

# Taunton Deane Borough Council

## Executive – 15 July 2009

### Review of Deane DLO – Brief for External Advisors

#### Report of the Strategic Director (Brendan Cleere)

(This matter is the responsibility of Executive Councillors Richard Lees, Hazel Prior-Sankey and Tim Slattery)

#### 1. Purpose of Report

- 1.1 To seek Executive approval of the brief for consultants to be appointed in late July 2009, to advise the Council on options for the future of services provided by Deane DLO.

#### 2. Background

- 2.1 Full Council approved an alternative approach to completing the Core Council Review in April 2009.
- 2.2 The alternative approach included the commissioning of independent external expertise to advise the Council on Theme 3 of the Core Council Review – to develop options for the future of services provided by Deane DLO.
- 2.3 An outline of the timetable for Theme 3 of the Core Council Review is provided in the table below:-

Table 1: Indicative Timetable for Theme 3 of Core Council Review

| Activity   | Indicative Deadline |
|--|---------------------|
| Challenge of current activities by members and identification of priority outcomes the Council want to deliver for residents and the communities of Taunton Deane, from this theme. Staff and a number of key stakeholders will also be engaged in this process. | End June 2009       |
| Detailed brief agreed by Members, outlining the requirements of independent advisors commissioned to develop options for the future of services provided by Deane DLO.   | Early July 2009     |
| Independent and external specialist advice commissioned to develop options against the brief agreed by Members.  | End July 2009       |

| Activity  | Indicative Deadline |
|---|---------------------|
| Interim feedback on emerging options provided to Members. Members to provide guidance on which options to develop in more detail. | End September 2009  |
| UNISON considers steer given by Members, with opportunity to provide input prior to decision on preferred option.                 | October 2009        |
| Members sign off preferred option(s). (Corporate Scrutiny, Executive and Full Council if necessary).                              | November 2009       |
| Corporate Management Team produce proposals to implement the preferred option(s), with timetable.                                 | December 2009       |

### 3. The Brief

- 3.1 It is important that the brief that external advisors will work to accurately reflects the wishes of Members.
- 3.2 The attached brief (Appendix A) has been prepared following consultation with UNISON, senior management across the authority, the Members Change Programme Steering Group and most recently the Corporate Scrutiny Committee on 2 July 2009.
- 3.3 Interviews of four short-listed bidders will take place on 23 July 2009. The attached brief has been sent to bidders, to enable them to prepare detailed tenders in advance of the interview. Any significant changes to the attached brief as a result of the Executive's discussion will be notified to all bidders in advance of the interviews.
- 3.3 Members will note that the brief refers to a number of appendices to be compiled in a pack for the external advisors. The information in the pack will give external advisors further background and context to help with the Review. Members can obtain this appendix pack by contacting Brendan Cleere (contact details provided at the end of the report).

### 4. Recommendation

- 4.1 The Executive is **recommended** to approve the attached brief (Appendix A).

### Contact

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**Appendix A**

# **Options for the Future of Services Provided by Deane DLO**

## **Brief for Consultants**

**July 2009**

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2. About Deane DLO
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### **Appendices**

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2. Report on Core Council Review proposals, including overall structure of Taunton Deane Borough Council
3. Operational Plans for Deane DLO:-
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  - Highways, Cleansing and Transport
  - Housing Property Services and Building
4. Analysis of current Deane DLO functions, cost and performance
5. Key Stakeholders for Review of Deane DLO
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7. Outcomes from stakeholder consultation events held in June 2009.
8. Nursery Business Plan 2009
9. Project Plan for Review of Deane DLO

## 1. Introduction

- 1.1 Taunton Deane is situated in an outstanding landscape of natural beauty, extending from the Somerset levels along the River Tone, with the Quantock Hills to the north and the Blackdown Hills to the south. Covering 462 square kilometres, it is predominantly a rural borough with two main centres of population, Taunton and Wellington, and a number of smaller towns and villages.
- 1.2 Taunton Deane Borough Council was rated an 'excellent' authority by the Audit Commission in 2004. We have maintained our excellent status through a focus on providing value for money in all that we do and staying focused on our Vision, to:

***Make life better for people and communities***

### The Core Council Review

- 1.3 The Council recognises the need to change as an organisation to meet the different needs of our communities and the increasing challenges facing all public sector bodies.
- 1.4 In February 2009, the Council approved the 'Core Council Review'. This review aims to introduce a new structure and ways of working that will enable the Core Council to:
- Be fit for purpose, delivering our vision, widened roles and ways of working
  - Deliver substantial efficiency savings for 2009/10 and beyond

### What is 'the Core Council'?

- 1.5 The 'Core Council' refers to those staff working in services which are not delivered through a partnership arrangement.
- 1.6 One of the Council's most significant partnership arrangements is a joint venture company called Southwest One, established in 2008. Founder partners in Southwest One include Taunton Deane Borough Council, Somerset County Council, Avon and Somerset Constabulary and IBM. Southwest One provides a wide range of corporate and support services to the Council, including:
- HR
  - Finance
  - IT
  - Property Services
  - Revenues and Benefits

