



APSE South & South West Service Delivery Model Advisory Group

Thursday 7th March 2013

Brunel's Old Station, Bristol



Welcome

Chair: Cllr Jenny Smith, Bristol City Council



Service Delivery Options

Andy Mudd, Principal Consultant

Its no longer just make or buy



Council 'controlled' options

- In-house variants
- Trading accounts
- Budgets
- Commissioning council model

Semi-independent council 'owned' options

- Teckal (wholly owned) companies
- ALMOs
- General service providers
- S95 – trading companies

Independent options

- Council established NPDOs
- leisure trusts
- Council approved M(E)BOs
- Other 'social enterprises'
- Old fashioned contracting out and variants

Hybrid options

- Trading companies that are also Teckal Companies
- Leisure Trusts the Council thinks it (and maybe it does) control

Shared Options

- Jointly owned companies
- Other joint ventures
- Administrative shared arrangements

And to confuse things further



- Big society initiatives
 - Small state and public services
- Community right to challenge
 - Forced competition but will it lead to contracts for social enterprises?
- Ever evolving European case law
 - Teckal
 - Part B competition
- Business rates repatriation
 - Just how will it impact on leisure trusts?
- Academy/free schools programme
 - Procurement issues
 - Maintaining value
- Austerity
 - Fragmentation v shared services
 - Income generation and commercialism

So how do we choose the right model?



- We don't
- The model should emerge i.e. choose us
- What are we trying to achieve?
- How will we know whether we have achieved it?
- What is the best way to achieve it?
- Starting with the solution is the wrong approach?

Back to basics



- Knowing what we need to do?
 - Principles of demand analysis
 - The potential for demand management
- Figuring out the best way of doing it?
 - Form must follow function
- Understanding the consequences of what we do?
 - An arms length company may have reduced overheads but.....

How is that?



- Reduced staff costs?
 - TUPE
 - Equal pay issues
- Reduced management costs?
 - How when economy of scale is being reduced?
- Reduced cost of supplies etc?
 - As above
 - Public procurement rules still apply
- Reduced central charges
 - This is often the main attraction but the big question is do these costs actually go away?

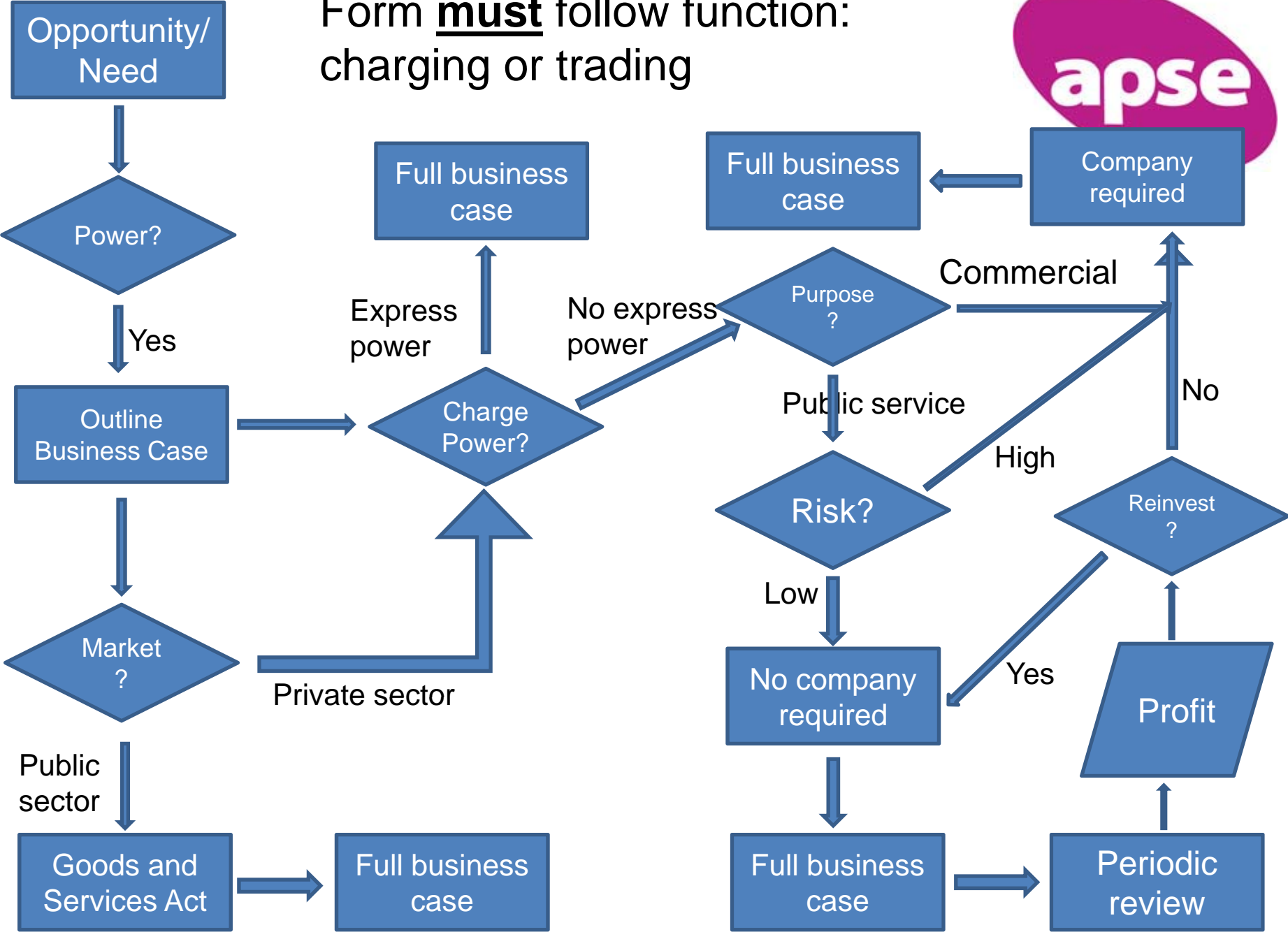
What costs?



