

	<h2>Policy and Resources Committee</h2> <h3>1 December 2016</h3>
<p style="text-align: center;">Title</p>	<p style="text-align: center;">Short term extension of The Barnet Group management oversight for Streetscene</p>
<p style="text-align: center;">Report of</p>	<p>Commissioning Director - Environment</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Urgent</p>	<p>No</p>
<p style="text-align: center;">Key</p>	<p>Yes</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Enclosures</p>	<p>None</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Jamie Blake Jamie.Blake@barnet.gov.uk (020 8359 7609) Kitran Eastman Kitran.Eastman@barnet.gov.uk (020 8359 2803)</p>

<h2>Summary</h2>
<p>This report seeks to obtain approval for an extension to The Barnet Group agreement to carry out management oversight of Streetscene services. In February 2016 The Barnet Group was engaged to provide senior management oversight to the Streetscene Delivery Unit (DU) for an interim six month period. This was extended to nine months by Policy and Resources Committee in March 2016.</p> <p>The Streetscene Alternative Delivery Model project is currently progressing well and on 1 November 2016 Council agreed the short list of options. This included two options involving the Barnet Group. The preferred option for delivery will be reported to the Environment Committee on 15 March 2017.</p> <p>Setting the extension of the current agreement to a date following the Environment Committee’s decision will allow the service to have stability until a decision is made on the new model.</p>

Recommendations

- 1. That Policy and Resources Committee consider and approve the extension of The Barnet Group Management oversight for Streetscene until 30 April 2017.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Streetscene Delivery Unit (DU) is an in-house service which currently has Barnet Group management oversight. This oversight agreement runs until 1st December 2016.
- 1.2 The Streetscene Delivery Unit (DU) is responsible for delivering a wide range of front line universal services across the Borough. These services have generally been successful in keeping the Borough clean and making incremental improvements within the recycling service.
- 1.3 The Street Scene Alternative Delivery Model (ADM) project is currently reviewing how services should be provided in the future. The initial Outline Business Case (OBC) was agreed by Full Council on 1 November 2016 following Environment Committee consideration. This initial OBC short listed four preferred options:
 - In-house service delivery with management support from The Barnet Group
 - Transfer service delivery to The Barnet Group as a Local Authority Trading Company (LATCo)
 - Outsource service delivery to an external provider(s)
 - Share service delivery with a neighbouring local authority
- 1.4 Public consultation is currently ongoing on the above four options as well as the wider ADM project. The consultation can be found on Engage Barnet (<https://engage.barnet.gov.uk/>) or paper copies are available on request. The consultation runs until 15 January 2017 and is titled "What's the future for recycling, waste, parks and cleansing across Barnet?"
- 1.5 The preferred option from this short list will be considered and agreed by Environment Committee on 15 March 2017.
- 1.6 Two of these options include The Barnet Group, therefore the extension of the current agreement to a date following the Environment Committee's decision will allow the service to have stability until the new model is chosen.
- 1.7 The transitioning implication of moving the current arrangements to the new preferred arrangements may also form part of the discussion in March 2016 for Environment Committee.
- 1.8 Extension to 30 April 2017 will also allow discussion with The Barnet Group about their shorter term involvement with Streetscene, should one of their options not be chosen.

Background to The Barnet Group involvement with Streetscene

- 1.9 In 2015/16 the council carried out a strategic review of the Streetscene Delivery Unit (DU) to ensure that it is fit for purpose to address the demands of a developing Borough, and the changing nature of public service delivery. While issues had been raised previously through the various audit processes the DU had not taken the opportunity to invest in additional senior management capacity. As a result of this lack of response, significant change had not occurred and outcomes had not been delivered against Key Performance Indicators (KPIs).
- 1.10 The changing nature of public service delivery resulted in greater pressure being placed on the DU to “do more with less”, and the service has also had to adapt to the changing delivery model that has been adopted by Barnet Council in terms of the relationship between the Commissioning and Delivery Units.
- 1.11 To reduce the risk of service failure during the assessment of the Streetscene ADM project and to improve the support of the DU during this very important period, it was deemed to be preferable that the service be placed within a successful, stable senior management environment that would be used to assist with the transformation projects whilst maintaining the staff on LBB terms and conditions.
- 1.12 The Barnet Group has been engaged for nine months to act as an overarching senior management facility; essentially setting up an Environmental Services Unit which has suitable specialist support brought in to help develop and deliver the short to medium-term financial and operational KPIs and the development and delivery of the Streetscene ADM project.
- 1.13 The nine month approval for that agreement that was given by Policy and Resources Committee in March 2016 is now ending.

2. REASONS FOR RECOMMENDATION

- 2.1 It is recommended that Policy and Resources Committee consider and approve the extension of the Barnet Group Management oversight for Streetscene until 30 April 2017. This will enable the service to have stability until the new Alternative Delivery Model is chosen. It will also enable the timing, transfer and implications of transitioning the current arrangements to the preferred new arrangements to be considered by the Environment Committee.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 **End Agreement with The Barnet Group** – Potentially a new senior management team could be parachuted into the service, probably consisting of a Service Director and at least two additional Assistant Director Posts. This would enhance the senior management capacity within the DU and mirror more closely the successful DU structures that exist elsewhere within the business. It should be noted, however, that there is no guarantee that suitable senior officers are currently available. Given the short period of time until the preferred options from the ADM process is considered by Environment Committee it was considered that this would cause instability for the service and the staff.

4. POST DECISION IMPLEMENTATION

- 4.1 There would be monitoring of the interim arrangement with The Barnet Group, while the ADM long term solution is considered.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Corporate Plan 2015-2020 is based on the core principles of fairness, responsibility and opportunity to make sure Barnet is a place:

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

5.1.2 The Corporate Plan 2015-2020 includes the following aims:

- We will be a Leader in London for recycling
- Over 50% of waste collected will be reused, recycled or composted in 2020

5.1.3 There are no implications relating to the Health and Wellbeing Strategy and its stated priorities, or the future health and wellbeing needs of the local population as identified in Barnet's Joint Strategic Needs Assessment.

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

5.2.1 The aim of the extension to the management arrangement of the DU is to ensure that DU is capable of continuing to implement the changes needed to meet the saving targets agreed by Environment Committee. Namely £5 million of savings allocated directly to street scene services, and the further £2.6 million of savings allocated for waste disposal which are wholly reliant on transformational changes within the service area.

5.2.2 The budget for this extension to the interim arrangement is £125,000 for the period December 2016 to April 2017. This will be provided from the £4.02m transformation budget agreed at Policy and Resources Committee on the 16th of February 2016 for the Environment Portfolio. This budget is funded from the council's transformation reserve.

5.2.3 The Barnet Group are a wholly owned local authority company which is controlled by the council as an Arm's Length Management Organisation (ALMO). As an ALMO owned and controlled by the council there would no need for a public procurement exercise because as it would come within the "Teckal" exemption. Section 12 of the Public Contracts Regulation 2015 provides that a procurement exercise under these regulations would not have to be carried out in such a case.

5.2.4 The current Streetscene staff would continue to remain in LBB employment.

5.2.5 There are currently no IT, Property or suitability implications.

5.3 Social Value

5.4 Section 1 of the Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure improvement in wider social, economic and environmental wellbeing. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. In taking forward the ADM options due regard will be paid to the Social Value Act

5.5 Legal and Constitutional References

5.5.1 Responsibility for Functions-Annex A of the Constitution sets out the terms of reference of the Policy and Resources Committee including:

- To be the principal means by which advice on strategic policy and plans is given and co-ordinated
- To be responsible for the overall strategic direction of the Council
- To be responsible for the overall strategic direction of the Council including strategic partnerships.

5.5.2 The Council's Contract Procedure Rules provide at paragraph 3.2 that the Contract Procedure Rules do not apply to non-procurement activities.

5.6 Risk Management

5.6.1 Initial risk rating indicates this short term extension as low risk as a result appropriate monitoring procedure will be put in place as part of the project steering group's monitoring programme.

5.6.2 The management of risk is done on a continual basis and reported as part of the Council Quarterly Performance regime and considered as part of the Performance and Contract Management Committee quarterly monitoring report.

5.6.3 Risks for this project will be managed through a strategic partnership board and review and revised at its meetings.

5.7 Equalities and Diversity

5.7.1 The Corporate Plan 2015-2020 sets the Strategic Equalities Objective, which is: that citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer. Changes to policies and services are analysed in order to assess the potential equalities impacts and risks and identify any mitigating action possible before final decisions are made.

5.7.2 The extension of The Barnet Group management agreement has been reviewed against the protected characteristics groups under the 2010 Equality Act namely age, disability, ethnicity, gender, gender reassignment, marriage and civil partnerships religion and belief, sexual orientation and transgender. There is not believed to be a negative equalities impact based on these changes

5.8 Consultation and Engagement

5.8.1 None for this item. Consultation is ongoing, however, for the Streetscene ADM process.

5.9 Insight

5.9.1 None for this item

6. BACKGROUND PAPERS

- 6.1 Council, 1 November 2016, Item 12.1, Referral from Environment Committee: Street Scene ADM,
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=8590&Ver=4>
- 6.2 Environment Committee, 29 September 2016, Item 8, Street Scene Alternative Delivery Model,
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=8590&Ver=4>
- 6.3 Policy and Resources Committee, 22 March 2016, Street Scene Delivery Unit Management Changes,
<http://barnet.moderngov.co.uk/documents/s30720/Street%20Scene%20Delivery%20Unit%20Management%20Changes.pdf>
- 6.4 [Delegated Powers Report, 5 February 2016, Approval for the appointment of The Barnet Group to provide a 6 month interim management facility to the Street Scene Delivery Unit:](http://barnet.moderngov.co.uk/documents/s29808/Summary%20DPR%20-%20Approval%20for%20the%20Appointment%20of%20The%20Barnet%20Group%20to%20Provide%20a%20Six%20Month%20Interim%20Manage.pdf)
<http://barnet.moderngov.co.uk/documents/s29808/Summary%20DPR%20-%20Approval%20for%20the%20Appointment%20of%20The%20Barnet%20Group%20to%20Provide%20a%20Six%20Month%20Interim%20Manage.pdf>