

Taunton Deane Borough Council

Executive - 8 October 2015

Street and Public Toilet Cleaning – Future Delivery of Services

Report of the Open Spaces Manager Cyril Rowe

(This matter is the responsibility of Executive Councillor Patrick Berry)

1. Executive Summary

The purpose of this report is to seek Member approval to progress a procurement exercise for a shared service for street and toilet cleaning.

This will be a TUPE contract, therefore no employees will be put at risk of redundancy.

2. Recommendations

- 2.1 It is recommended to the Executive to progress a procurement activity with WSC for a shared operation to provide Street and Toilet cleaning services.
- 2.2 Any possible contract to have provision for toilets being maintained by other bodies to be included if desired.
- 2.3 Any toilets that at the time of tender that discussions with Parish Councils has not been resolved will be included for contractors to price.

3. Background and Full details of the Report

- 3.1 Both Taunton Deane Borough and West Somerset Councils are facing significant ongoing financial pressures as recorded in the Medium Term Financial Plans (MTFP), and there is a need to look for opportunities to close this gap whilst delivering the services that are priorities for each council.
- 3.2 Whilst *Members at WSC* have not yet set their priorities there is a clear steer to look at reducing the service level in order to make the necessary savings. TDBC have set their priorities and the picture to date has been the opposite and temporary investment has been made in the service above and beyond the normal budget level for this and the previous financial year. Any possible future contract will include clear flexibility to enable Council to expand/contract the services as priorities are updated.

- 3.3 At present WSC provide these services using an external contractor, Veolia. The contract with them has just been extended for 12 months. During this twelve month period a tender will be prepared, marketed, assessed and awarded. TDBC have an opportunity to look at joining the street cleaning and public toilet cleaning services of the two Councils with the aim to make financial savings. The opportunities to do this exist in reducing duplication and better use of resources over two council areas. An example is the use of the mechanical street sweeping equipment costing hundreds of thousands of pounds for each Authority that could be better used across a wider area. Alternative working arrangements in a single contract across both Authorities could also result in a reduction in the overall equipment required thus contributing to much needed savings.
- 3.4 TDBC's street and toilet cleaning is at present carried out in house by the Open Space Team, operating from the Depot at Priory Way, High Street car park and Longforth Road in Wellington
- 3.5 The Open Spaces Manager manages the operation of both services. However the delivery of these functions differs across the two areas which leads to further duplication of tasks.
- 3.6 TDBC directly employ staff to carry out the works. There are two independent budgets, one for street cleaning the other for public toilets. The manager is responsible for monitoring these covering all aspects of maintenance needed. A tier 5 Manager is responsible for delivery of the service on a day to day basis. They manage all employees involved in the delivery of the function, control all plant, vehicles and materials that are required, as well as manage the initial investigation into fly tipping and abandoned vehicles.
- 3.7 WSC has an external contractor, Veolia who provide these services. The contractor employs the staff, provides equipment and the materials that are needed. They provide the complete service required. Managers within the one team shared service monitor the contract standards and budgets.
- 3.8 The scope of services include but are not limited to:
- Mechanical street sweeping
 - Manual street sweeping and litter picking
 - Abandoned vehicle investigation and removal
 - Fly tip investigation and removal
 - Collection of needles, syringes and glass 24 hours a day (by report)
 - Event clean ups (Carnival, Christmas lights switch on, Summerfeast...)
 - Bin installation and small repairs
 - Unlocking and cleaning of the public toilets
 - Small repairs to facilities when damaged

- 3.9 TDBC provide these services for various clients
- Internally: Housing department, Car parks, Crematorium and Parks.
 - External: SCC Highways, Schools, Parish Councils, NHS and various private organisations

- 3.10 The following TDBC employees would be impacted should members decided to explore this as an option:

- 12 permanent street cleaning employees
- 6 agency street cleaning employees
- 2 permanent toilet cleaning employees
- 1 permanent manager

- 3.11 Most but not all of these roles are full time. There are occasionally a small number of other employees that support the work of these services, however these are not identified above at this stage as it is not thought that they would be materially impacted by a change in the delivery method.

- 3.12 The employees listed above spend the majority of their time on the works that would transfer to the contract if approved

- 3.13 The indicative timeline to seek a decision on a transfer of these functions is proposed to be:

Employee engagement starts	September '2015
Decision from Members to tender	September '2015
PQQ	October '2015
Member priority work linked to JMASS transformation stage	October '2015
Tender documentation published	December '2015

Engagement with Unison is would be undertaken throughout the process.

- 3.14 The proposal set out in this report would not see TDBC bid for the wider contract due to: the cost of bidding, the resources required to bid, the pension liabilities that may come from transferring in the WSC contract delivery employees and the difficulties the Council may face in delivering changes required to make significant savings.

4. TDBC Finance / Resource Implications

- 4.1 The approved budget for 2015/16 is shown below. The costs of management are included in the various recharges shown in the "recharges" column. There would be a number of recharges that could not be considered as a saving for the council in the event of a different delivery model being chosen and for this purpose these have been excluded with only direct line management needing to be added back in.

- 4.2 The "one off funds" column relates to additional financial resources that

were allocated by Full Council for 2015/16 only. These amounts were provided for a specific purpose and no assumptions can be made that they will continue into future years.

- 4.3 The managed budget is considered to be the remainder that the budget holder has to deliver the service, and will cover costs such as employee costs, waste disposal, fleet, utilities, consumables, litter bins, building maintenance etc.

Budget line	Full Budget	One off funds 15/16	Recharges	Managed Budget
Public toilets	328,840	80,000	39,810	209,030
Street Cleaning	739,070	67,000	96,940	575,130

- 4.4 It is not possible to determine with any level of accuracy the range of savings that may come from a combined contract at this stage. However soft market testing shows there is significant interest from contractors which could result in worthwhile savings being achieved.

- 4.5 The transfer and/or disposal of related assets will need to be considered and addressed as any procurement activity progresses. As will
- Fleet Management costs
 - Insurances
 - Social Value Act
 - Pension costs/transfers
 - The planned contract term including review/break periods

5. Legal Implications

- 5.1 Any tender would be put to the market with TUPE protections for all employees.

6. Links to Corporate Aims / Priorities

- 6.1 There are no direct links to corporate priorities but street cleaning is a statutory function for district councils.

7. Environmental Impact Implications

- 7.1 There are no negative environmental implications as a result of the recommendations in this report.

8. Community Safety Implications

- 8.1 There are no community safety implications as a result of this report.

9. Equality and Diversity Implications

9.1 There are no equalities impacts as a result of this report.

10. Safeguarding Implications

10.1 There are no Safeguarding implications as a result of this report.

11. Risk Assessment

11.1 There are no risk implications with this report.

12. Contractual Implications

12.1 Consideration needs to be given to the waste disposal contract in place with Viridor. Also current TDBC arrangements in place for vehicle leasing. Both of these will need to be negotiated during the procurement process.

13. Health and Wellbeing Implications

13.1 There are no Health and Wellbeing implications as a result of this report.

14. Asset Management Implications (if any)

14.1 No decisions has been made with regards to TDBC Vehicles and equipment currently used to provide these services. Or to the premises currently being used to operate these services from. These items will need to be considered in contract negotiations.

15. Consultation Implications

15.1 Employee engagement has started with engagement with UNISON throughout the process.

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