- **95.02** The full cost of any activity is the amount by which in the long run the expenditure of the body carrying it out would be reduced if it gave up that activity. No costs are truly fixed; only for short-term ad hoc exercises can any overheads safely be treated as being fixed.

CIPFA CJC On-line guide

Form **must** follow function:
charging or trading



The trouble with hybrids



- Teckal/trading company
 - Clarity of purpose
 - Turnover restrictions
- Teckal/Mutual
 - Contradiction in terms
- Leisure trusts with contracts
 - Procurement problems
- Leisure trust with control
 - Golden gooseicide

Strategy: stay in control



- Not getting mugged via CRC
 - Planned, meaningful engagement with community groups
 - Planning for transfer if appropriate
 - Procurement cycle
- Otherwise
 - Continual improvement
 - Demand analysis/demand management
 - Form **must** follow function



Andy Mudd

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APSE Solutions

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Lambeth's Co-operative Council- A different settlement with the citizen

**Sophia Looney
Divisional Director Policy, Equalities and
Performance
London Borough of Lambeth**



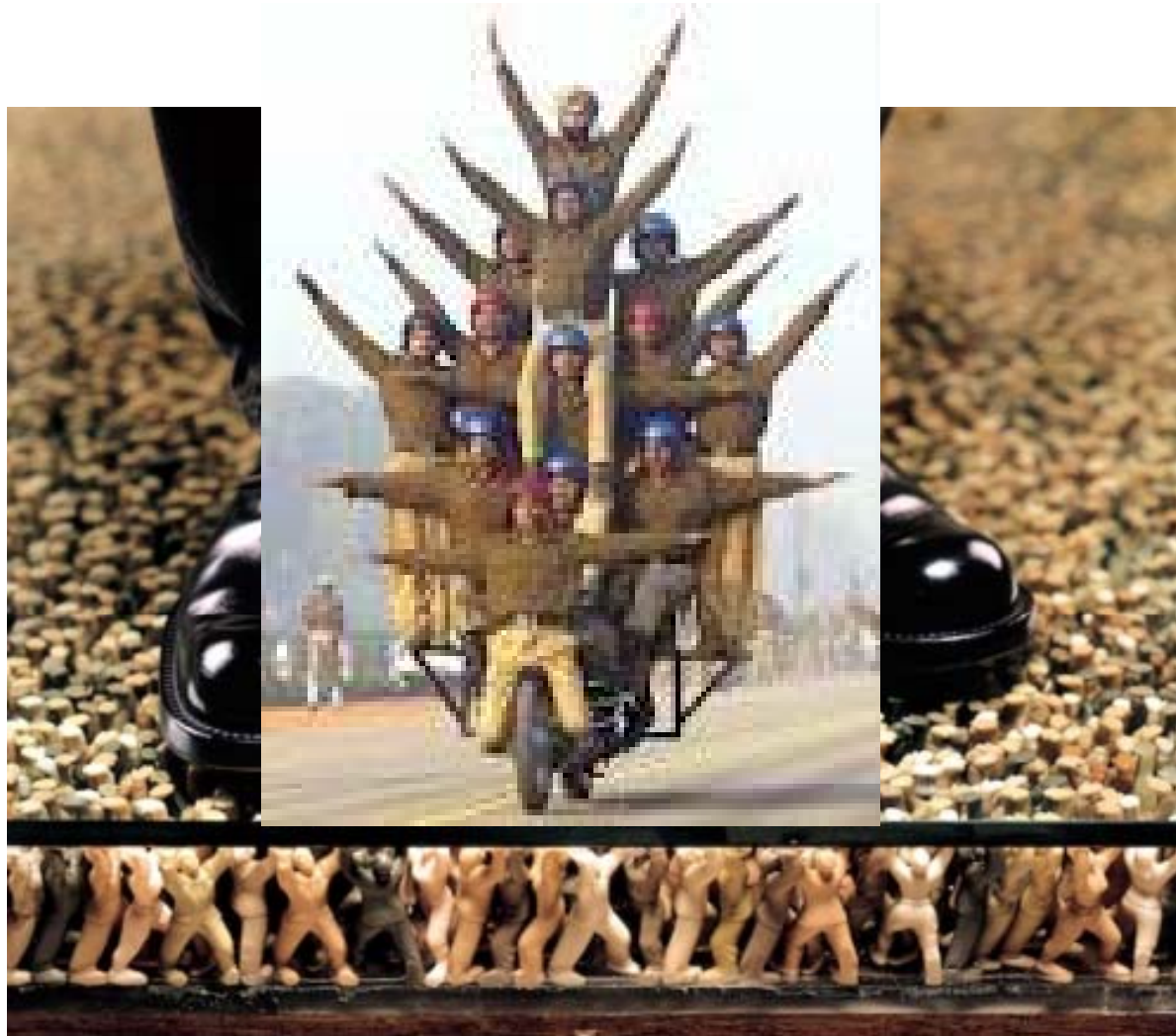
South Gloucestershire Council The Recession and Maintaining Service Delivery



