

Report of the Director of Leisure and EnvironmentITEM 22 ENGINEERING SERVICE REVIEWPurpose of the Report

To report on the scope, objectives and proposed outcome of the Engineering Service Review and the target level of savings attributed in the service review.

Recommendations

1. That the proposals arising from the Engineering Service Review be implemented, specifically:
 - A revised management and staffing structure as set out in the Appendix of this report
 - A revised and streamlined operating methodology
 - A revised and streamlined service delivery structure
 - A reduced standby arrangement that will cater for the high risk winter months
 - Actions to ensure the retention of expertise and capacity for responding to future flood risk management needs
2. That delegated authority be given to the Director of Leisure and Environment to make staffing and operational changes to implement these proposals
3. That the balance of savings of £45,000, as set out in the Financial Implications, be approved.

Reasons

1. and 2. To enable the proposals arising from the service review to be implemented efficiently.
3. To meet the financial targets required by the Service Review.

Policy

The proposals identified in this review recognise the risk and demands put on this service. The changes to the service will safeguard flood mitigation and the appropriate level of flexible staff support which accords with the Council aims of **People, Places, and the Environment Matter** and accords with the aim of an **Excellent Council**.

Background

In recognition of the fact this service review was initiated and progressed prior to the establishment of a formal service review framework, this document highlights the journey undertaken by the Engineering Service review over the period November 2009 to January 2010. The document highlights the scope and objectives of the service review that was undertaken for Engineering Services and in particular it sets out the level of savings attributed to this service review against the target in the 2010/11 budget setting process. The report also highlights the range of options that have been considered for the Engineering Service, the consultation process undertaken and the resultant option chosen together with the related financial saving.

Scope of the Service Review

The scope of this Service Review covered all aspects of Engineering Services by the following:

- CCTV External Contracts
- Engineering Services
- Footway Lighting
- Street Furniture and Bus Shelters
- Flood Prevention

The Engineering Team forms an integral part of Environmental Services covering a range of activities including:-

- Water course maintenance and enforcement
- Flood defence planning
- Assistance and advice for land drainage adoption
- Development of flood prevention capital projects through modelling
- Provision and maintenance of street furniture including bus shelters, town centre seating & cycle racks, and street name plates
- Procurement and maintenance of CCTV infrastructure
- Graffiti and fly-posting removal
- Assistance with the setting up and removal of the fair
- Assistance with election duties (moving of boxes)

Of the above functions whilst few are currently statutory (street name plates and the removal of graffiti), there is an acceptance that the Council will actively be involved in a number of areas e.g. water course maintenance and CCTV. Significantly, the work carried out in respect of water course maintenance is part funded through the

RSG; if no work is done in this respect, then the Council would not make 100% savings.

There was also a need to review the Engineering function due to a number of service pressures, in particular fleet management that currently sits within Environmental Services with little dedicated management resource and increased pressure on the removal of graffiti.

Significantly, it is also noted that new flooding laws giving local authorities responsibility for managing flood risk in their area, are reported by the Local Government Association as good news, but have warned that the new powers may create the need further committed resources.

The Floods and Water Management Bill, announced in the Queen's Speech of November 2009, gives councils the lead role in managing surface water in their area. This will see Councils coordinating water companies, the Environment Agency and other local partners to make sure drainage systems work properly and homes are protected.

This review therefore has taken account of the impending changes in legislation and seeks to retain internal expertise and capacity to respond to the future expectations of the Council in responding to water management.

Other objectives of the Service Review

The review that has been initiated within the Engineering Team is in the context of a number of issues currently impacting upon the Leisure and Environment Directorate. Consideration has therefore been given to a number of issues within this review:-

- Toilet cleaning (need for additional cleaning resource due to vacancy)
- Fleet management (lack of management, supervision and administrative support)
- Continuation of non-statutory functions
- The increased demands of graffiti removal as part of raising customer expectations on the cleaner greener agenda
- Out-of-hours demands on service delivery
- The need for efficiency savings to be found
- The need to retain a long-term focus on responding to future legislative changes in relation to surface water flood risk management

The review process has been ongoing for some time with a formal consultation period completed with the Unions and staff affected in mid December. Follow up meetings with the Unions were held in early January 2010 with an agreement on a way forward completed in February 2010.

Principal options evaluated

The options for reviewing the Engineering Section centred around the risk management of future potential flooding issues (the future outcomes of the Pitt Report and The Floods & Water Management Bill), and the management of workloads within the Engineering Team including the fleet management function. Options considered included:-

- A. Doing nothing, retaining existing structure, staffing and functionality;
- B. The cessation of the service in total;
- C. Reduction in staffing numbers to a minimal level;
- D. Transferral of functions to outside agencies;
- E. The reduction in operating costs through efficiency measures such as reviewing operating methods.
- F. Increased income generation to improve efficiency and reduce costs to the service.

In evaluating the options, Option A clearly did not meet the target efficiency savings.

