent through the statutory process.
- 4.3 That the scheme can be publicised to all schools

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Council will work with local, regional and national partners, will strive to ensure that Barnet is the place:

- Of opportunity, where people can further their quality of life
- Where people are helped to help themselves
- Where responsibility is shared, fairly
- Where services are delivered efficiently to get value for money for the taxpayer

5.1.2 The introduction of such a scheme would greatly benefit school workers and those who study in Barnet whilst ensuring that residents are not impacted too much with their parking. Responsibility to ensure that schools staff can be to focus on delivering high quality education which is least impacted by parking issues needs to be shared by the stakeholders in the community and where a satisfactory outcome is achieved. With less stress placed on travelling both staff and teachers will benefit by enabling staff to focus on their jobs and remove the distractions that parking clearly plays in the working day which will enable a better quality of life for school workers. The scheme will also feature strongly in the recruitment and retention strategy for schools to ensure that the best teachers are attracted to working in the Borough enabling ultimately better education and quality of life for pupils.

## **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The costs of enforcing the pilot scheme will be charged to the council's Special Parking Account (SPA). Any income generated through permits and Penalty charge notices (PCN's) issued during enforcement, will also be allocated to the SPA.

5.2.2 There are no procurement implications as a result of this report.

## **5.3 Social Value**

5.3.1 The impact that the scheme will have on teaching and providing better education to children can only be positive.

## **5.4 Legal and Constitutional References**

5.4.1 The Council as the Highway and Traffic Authority has the necessary legal powers to introduce or amend Traffic Management Orders through the Road Traffic Regulation Act 1984.

5.4.2 The Traffic Management Act 2004 places obligation on authorities to ensure the expeditious movement of traffic on their road network. Authorities are required to make arrangements as they consider appropriate for planning and carrying out the action to be taken in performing the duty.

## **5.5 Risk Management**

5.5.1 The council will need to carefully plan the schemes design and implementation to mitigate the impact to residents who currently park within a CPZ as well as any potential negative satisfaction or customer experience.

5.5.2 It also needs to manage the risk associated with conflicting priorities carefully. Our policy

states that residents should be able to park as close to their homes as possible. Managing the demand for competing space will be critical in mitigating this risk.

## **5.6 Equalities and Diversity**

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equality duty which requires public authorities to have due regard to the need to

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- 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

5.6.2 The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent. A full Equalities Impact Assessment will be carried out if the scheme is successful in proceeding.

## **5.7 Consultation and Engagement**

5.7.1 Statutory consultation has been carried through the experimental traffic management order and there has been no negative feedback received.

## **5.8 Insight**

5.8.1 The proposal to trial a pilot scheme was informed through analysis of the responses received to the consultation undertaken between July and September 2015.

## **6 BACKGROUND PAPERS**

6.1 BARNET'S PARKING POLICY NOVEMBER 2014

6.2 SUSTAINABLE MODES OF TRANSPORT STRATEGY 2007

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	<p><b>Environment Committee</b> <b>11/05/2017</b></p>
<p style="text-align: center;"><b>Title</b></p>	<p><b>Extension of the contract with Fleet Factors Limited for the provision of Parts, Good &amp; Supplies for the Transport Services Workshop until 31 December 2018.</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Director of Street Scene</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: center;"><b>Key</b></p>	<p>No</p>
<p style="text-align: center;"><b>Enclosures</b></p>	<p>None</p>
<p style="text-align: center;"><b>Officer Contact Details</b></p>	<p>Shaun Morley, Director for Street Scene, 0208 359 5109</p>

### Summary

Transport Services entered in an OJEU Open procedure in July 2015 to supply the council with parts for its vehicle fleet. This procurement did not proceed to award of contract due to budget constraints. To ensure continuity of service requirement delivery. Transport Services through the YPO framework 576, conducted a mini competition which identified Fleet Factor Ltd for award of contract following evaluation by the YPO. The Interim Director of Street Scene approved the DPR awarding the call off contract to Fleet Factor Limited on 23 February 2016, this included an extension option, subject to the performance and budget allocation. This report seeks approval to extend the current call off contract until 31 December 2018.