Mark King

Head of Service

“We are all in it TOGETHER”



TRANSFORMATION PROGRAMME

What it means to SGC

	2011/201	2012/201	2013/201	2014/201	2015/201	2016/2017
Budget	180,846	176,648	171,602	172,969	173,471	NYA
Service Revi						
Managemen						
Procurem						43 -£ 10,443.00
Grant Revi						
To be Deter						
To Come						
Unallocated	0	-250	-2,250	-3,100	-3,800	Who knows!
Rumblings!					-6%	-6%





What it means to StreetCare

- Maint
- Busin



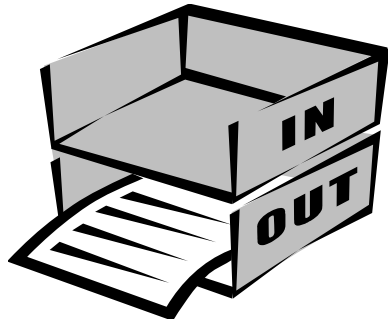
The big question HOW?

- Where from?

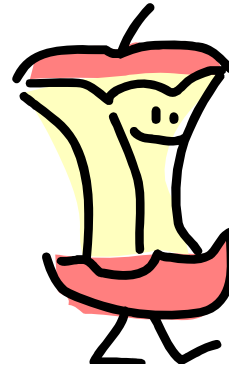


is coming

Questions for the Service



Internal Provision
Or
External Provision



Core in house
workforce



Joining together
of a number of
functions



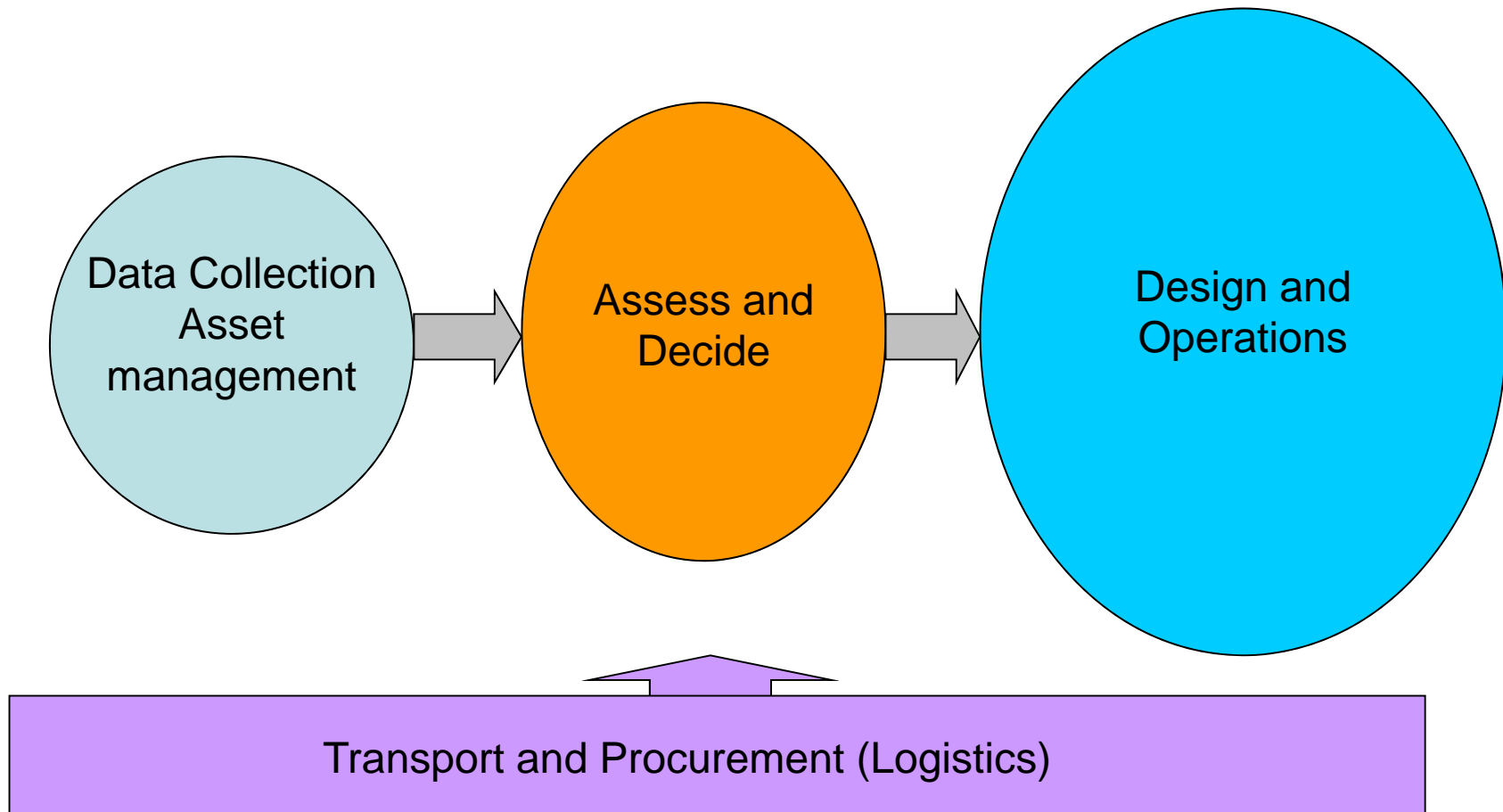
Established
robust
developed
supply chain



What has StreetCare Done?

- Understand what is “CORE” Work
- Assess - Bottom Up - Required resource
- Cut WASTE – stop playing shops
- Resource accordingly
- Get all we can out of staff
 - Identify long-term needs
 - Invest in teams where there is a need
 - Performance management
- Engage with the supply chain

