

## **Executive – 16 August 2011**

**Present:** Councillor Williams (Chairman)  
Councillors Mrs Adkins, Cavill, Hayward, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

**Officers:** Penny James (Chief Executive), Shirlene Adam (Strategic Director), Brendan Cleere (Strategic Director), Chris Hall (Highways and Cleansing Manager), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager)

**Also present:** Councillors Mrs Allgrove, Beaven, Bishop, Bowrah, Brooks (The Mayor), Denington, D Durdan, Miss Durdan, Farbahi, Mrs Floyd, Gaines, A Govier, Mrs Govier, Hall, Henley, Hunt, Miss James, R Lees, Mrs Lees, Ms Lisgo, Meikle, Morrell, Mullins, Nottrodt, Ms Palmer, Prior-Sankey, Reed, Ross, Gill Slattery, T Slattery, Mrs Smith, P Smith, Swaine, Tooze, Watson, Mrs Waymouth, Ms Webber, A Wedderkopp, D Wedderkopp and Wren Mrs Anne Elder (Chairman of the Standards Committee)

(The meeting commenced at 6.15 pm.)

### **73. Apology**

Councillor Edwards.

### **74. Public Question Time**

Councillor Henley referred to the Motion that had been carried at the last Full Council meeting concerning the opening hours of the two Household Waste and Recycling Centres (HWRC's) in Taunton Deane. He understood that an informal meeting of the Somerset Waste Board had subsequently been held to discuss various matters including the opening hours.

He asked what positive actions had been taken by the Council's representatives on the Waste Board to extend the current operating times of the HWRC's?

Councillor Hayward confirmed that a written response would be prepared and sent to Councillor Henley.

### **75. Deane DLO (Direct Labour Organisation) Internal Transformation – Final Proposals**

Considered report previously circulated, concerning proposals for the internal transformation of the Council's Direct Labour Organisation – Deane DLO (Theme 3 of the Core Council).

The proposals built upon the interim plans which were approved by Full Council in December 2010 which had yielded financial efficiencies and established a 'direction of travel' for further internal transformation work. The following five improvement priorities continued 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 represented 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 were grouped into two categories: (i) changes to ways of working and (ii) structural changes.

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

Building services would comprise of:-

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

Open Space services would comprise of:-

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

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

It was anticipated that a 10% saving in workforce costs could be achieved as there would be less repetition of work and fewer occasions when multiple trades needed to attend to complete a job.

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

Technological improvements would 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) would be performed by an alternative supplier leading to extensive benefits, details of which were submitted.

Home based working would reduce the current dependency on the depot site, as staff would 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 would also be introduced resulting in a reduced stock and the greater control of goods purchased from external suppliers.

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

Noted that beyond the management and supervisory structure, it was also proposed that a 37 hour week be 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 intended to apply commercial principles and develop measures to ensure that all existing and core business was delivered efficiently. The majority of services were provided direct to the Council but a number were also provided to a range of external organisations.

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

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

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

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

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

- The creation of a Business Support Team which would pull together existing staff delivering similar administrative and support functions across the DLO, bringing a greater level of resilience and critical mass than currently existed. The team would 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 would also be part of the Business Support Team.

- Changes to supervisory and technical support arrangements would 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 would 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 would 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 would 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 was proposed, responsible for the overall leadership of the newly created service and structure, and managing the ongoing transformation programme. This post would report to a director but would not be a Theme Manager.

Further reported that the proposals were 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 had resulted in a number of individuals being placed 'at risk' of redundancy. Recruitment to all new posts in the proposed structure would be completed by the end of December 2011.

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

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

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

It was anticipated that net efficiencies resulting from the internal transformation process would 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.

Reported that the Consultants Turner and Townsend had been commissioned to carry out a 'light touch review' of outsource and internal transformation options for Deane DLO. The recommendations included within the consultant's report were as follows:-

- That the DLO be allowed to prove the sustainability of the internal transformation proposition and new operating model; and
- That continued director level support be assigned to oversee delivery of the internal transformation and that at regular intervals a review be completed specifically to determine progress as measured against the plan; facilitate an exchange of market innovation information; provide guidance or redirection as required; and to provide assurance to Members that their confidence was well placed.

Engagement and consultation with staff had been an integral feature in the development of the internal transformation proposals. Mechanisms for engagement had included a staff forum and suggestion scheme, project newsletter, staff briefings and team meetings. Regular discussion and consultation has also taken place through the UNISON Change Forum.

Member engagement had also taken place primarily through the DLO Project Members Steering Group, which has met regularly since summer 2010.

Reported that the Corporate Scrutiny Committee had considered this issue at its meeting on 14 July 2011 and had agreed to recommend the internal transformation proposals for approval by the Executive.

The issue as to when to revisit the outsourcing option had been discussed at some length, with the final resolution being to recommend that this option be considered again in four years' time. This would be subject to regular review of progress with the internal transformation programme in the context of a rapidly changing external environment.

During the discussion of the report, a Member enquired whether under the Equalities considerations the impact of the proposed new working arrangements had been taken into account in respect of all staff who currently worked for Deane DLO.

The Highways and Cleansing Manager confirmed that there was a wide range of abilities amongst the workforce and that clearly new working practices could not be introduced to all members of staff until full training had been provided.

**Resolved** that Full Council be recommended:-

- (1) To approve the proposals for the internal transformation of Deane DLO 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 be “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 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; and
- (2) To agree the continuation of the programme of internal transformation of Deane DLO to March 2015 with regular reviews being undertaken by the DLO Project Members Steering Group and through the Council’s Scrutiny process.

76. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months.

**Resolved** that the Forward Plan be noted.

(The meeting ended at 7.25 pm.)