- Customer Services
  - Health and Safety
  - Procurement
- 1.7 Other significant partnerships that the Council is involved in include the Somerset Waste Partnership, Tone Leisure and South West Audit Partnership.
- 1.8 Approximately 475 staff are employed within the Core Council.
- 1.9 The Core Council staffing structure is based on four themed groups:
- Theme 1 - Strategy and Corporate (38 staff)**  
**Theme 2 - Growth and Development (74 staff)**  
**Theme 3 – DLO/Business (200 staff)**  
**Theme 4 - Operations and Regulation (154 staff)**
- 1.10 Following approval by Full Council, the detailed structure for Theme 1 (Strategy and Corporate) began on 1 April 2009. Themes 2, 3 and 4 will be developed and implemented over 2009/10. A report to the Council's Executive about the Core Council Review is contained in the separate Appendix Pack, which outlines the overall structure and functions contained within each theme.
- 1.11 This brief relates to theme 3 of the Core Council Review, concerning the development and selection of options for the future delivery of services provided by Deane DLO.
- 1.12 The Council now wishes to appoint a consultant to assist the Council in this task, carrying out a robust and independent analysis and bringing forward a range of options for members to consider. Details of the brief are set out in section 3.

### Pioneer Somerset

- 1.13 Pioneer Somerset is a programme of enhanced partnership working between the county and five district councils of Somerset, to achieve the following outcomes:

#### **Outcome 1 – Efficiency**

To achieve annual revenue savings arising from enhanced two-tier working of £20m, by 2012/13 (Base year: 2007/08).

#### **Outcome 2 - Customer satisfaction**

For every principal local authority in Somerset to achieve levels of overall resident satisfaction in the National top quartile, by 2013.

### **Outcome 3 – Reputation and Partnership Working**

To achieve a marked improvement in the perception, reputation and recognition of Somerset and each of its local authorities, including positive direction of travel and use of resources ratings in the new Comprehensive Area Assessment of level 3 or above, by 2013.

- 1.14 Pioneer Somerset is a Somerset wide programme affecting every local authority service in the County. It sets an important context for this review and consultants will, as part of this brief, be expected to advise on the potential for closer partnership working with neighbouring local authorities on DLO services.

## **2. About Deane DLO**

- 2.1 Approximately 200 staff are employed at Deane DLO, based at Priory Depot on the outskirts of Taunton.

- 2.2 Functions of Deane DLO are described below:

### **2.3 Highways DLO (13 FTE)**

- To provide the Council with a high-quality, reliable and cost-effective civil engineering service, including maintenance of hard surfaces and drainage, an out-of-hours response to flooding emergencies, and other related activities.
- To create net income for the Council through commercial work.

### **2.4 Parks Service DLO (69 FTE)**

- To provide high quality parks, gardens and sports pitches that are safe and secure, and accessible to everyone.
- Generate income to reduce overall costs to the council taxpayer.
- To ensure that the Borough is an attractive place for residents, visitors and businesses.
- To support community groups in creating a pleasant and sustainable environment.
- To provide safe and secure play areas with a range of engaging activities that are accessible to all young children and their parents, and activity areas for older children and teenagers.
- To provide high quality plants and floral displays for the Council, and to generate income from sales to external customers.
- Maintain council housing green spaces to a good standard.
- Protect and maintain the council's tree stock.

In addition to maintaining approximately 180 hectares of land belonging to the council the Parks service also maintains the grounds for 160 schools and 12 hospital sites throughout Somerset as well as numerous other smaller areas for housing associations and parish councils etc.

## 2.5 Building DLO (73 FTE) and Housing Property Services

- To provide continued investment in the maintenance and management of the Housing stock and assets thus ensuring that they meet the tenants' needs.
- To ensure Best-Practice and full compliance with relevant legislation relating to Property Services.
- To involve all relevant stakeholders in the decision-making process.
- To operate at no cost to the Council's General Fund.
- To operate a repairs service with 24/7/365 call out

Housing stock remains in Council ownership, following a tenants' vote on potential housing stock transfer in December 2006. Currently, the overall client and contractor elements of Housing Property Services sit under one Manager, with separate teams responsible for each element. Both teams are based at Priory Depot. As part of the wider Core Council Review, the Council will determine where the client side of this function best sits within the overall structure.

## 2.6 Cleansing DLO (25 FTE)

- To provide a high-quality and cost-effective street cleansing and public convenience service throughout the Deane.

## 2.7 Nursery (2 FTE)

- To provide a cost-effective plants and floral displays to TDBC.
- Provide safe storage for materials, equipment and goods for the Parks service.
- Provide community educational facilities
- Maintain the provision of plants for floral displays to Britain in Bloom standard.

The Council completed the relocation of the horticultural nursery from its Taunton town centre site to a new location on the outskirts of Taunton in 2008. The new site at Stoke Road offers greater capacity and is equipped with state of the art technology to enable the most efficient cultivation of horticultural products for a wide range of clients.



The Business Plan for the new nursery is included within the appendix pack.

## 2.8 Transport DLO (2 FTE)

- To provide a cost-effective fleet management and maintenance service for the Council.