Target Operating Model

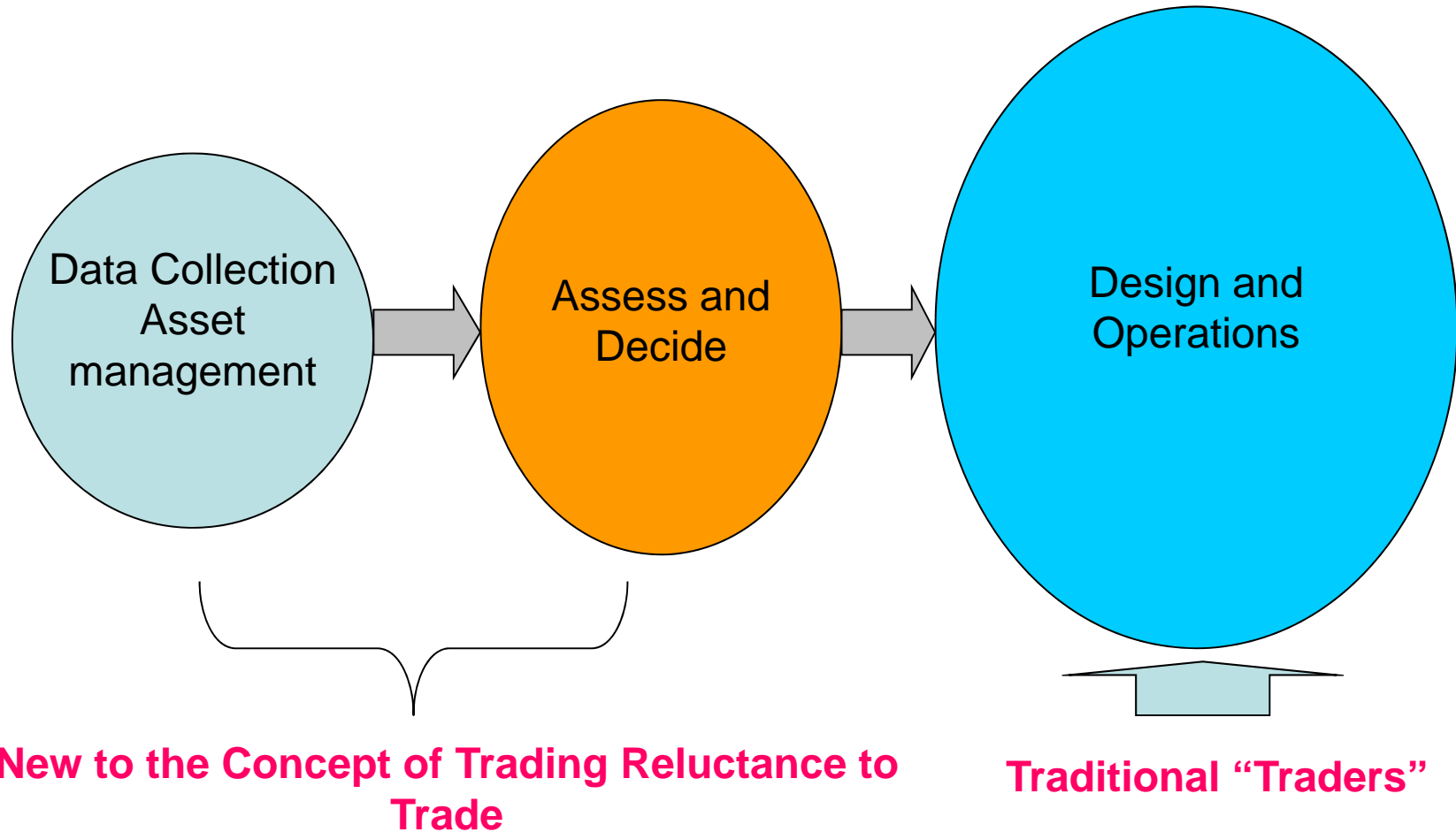


Challenges



Cost Recovery

Target Operating Model

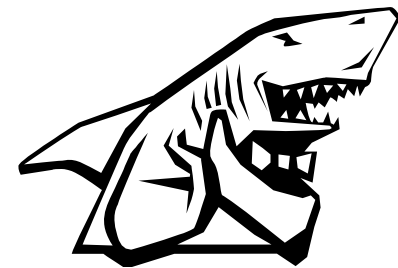


The Staff Cost Calculation



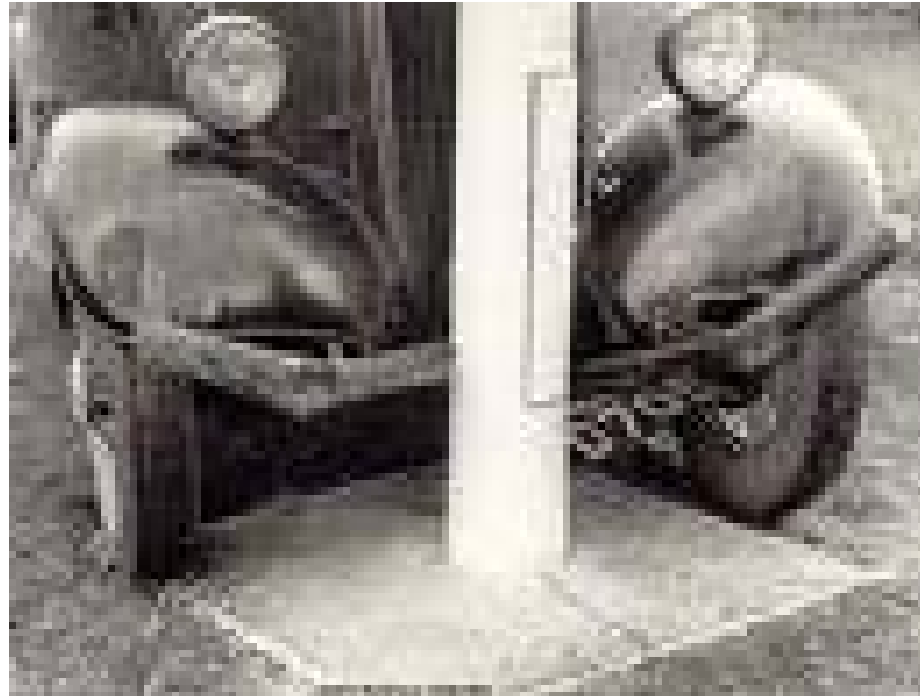
£ rate
Holiday
Sickness
NI

P
L
U
S



Full Cost Recovery

What do we charge for?