Option B cannot be achieved due to the statutory nature of some of the functions currently undertaken by Engineering Services e.g. street name plates and graffiti removal. In addition, the cessation of the service in total would put the Council at risk of not being in a position to respond to the impending Flood and Water Management legislation.

Due to the nature of the flood management work the risk assessment identified that staff must work in pairs. With standby identified as a requirement during the winter months as a minimum, this effectively requires a Depot Staffing number of four to allow for two staff to be on standby at any one time. Option C therefore identified the minimum number of staffing to be four Depot Staff.

The transferral of functions to other agencies could be achieved (e.g. graffiti removal could be considered a waste management function with consideration given to this service being undertaken by Serco). However, if the Council is to retain the capacity to deal with flood management issues, the unpredictable nature of this type of work (the need to have Teams on standby, 'just in case') coupled with the uncertainty regarding future legislative requirements on the Council, effectively makes this Option D unaffordable.

The review of operating methods to achieve efficiencies has been a guiding principle throughout the review. The renewal of the Fleet Contract in August 2009 has allowed fleet management to be optimised. In addition, the review also allows for more flexible working patterns for issues such as graffiti removal that maximise staff utilisation and minimise staff 'down-time' e.g. early morning working when pedestrian traffic and disruption is kept to a minimum.

Option F has been considered during the review, in particular in relation to the staffing expertise in respect of flood management issues. Whilst there are few opportunities and minimal interest from neighbouring authorities at this time for increasing income through working in other parts of the County, this will be kept under constant review.

Proposal

The review principally provides a mixture of the various Options identified above. In particular, the proposal reduces the staffing to a minimum level whilst accepting that the future risks of responsibilities being passed to the Council as part of a wider UK legislative development around flood management are too high to effectively dismantle the Team at this time.

The proposal specifically includes:-

- The retention of the core functions of the Engineering Team
- A revised management and staffing structure to provide a balanced and responsive Team (see revised structure attached as Appendix A)
- A revised and streamlined operating methodology e.g. improved core hours
- A revised and streamlined service delivery structure e.g. fleet requirements
- A reduced standby arrangement that will cater for the high risk winter months
- The retention of expertise and capacity for responding to future flood risk management needs e.g. the Flood Management Bill
- A continued exploration of ways in which the service can 'sell' the expertise and knowledge to neighbouring external organisations to help reduce the cost to the Council

In proposing to create a more streamlined Engineering Service the Council will be able to be much more responsive and flexible to the future needs of the service and the communities served. Additionally, it brings together a number of smaller functions within Environmental Services that provide a broad service delivery function – essential when considering the patterns of work dictated by the flood prevention function. The call out provision also balances the needs of the service with the resources available (both financially and in human terms).

Consultation and communication requirements

The consultation conducted as part of this review has been held with the Unions and staff affected. The consultation has resulted in positive feedback with most comments accommodated within the review satisfactorily. These principally include the move to 'core' 0830 – 1700' hours with an 'option' to join an extended flexitime scheme; the change from the Engineering Assistant to Engineering Operative; and a continuation of existing standby arrangements until the Council agrees a corporate arrangement across the whole of the Council's Services.

In addition, the current Project Engineer has made a claim for honorarium payment for the additional duties undertaken in recent years since the previous Manager left in 2006. In accepting that additional responsibility has been undertaken by the Project Engineer, an agreement has been reached to make a one off payment to the post holder. This amounts to the difference between the current scale of the Project Engineer (SO2) and the bottom of the scale for the redesignated post of Engineering Manager (PO1). This has been the subject of a separate delegated

decision that covers the period up to the implementation of this review in April 2010.

Timeline and resourcing estimates

The review can be completed within six to eight weeks of a decision by Cabinet and will therefore realise the full year's savings identified above. Future years savings cannot be met from within the service as part of this review.

Financial Implications

The indicative savings target for the Service set out in the Cabinet report of 26 November 2009 is £94,000 per annum on an ongoing basis with £47,000 attributed to 2010/11.

This translates into an ongoing reduction in net cost of service of £89,000 and a total ongoing reduction in service of £106,000 from 2009/10 base position. The requirement for savings in 2010/11 now equates to £45k with future years ongoing savings target of a further £44k.

As part of the budget preparation for 2010/11, efficiency savings of £45k have been made of which £36k is from Engineering Services. The remaining £44k saving for future years could not be found within Engineering Services, however, equivalent savings of approximately £44,000 has been identified from the introduction of composting of street sweeping and the diversion of garden waste composting.

The honorarium payment to the Project Engineer has been met from existing budgets in Engineering Services in 2009/10 due to savings in staffing costs relating to vacant posts.

Risk Assessment

Risk	Likelihood	Impact	Measures to address risk
Failure to achieve the savings target	Low	Med	Proposed route addresses savings target and will continue to be monitored through ongoing performance monitoring of the engineering service.
Impact upon customer satisfaction and attendance numbers	Low	Med	The proposal sustains flexibility and customer satisfaction.

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APPENDIX A – REVISED STRUCTURE PROPOSAL (TAKING ACCOUNT OF CONSULTATION)

