

## BOROUGH OF KETTERING

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<b>Report Originator</b>	Head of Service Environmental Care Brendan Coleman	<i>Fwd Plan Ref No:</i> A17/065	
<b>Wards Affected</b>	All	14 <sup>th</sup> November 2018	
<b>Title</b>	FUTURE PROVISION OF STREET SCENE SERVICES		

**Portfolio holder - Councillor Ian Jelley**

### **1. PURPOSE OF REPORT**

- (a) To update members on the progress of the shared street scene project between Corby Borough Council (CBC) and Kettering Borough Council (KBC);
- (b) To confirm a commencement date of 2<sup>nd</sup> February 2019; and,
- (c) To recommend to Full Council a variation to the 2018/19 General Fund capital programme for the purchase of grounds maintenance equipment for the Shared Street Scene Service.

### **2. BACKGROUND**

- 2.1 Since 22<sup>nd</sup> November 2017 the Joint Working Steering Group meetings have taken place monthly to receive project information/updates/discuss/agree recommendations on service standards and proposals.
- 2.2 The two councils have signed a Memorandum of Understanding (MoU) to formalise our intention to work in a shared service arrangement.
- 2.3 In the Executive Report dated 18<sup>th</sup> October 2017 it was resolved that the Executive approve the alignment of various service standards.
- 2.4 Significant further progress continues to be made by the Joint Working Project Team (JWPT) on the implementation arrangement for the shared service within each of the key work streams for the project.

#### Governance

- 2.5 The MoU was signed on the 13<sup>th</sup> March 2018. The framework document to replace the MoU Shared Service Agreement is being progressed and this agreement is currently being drafted with input from colleagues from CBC's and KBC's Legal, HR, Finance, Operational and Technical Teams.

#### Finance

- 2.6 A joint budget has been developed and prepared by the Project Team with finance officers from both CBC and KBC. CBC at the One Corby Policy Committee (OCPC) meeting on 23<sup>rd</sup> October 2018 approved a working budget

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of £4.285m for 2019/20. This is £355,000 higher than compared to CBC's original budget. Other contracts that have recently been re-tendered in Northamptonshire have seen an average increase of 33% in contract costs for the delivery of a similar or lesser service specification. If a similar increase were applied to this contract, CBC would have seen an increase of around £1.2m.

### Communications

2.7 The communications plan for the shared service project, includes:

- Staff Communication for both KBC, CBC and Kier
- Unions
- Internal and external key stakeholders/ partners/community groups
- Members/Parish Councils
- Public

2.8 The next phase of the communication plan includes undertaking formal communication with the relevant unions/representatives and our joint work force around contracts and terms and conditions, as detailed in Paragraph 2.10 below.

2.9 As an introduction to the new shared service, members from both KBC and CBC have been invited to a Member's Information Evening at CBC on 26<sup>th</sup> November. This include plans for how the new shared service will operate. Within this forum, there will also an opportunity to meet key managers from within the service and an opportunity for a "question and answer" session to address any queries which members may have on the service. We would encourage all members to attend. The invitation is attached as **Appendix 1**.

### Staff

2.10 Work has been undertaken by the Project Team which includes HR officers from both CBC and KBC, to establish proposals for both management and operational structures. Following CBC's OCPC meeting on 23<sup>rd</sup> October 2018, we have formally commenced the process in connection with proposed contractual changes. This will take the form of "Measures" that will be consulted on with the relevant Unions and transferring staff from both CBC and Kier. Running parallel with the measures process will be a separate consultation process with Unions and staff from KBC who are affected. We continue to hold regular meetings with Unions from Kier, CBC and KBC to progress our transition to shared service.

2.11 The shared service will have a joint management structure, and we will be merging the teams to deliver a more effective management and a more efficient service. Joining the teams will also create a "one team culture". It is our intention to, where possible, align the terms and conditions of the shared workforce to remove any inequalities in pay and rationale.

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### Fleet

- 2.12 The existing fleet is managed through KBC's contract with Specialist Fleet Services (SFS) the existing contract for KBC's fleet, runs until September 2020 and for CBC's fleet until September 2027.
- 2.13 The Executive Committee approved the extension of KBC's existing fleet contract for a further seven years from September 2020. This was agreed at the Executive Committee on 18<sup>th</sup> October 2017.
- 2.14 Both the new refuse and recycling vehicles and the existing fleet will be fitted with an in-cab technology system that will enable real-time information to be available within the vehicles.
- 2.15 Demobilisation plans are currently being agreed with Keir to ensure the smooth exit of vehicles, plant and equipment from the Lammas Road depot and mobilisation plans with SFS are also being finalised to receive commission and train staff with the new fleet, which will be available from the commencement of the shared service on 2<sup>nd</sup> February 2019.
- 2.16 The only element of the fleet that is not part of the SFS contract is the grounds maintenance equipment, this includes equipment such as specialist mowers, triple mowers etc. This element is being procured and due to the specialist nature of the equipment will be maintained by our own workforce or transferring workforce. This is considered to be the most cost-effective way of dealing with this element of the service.