Understanding Costs

Better staff/ better decisions?



Post Office = 40p

**GOING
BACKWARDS
MOVING
FORWARDS**

SGC Service
Reviews = £2.07



Trading USPs

What about Trading?



What about Trading?



Why Do It

Benefits to SGC and local economy?

- **Increased turnover spreads overheads**
- **Use up surplus e.g. winter**
- **Keeps staff interested and aware (commercial and customer)**
- **Help local business recover after snow**
- **Reliable services e.g. for developers**
- **SME's benefit from training (and piggy back on schemes)**



Localism

StreetCare Proposed

Approach

Target Savings

£500k

Danger Danger

Devolved Budget to Area Forum

Localism

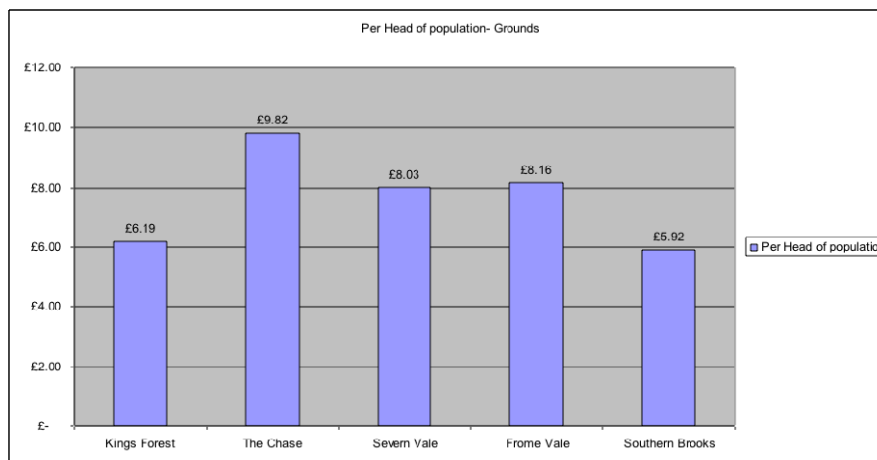
- Looked at How Services Could / Should be Delivered
- Concentrated on
 - Statutory Services
 - Discretionary Services
 - Paid for Services StreetCare to Deliver £0.5m 2014/15 Councils Transformation Programme
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Localism