This service is currently less commercial than the other areas and therefore identified in the business plan as having the potential for expansion. As it stands currently the Transport DLO has more of a support service role than one of directly delivering services to the residents of the Deane.

## 2.9 Stores Function

- To supply goods and materials for the various DLOs, at the time they need them.

The consultant will be required to advise on the future of the in-house stores facility, as part of their work on developing options for the future of services provided by Deane DLO.

## 2.10 An important feature of Deane DLO's current business model is the variety of work carried out on behalf of external clients, such as the Environment Agency, Somerset County Council, housing associations, parish and town councils and private householders. This external commercial work is designed to reduce the overall cost of services provided to the authority and strengthen the Council's overall budget position.

A more detailed analysis of Deane DLO functions and finance is provided in the separate appendix pack.

## Potential Partnership with Sedgemoor District Council DLO

### 2.11 Discussions started with Sedgemoor District Council in 2007, to explore possibilities of generating efficiencies through closer working between the cleansing and horticultural functions of the two DLOs.

### 2.12 A Project Team was formed to explore this in more detail and bring forward a range of options for the two authorities to consider. The report of the Project Manager is included within the appendix pack, and outlines the project team's preferred option of a shared management arrangement between the two authorities to deliver cleansing and horticulture functions.

- 2.13 The report has yet to be formally considered by the Council and the brief for the consultant appointed includes the requirement to advise and make recommendations on this potential partnership arrangement, within the context of the wider possible options for the future of Deane DLO.

### **3. Outputs Required from the Review**

- 3.1 Over the period August 2009 to November 2009, the consultant will be required:
1. To develop a range of options for the delivery of services currently provided by Deane DLO, set against the background of the wider aim of the Core Council Review to generate substantial efficiency savings. For the DLO, members have set a minimum revenue savings target of £112k, to be generated either through cost saving measures or income generation through commercial activity. The consultant will also be required to advise on the future of the stores facility under each option.
  2. To benchmark the performance of DLO services against industry norms, as evidence to support the range of options developed.
  3. To advise on implementation details for the options developed, including the likely timetable, costs, employment matters and procurement approaches in relation to any potential external or outsourcing arrangement.
  4. To advise on the significant business risks, opportunities, advantages and disadvantages associated with each option. This should include advice on the current business model.
  5. To explore the potential for closer connection with functions in other themes of the Core Council, particularly those services which generate income, such as licensing and the crematorium.
  6. To explore the potential for increased income generation and commercial activity under each option, having regard to any legal and policy restrictions on this.
  7. To seek the views of neighbouring local authorities, with particular emphasis on the potential for enhanced shared service delivery consistent with the Pioneer Somerset programme. In particular, this should include advice and recommendations on the potential shared service arrangement with Sedgemoor DLO.
  8. To consult staff, elected members, tenants and key stakeholders on possible options.

9. To evaluate options, weighing these up against elected members' priorities, outcomes of performance benchmarking of current services and the views of different stakeholder groups.
10. To recommend a preferred option or options for the future.

#### **4. Stages of the Review**

- 4.1 The Review will be split into two key stages:

**Stage 1** - where an early 'long-list' of options will be developed and put before members, with advice provided on steps 2 – 5 of the brief. This stage will conclude with selection by members of a short-list of options.

**Stage 2** - involving more detailed work on short-listed options and consultation and engagement with key stakeholder groups. This stage will conclude with the selection by members of a preferred option (or options) for the provision of services currently delivered by Deane DLO.

- 4.2 In developing and refining options, the consultant will be required to seek the views of a range of key stakeholders. Stakeholders will include (but not be limited to): elected members (particularly the Leader of the Council, Executive Portfolio Holders and the Members Change Programme Steering Group), Strategic Directors and Managers, DLO staff representatives, UNISON representatives and a number of external clients and partner organisations. A full stakeholder list is contained within the separate Appendix Pack.
- 4.3 Bidders will note that early consultation on options for the future of DLO services has already taken place with a wide range of staff, elected members and stakeholders. A report of these well attended events (held on 23 June 2009) is included within the separate appendix pack. A separate event for Housing tenants was held on 29 June and this is also appended.

#### **5. Key Dates for the Review**

- 5.1 The successful consultant will be appointed in late July 2009 and must be able to begin work immediately. The review must conclude by 11 November 2009.
- 5.2 Key dates during the course of the Review are set out below, although this is not an exhaustive list:

## **Stage 1**

**By 31 July 2009** - Start up meeting with appointed consultants

**21 August 2009** - Completion of interim report (long list of options)

**3 September 2009** - Corporate Scrutiny Committee discussion of long-list options, with comments provided for consideration by Executive.

**16 September 2009** - Executive decision on options for short-list

## **Stage 2**

**5 October 2009** - Completion of draft final report and recommendations on preferred option/options.

**29 October 2009** – Corporate Scrutiny Committee discussion of draft final report

**11 November 2009** - Executive consideration of final report and decision on preferred option/options.

- 5.3 The detailed project plan contained in the separate Appendix Pack establishes all key activities and milestones which the appointed consultant will be required to meet.

## **Contact:**

For further information about this brief, please contact:

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