### Recommendation

**That the Committee approve the extension of the contract with Fleet Factors Limited through the YPO framework 576, for the provision of Parts, Goods & Supplies for the Transport Services Workshop until 31 December 2018, with annual projected spend of up to £750k per annum.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Council issued an OJEU Open procedure in July 2015 to supply the council with parts for its vehicle fleet. This procurement did not proceed to award of contract with only two submissions which did not reflect best value for the authority and were priced considerably higher than those paid at the time, resulting in budget pressure.
- 1.2 As a result of the unsatisfactory outcome of the tendering exercise, the Transport Services explored other alternatives to procure the parts for the Workshop. The Yorkshire Purchasing Organisation (YPO) framework contract 576 was considered to be a suitable alternative as it is an OJEU compliant framework.
- 1.3 The Council signed an access agreement allowing Council to use the framework and to conduct a mini-competition; reference 000973 for Managed Services – Fleet Stores. The submission was evaluated by the YPO with Fleet Factors being awarded the contract as they comfortably passed the quality threshold and also proved to be the most cost effective compared to the previous procurement exercise.
- 1.4 The contract to supply the parts and goods to the Council's transport workshop was awarded to the Fleet Factors Ltd, as part of the YPO Framework for a period of one Year with extension option subject to performance and budget allocation.
- 1.5 The Street Scene Services are currently going through a review and considering an Alternative Delivery Model (ADM). This requires the Transport Service to retain the flexibility to respond to the future requirement as part of ADM.
- 1.6 The projected spend under this contract has been identified and approved in the procurement forward plan. The Council has the ability to extend the current contract under the YPO framework 576, Lot 1, which is due to expire on 4 January 2019.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The decision to extend the call off contract through the YPO framework ensures Transport Services have compliant procurement arrangement in place whilst retaining the flexibility by not committing to a long term contract until the decision and implementation of the Street Scene Alternative Delivery Model.
- 2.2 An alternative to this recommendation would have been, for Transport Service to carry out OJEU procurement exercise. This would incur additional cost and could take up to 6 months to complete the process and would still require an interim arrangement to be in place to ensure the business continuity.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Transport Services initially sought to procure via an OJEU open procedure in July 2015 but the decision was taken not to proceed with contract award at this stage as this did not represent best value for the Council.
- 3.2 The review of alternative delivery methods does not support the conduct of a further OJEU exercise at this time and is not recommended.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 The Fleet Factors Ltd and the YPO will be informed of the Council's decision to extend the contract for the period up to 31 December 2018.
- 4.2 Transport Service will implement the changes in the current IT system to automate the parts issue through the parts catalogue system.
- 4.3 The future requirement will be reviewed and the Annual Procurement Forward Plan 2018-19 updated to support procurement authorisation to proceed with new contract.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 This decision supports the council's fourth corporate priority, namely "Where services are delivered efficiently to get value for money for the taxpayer"
- 5.1.2 The contract supports the function of the Transport Services that enables the delivery of the various front line services in Barnet.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 YPO have confirmed the Council's ability to extend the current contract under the YPO framework 576, Lot 1, as this framework is due to expire on 4 January 2019.
- 5.2.2 The contract has allowed the Transport Services to access alternative parts offered by various manufacturers in the industry improve supply chain due to local dealer network and benefited from the close proximity of their warehouse.
- 5.2.3 This opportunity has allowed Transport Services to improve its current Fleet Management System and processes, by implementing an automated parts ordering and recording system with Fleet Factors.
- 5.2.4 The Transport Service are projecting spend of up to £750k per annum, subject to the outcome of Street Scene Alternative Delivery Model. This spend has

already been approved in the Street Scene forward plan. The cost of parts, goods and supplies are recharged to the Service Users, by Transport Service.

### **5.3 Social Value**

YPO undertook the procurement of the framework being accessed for this requirement. Procurement are satisfied that this was undertaken in accordance with regulations including the delivery of social value.

### **5.4 Legal and Constitutional References**

5.4.1 The exercise has been conducted in accordance with the requirements of Contract Procedure Rules Appendix 1 Table A with authorisation to proceed in the Procurement Forward Plan and acceptance of outcome in this Full Officer DPR.

Regulation 72 of the Public Contracts Regulations 2015 permits an amendment, extension or renewal of an existing Contract without triggering a new Procurement exercise in the following cases:

### **5.5 Risk Management**

5.5.1 Failure to extend the current contract without alternative arrangements in place could result in a significant risk to continuity of Street Scene services and non-compliance with the Council's Procurement Rules.

5.5.2 As highlighted in 4.3 future requirements will be reviewed and the Annual Procurement Forward Plan 2018-19 will be updated accordingly to enable authorisation to procure a new contract.

### **5.6 Equalities and Diversity**

5.6.1 There are no equalities implications of this decision.

### **5.7 Consultation and Engagement**

5.7.1 There is no public consultation associated with this decision.

### **5.8 Insight**

5.8.1 Insight data is held by YPO framework 576 contract manager. YPO conducted the mini competition on behalf of the Authority to confirm award of contract to Fleet Factors Ltd for the supply of parts and goods to the Council's transport workshop.

## **6. BACKGROUND PAPERS**

- 6.1 The Interim Director for Street Scene previously approved the DPR to award the contract under the YPO framework 576, to Fleet Factors Ltd also allowing the extension of the contract subject to performance and budget allocation.
  
- 6.2 This procurement is included on the council's forward plan, <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?Allid=7373>.