StreetCare Proposed Approach

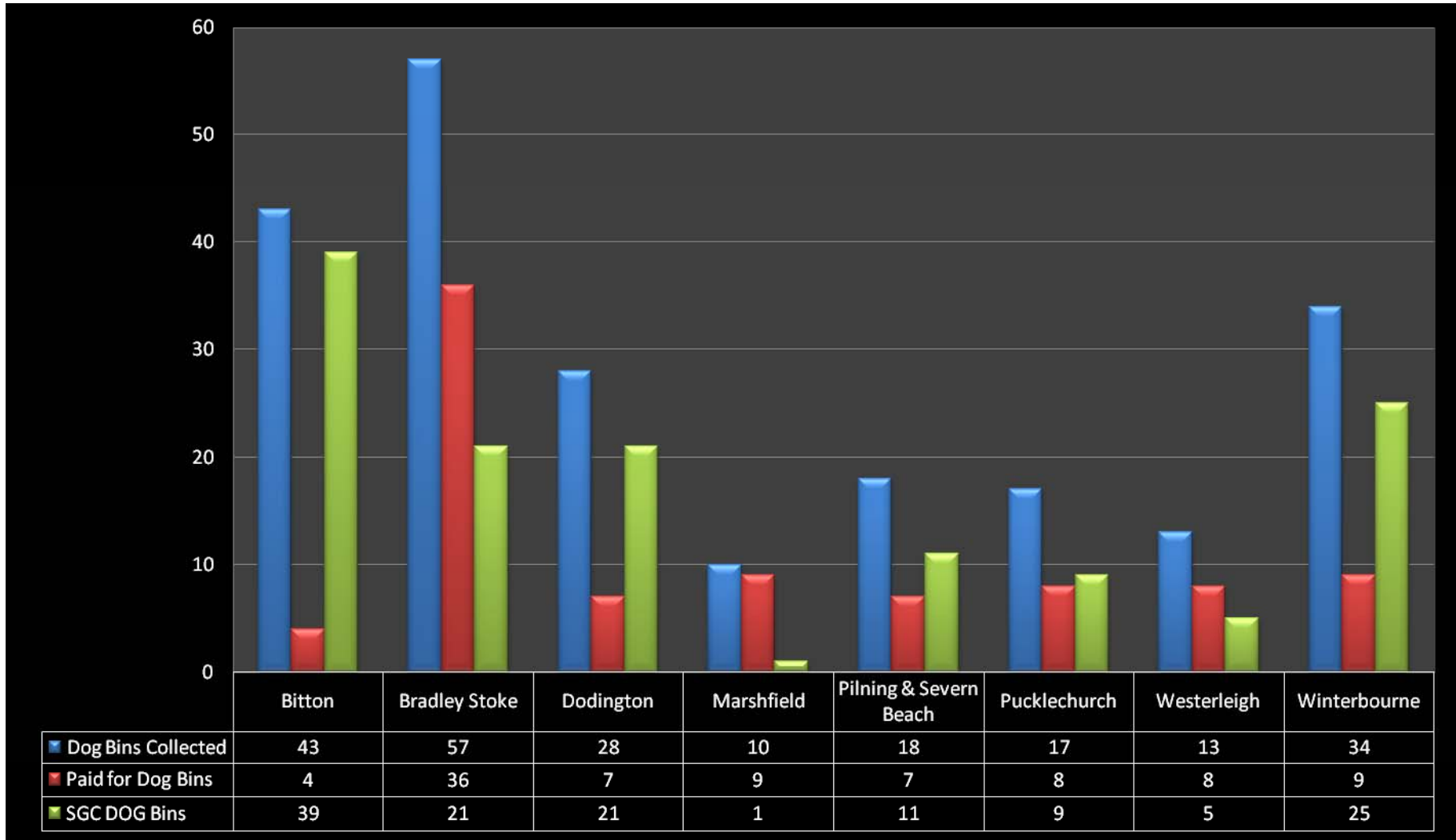
- Reviewed shown that

- Inequality in the Resource put into Street Scene Services Across the Area



Range from
£9.82 to £5.92 per
Head of Population

Top Town/Parishes Currently Paying for a proportion of Dog Bin Collections



Street Care, Core Service

Maintenance of Highway Landscapes and Highway Amenity Areas Within Urban Streets





Localism

StreetCare Proposed Approach

•Proposal to Cut Back to a **CORE** Service

•Removal of Highway Floral Displays	£46,500
•Removal of Provided Hanging Baskets	£25,000
•Cessation of Dog Bin Provision and Collection	£83,000
•Cessation of Graffiti / Fly Posting Weekend Proactive Inspections	£5,000
•Reduction of Highway “Amenity” Grass Standard to Two Cuts per Season	£57,000
•Overall reduction of Shrub Beds by 20%	£57,500
•10% Reduction by Area in Community Space Grass Cutting to Two Cuts per Season	£54,000
•Total Proposed Saving	£328,000



Localism StreetCare Proposed Approach

- That will form the **OFFER** that StreetCare will make to the PC/TC
- The TC/PC will have three options:
 1. To accept the offer as it stands
 2. To buy back the “lost” service
 3. To make a counter offer which is equal in value

Area Based Decision Making

- Bottom Sliced From Capital Budget
 - 300k Maintenance
 - 500k Traffic Management
- Divided equally amongst Forum
- The Decide Local Priority Basis
 - Choose from list
 - Bring New Site Forward

Project Score Card

Locality		Treatment	Area	Cost £24	Comments	Score
Yate	Yate (Yate Central)	CW - DBM	100	5 £24,120.00	Junc St Briavels	195
Yate	Yate (Yate North)	CW - DBM	180	0 £43,200.00	along straight parallel with YOSC	160
Yate	Iron Acton (Frampton Cotterell)	CW - DBM	800	£19,200.00	From Stover Road to Bridge Road	160
Frampton Cotterell	Frampton Cotterell (Frampton Cotterell)	CW - DBM	650	£15,600.00	Between Sunnyside and South View	155
Yate	Yate (Yate North)	CW - DBM	103	5 £24,840.00	Junction with Wiltshire Avenue	150
Iron Acton	Iron Acton (Frampton Cotterell)	CW - DBM	240	0 £57,600.00	Off Latteridge Road	145
Yate	Dodington (Dodington)	CW - DBM	110	0 £26,400.00	Off Westerleigh Rd, Westerleigh Rd to No 13 end of cul de sac, and jct at 25/27	135
Yate	Yate (Yate Central)	CW - DBM	150	0 £36,000.00	From Ridgeway/Newlyn Way Rdt to Melrose Avenue by shops inc junction	130
Yate	Yate (Yate North)	CW - DBM	180	£4,320.00	Junction with Greenways Road only	125
Frampton Cotterell	Frampton Cotterell (Frampton Cotterell)	CW - DBM	650	£15,600.00	Between Woodend Rd and Footes Lane after Central Networks	115
Yate	Iron Acton (Ladden Brook)	CW - DBM	600	£14,400.00	Off North Road	100
Frampton Cotterell	Frampton Cotterell (Frampton Cotterell)	CW - DBM	600	£14,400.00	Off Woodend Road	95