### Infrastructure/Depots

- 2.17 As reported previously, it has been recognised that the shared service would ultimately be more effectively delivered from a single depot. However, it is the intention that the shared service will initially be delivered from the two existing depots owned by CBC and KBC in Lammas Road, Corby and Robinson Way, Kettering respectively.
- 2.18 Dilapidation works have been agreed between CBC and Keir in relation to the Lammas Road depot. Works have commenced to refurbish the depot. This includes minor works to the fabric of the building, I.T. works and electrical works.
- 2.19 Following the current consultation process with the Unions and staff, amendments to the layout of carparks etc. will need to be undertaken prior to the commencement of the new shared service.

### Service enhancements for Kettering Borough Council

- 2.20 As indicated at the start of this process, there are some positive outcomes for KBC and its residents in the delivery of this shared service, some of which are summarised below:

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- Improvements to verge maintenance standards to align with those in Corby. The Council currently supplements the service paid for by Northamptonshire County Council (NCC) in respect of verge maintenance and grass cutting, but not to the extent that CBC does. When NCC last reduced their support for service standards on verges, KBC reduced the service accordingly, in accordance with its golden rules, whereas Corby continued to fund these works. The shared service now enables us to improve verge maintenance costs at no extra cost to the KBC tax payer.
- Introduction of in cab technology for refuse freighters allowing for quicker and better communications between customer services and the crews enabling the reporting of any incidents, missed bins and other service requests, providing a more efficient and flexible service.
- Improved capacity to deal with street scene maintenance and investment. Current resources have been stretched in dealing with day to day maintenance and improvement programmes around public realm and street scene matters, meaning we have had to be more reactive and less prompt in dealing with matters than we would like. This resource will support both Kettering and Corby and enhance service delivery at no additional cost to KBC.

### **3. CONSULTATION AND CUSTOMER IMPACT**

- 3.1 On-going dialogue has taken place in developing shared service proposals with both the Joint Working Project Board and the Joint Working Steering Group. Regular meetings have taken place with union representatives and updates to staff in terms of any shared service proposals. At this stage there are no customer impacts.

### **4. POLICY IMPLICATIONS**

- 4.1 Previous Committee Reports have sought to align many of the policies connected with the Shared Service. It is the intention on the Joint Working Project Team to do a further report on any outstanding policy updates that will be required as part of the shared service proposals.
- 4.2 There are no other policy implications as a result of this report.

### **5. FINANCIAL RESOURCE IMPLICATIONS**

- 5.1 The projected costs for purchasing the grounds maintenance fleet and equipment are set out in Table 1:

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<b>Table 1 – Grounds Maintenance Fleet and Equipment</b>			
<b>QTY</b>	<b>Description</b>	<b>Est. Cost per unit £</b>	<b>Total Cost per unit</b>
2	Amazone PH 4WDi cut, collect and scarify machine	32,000	64,000
1	Kubota 3060 with a trimax deck	18,000	18,000
3	Toro LT-F3000 - opting for triple flails rather than cylinders for versatility	38,000	114,000
2	Rotary mower	24,000	48,000
1	Small tractor with a front loader & gang attachments - John Deere	53,000	53,000
--	Hand mower, Strimmer, Blower, Hedge Cutter (long arm & commercial)	--	25,000
<b>Total</b>			<b>322,000</b>

- 5.2 The additional capital costs would be financed from borrowing, the cost of borrowing and the associated costs would form part of the management fee recharged to Corby.
- 5.3 To comply with financial regulations and the Council's Constitution, any change to the capital programme greater than £250,000 needs to be recommended to full Council for approval. The changes to the 2018/19 Capital programme for which Council approval is required are summarised Table 2.

<b>Table 2 – Changes to the Capital Programme</b>	
	Proposed Budget 2018/19 £000
Grounds Maintenance Plant and Equipment	322
Financed by:	
External Borrowing	322

- 5.4 There is also a financial benefit to the General Fund as a result of the Shared Street Scene Service this is estimated to be around £110,000 – which will

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contribute to the challenging budget target for 2019/20. This results mainly from the sharing of operational management.

### **6. HUMAN RESOURCE IMPLICATIONS**

- 6.1 As part of the process, it will be important to ensure full engagement and consultation with all affected employees moving forward. The lead HR officers from Kier Group PLC, KBC and CBC are currently working together to ensure a co-ordinated approach. Any affected employees will transfer from Kier Group PLC and CBC to KBC for the shared service on the date of transfer in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE Regulations 2006).

### **7. LEGAL IMPLICATIONS**

- 7.1 Save for Paragraph 6.1 above, there are no additional implications associated with this report. The procurement of the equipment will be compliant with the Council's procurement procedures and any legal implications will be addressed on an ongoing basis as they are brought forward.

### **8. RECOMMENDATIONS**

That the Executive: -

- 8.1 Notes the updates and service enhancements achieved on the shared service arrangement, as set out in the report at Section 2
- 8.2 Endorses the commencement date of the new shared service on the 2<sup>nd</sup> February 2019
- 8.3 Recommend that Full Council approve budget variations set out in Section 5.3 for the purchase of Grounds equipment.

Background Papers:  
Title of Document:  
Contact Officers: B Coleman

Previous Reports/Minutes: