

# Taunton Deane Borough Council

## Council Meeting – 16 August 2011

To receive recommendations to the Council from the Executive.

### Councillor Williams

#### Deane DLO Internal Transformation – Final Proposals

At its meeting immediately preceding Council, the Executive gave detailed consideration to proposals for the internal transformation of the Council's Direct Labour Organisation – Deane DLO (Theme 3 of the Core Council).

The proposals build upon the interim plans which were approved by Full Council in December 2010 which have yielded financial efficiencies and established a 'direction of travel' for further internal transformation work. The following five improvement priorities continue to guide the process of internal transformation:-

- A lean, efficient and resilient service, able to respond flexibly to the changing demands of the Council and external clients;
- A thriving business, focused on commercial success;
- Excellence in performance management (financial and service);
- Excellent customer service and quality; and
- A committed and empowered workforce.

These final proposals represent a 'root and branch' programme of change for Deane DLO, to be implemented over the four year period to the end of March 2015.

Proposals are grouped into two categories: (i) changes to ways of working and (ii) structural changes.

With regard to the former, it is proposed to introduce an area working model, where front-line DLO staff and services will be grouped under 'Building' and 'Open Space' functions, which will be organised and delivered across specific geographic areas.

Building services will comprise of:-

- Housing maintenance and repair functions; and
- Highways and drainage works.

Open Space services will comprise of:-

- Grounds maintenance;
- Cleansing of streets and public conveniences;
- Parks;
- Nursery; and
- Tree surgery.

There will be a greater emphasis on a multi-skilled workforce. This involves a shift towards generic working, where the workforce is supported to work across a variety of tasks.

It is anticipated that a 10% saving in workforce costs can be achieved as there will be less repetition of work and fewer occasions when multiple trades need to attend to complete a job.

The introduction of modern information and communications technology is proposed to support many of the processes. This will free up time for supervisors, operatives and back office staff and will help monitor work performance and compliance with contracts.

Technological improvements will be used to track vehicles for better deployment and utilisation of the fleet and to monitor jobs and reduce the reliance on manual work processes. The maintenance of the DLO's vehicle fleet (excluding mowers and specialist plant/equipment) will be performed by an alternative supplier leading to extensive benefits.

Home based working will reduce the current dependency on the depot site, as staff will start their working day from home, rather than travelling to the depot to be assigned work and pick up supplies.

Centralised control for purchasing and stores functions will be introduced resulting in a reduced stock and the greater control of goods purchased from external suppliers.

It is further proposed that all new roles within the management and support structure will move from a 39 hour week to a 37 hour week with this reduction being phased in by 1 April 2012.

Beyond the management and supervisory structure, it is also proposed that a 37 hour week is applied to the wider workforce in 2012/2013, following introduction of mobile working, appropriate methods of charging and subject to further consultation with both staff and UNISON.

The DLO intends to apply commercial principles and develop measures to ensure that all existing and core business is delivered efficiently. The majority of services are provided direct to the Council but a number are also provided to a range of external organisations.

Although current legislation prevents Local Authorities from trading on a fully commercial basis unless through a separate, wholly owned trading company, there is considerable scope to increase commercial activity within the current operating model.

Deane DLO has always supported and recognised the benefits of employing apprentices and the proposed new structure will see new apprentice positions within the Business Support Team as well as developing multi-skilled trade operatives and open space staff.

The improvements have financial and operational efficiencies and they also work towards building a service that is less reliant on the current depot site and requires less space. Visits have already been carried out to look at potential sites in the Taunton area and a project team will be established to further progress the potential relocation of the DLO away from the Priory Depot site.

A culture of innovation and performance improvement is being developed to support the entire DLO transformation which will benefit the Council, customers and residents.

With regard to the structural changes, the key features of the proposed new structure are:-

- The creation of a Business Support Team which will pull together existing staff delivering similar administrative and support functions across the DLO, bringing a greater level of resilience and critical mass than currently exists. The team will be responsible for business development, customer contact, performance monitoring and ongoing support for the DLO transformation programme, including the day to day administrative tasks.

A reduced stores team and a post to carry out maintenance on the Council's fleet of mowers, plant and equipment will also be part of the Business Support Team.

- Changes to supervisory and technical support arrangements will result in Area Supervisors being allocated to one of the newly created geographical areas, either in the Building or Open Space service areas.

Two Project and Contract Supervisor posts will be responsible for delivering the existing contracts held by DLO, organising and co-ordinating the efficient delivery of other project works, such as void property completions, and winning new works for the DLO.

A technical support officer post dedicated for the Open Space service will be created, with expertise in the adoption, design and ongoing management of public open spaces and associated play and leisure/sports facilities.

Within the Building service, there will be a dedicated scheduling and administrative assistant post, responsible for allocating jobs to the most appropriate member of the work force.

- A new post of DLO Manager is proposed, responsible for the overall leadership of the newly created service and structure, and managing the ongoing transformation programme. This post will report to a director but will not be a Theme Manager.

The proposals are designed to be able to adapt to potential changes arising from the wider budget review project, including reductions in spend in some services or growth in others.

The proposed staffing and structural changes have resulted in a number of individuals being placed 'at risk' of redundancy. Recruitment to all new posts in the proposed structure will be completed by the end of December 2011.

This recruitment process will follow the same approach agreed with UNISON in previous themes of the Core Council Review and is consistent with the Council's own Redundancy Policy. The means of filling new posts will be rigorous, designed to ensure that the new structure contains all the necessary skills and competencies for success.

One-off redundancy costs from implementing the proposed structural changes will be in the range of £420,000 (minimum) to £540,000 (maximum). The actual cost is likely to fall somewhere in the middle of this range and will be funded from a mix of reserves.

Further one-off capital investment of £400,000 in new technology and systems will be required to support the transformation programme.

It is anticipated that net efficiencies resulting from the internal transformation process will reach in the region of £1,000,000 per annum by the end of 2013/2014, with a cumulative net efficiency gain of approximately £3,100,000 over the period to the end of March 2015.

It is therefore **recommended** that:-

The proposals for the internal transformation of Deane DLO be approved, particularly:-

- (a) The proposed changes to ways of working;
- (b) The proposed new management structure and recruitment process;
- (c) The timetable for introducing the above changes;
- (d) A sum of £540,000 is “ring-fenced” from reserves to fund the one off redundancy and staff related costs of implementing the internal transformation proposals. This sum to be split as follows:- DLO Reserve (£120,000), General Fund Reserve (£336,000), and Housing Revenue Account Reserve (£84,000);
- (e) A Capital Programme Supplementary Budget in 2011/2012 of £400,000 be approved to fund the required investment in information and communications technology. The Budget is to be funded from borrowing and used as required alongside the necessary procurement activity, with the capital debt being repaid over 10 years; and
- (f) The development of a business case for the relocation of the DLO site, for future consideration by the Council.

\* There will also be a further recommendation from the Executive for consideration by Members concerning when the question of outsourcing should be considered again.