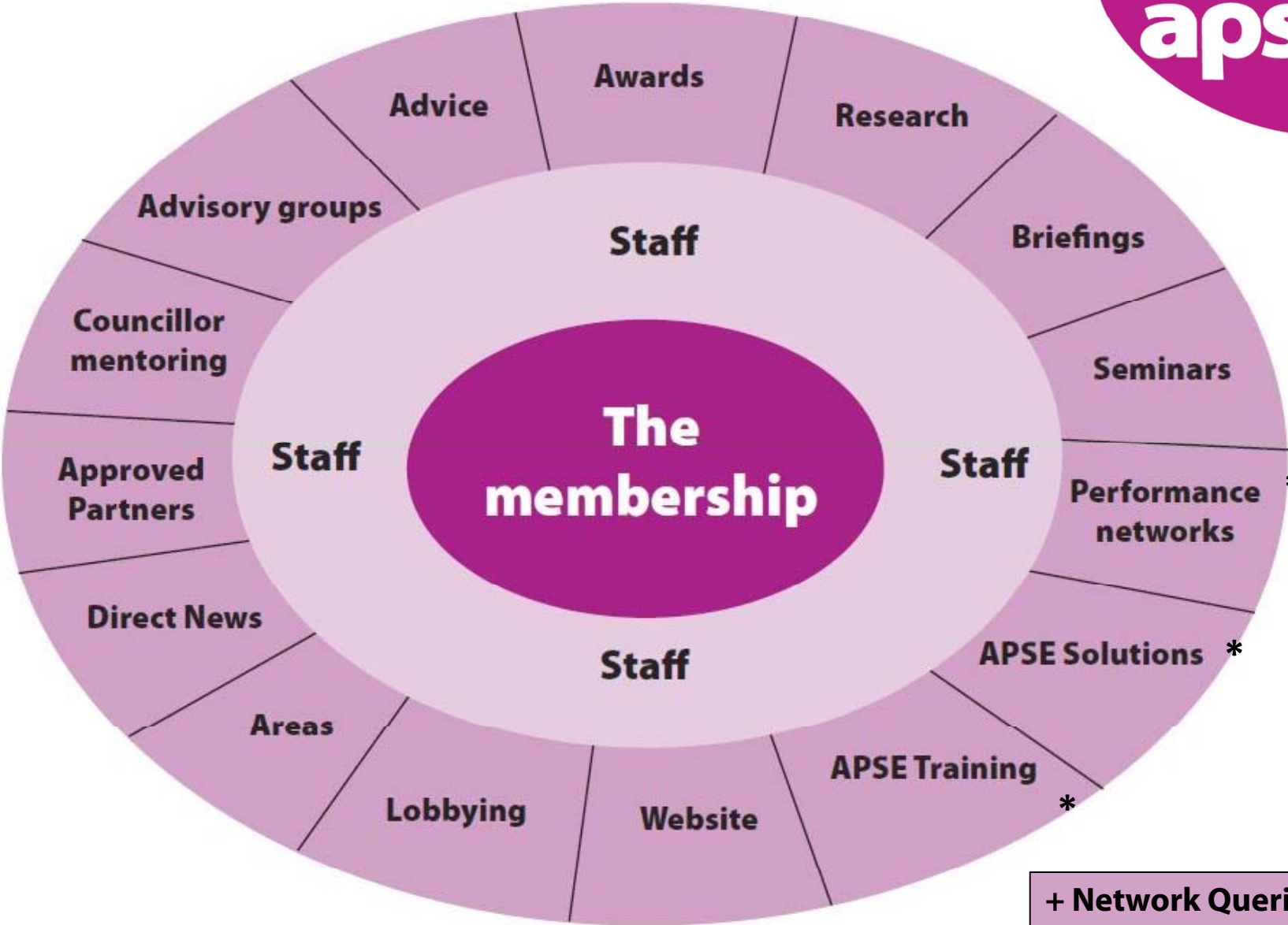


Thank You

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APSE Update



+ Network Queries

* Traded Services

Future Meetings- 2013



National

- **Service Delivery Model Advisory Group: Manchester Town Hall – April (date tbc)**
- **One day seminar on Demand management: Harrogate – 14th March**

Regional

- **Service Delivery Model Advisory Group: London- date subject to demand**
- **One day seminar on Innovation and Commercialism: London – 23rd May**

LOCAL SERVICES

LOCAL SOLUTIONS



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