



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

MONDAY 11TH FEBRUARY 2019, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY DOCUMENTATION

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

4. Council Tax Support Scheme Review

Members will now receive a verbal update in respect of this item.

5. Environmental Services - Three Business Cases (To follow) (Pages 1 - 8)

To be pre-scrutinised by the Board prior to consideration by Cabinet at its meeting on 13th February 2019.

5a Domestic Waste Collection (To follow) (Pages 9 - 36)

5b Commercial Services - Investment for Future Growth (To follow)
(Pages 37 - 60)

5c Place Team Resources (To follow) (Pages 61 - 94)

6. Pay Policy Statement - Pre- Scrutiny (To follow) (Pages 95 - 102)

The Pay Policy Statement will be incorporated within the Medium Term Financial Report for consideration at Cabinet and Council's February meetings. It does not therefore have a covering report for the purpose of pre-scrutiny by the Overview and Scrutiny Board.

7. Investment and Acquisition Strategy Report Update - Pre-scrutiny (to follow)

Please Note – this item will now be considered at the Cabinet meeting to be held on 6th March 2019 and therefore will be pre-scrutinised at the Overview and Scrutiny Board meeting to be held on 4th March 2019.

16. To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-

"RESOLVED: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item(s) of business on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Item No.</u>	<u>Paragraph(s)</u>
17	3

17. Exempt Information in respect of Item 5 Above - Environmental Services Business Cases (To Follow) (Pages 103 - 106)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

5th February 2019

REPORT TITLE: Environmental Services Business Cases for investment in the Domestic Waste Service, Commercial Waste Services, and Place Teams

Relevant Portfolio Holder	Cllr Margaret Sherrey
Portfolio Holder Consulted	Yes
Relevant Head of Service	Guy Revans
Ward(s) Affected	District Wide
Ward Councillor(s) Consulted	
Key Decision / Non-Key Decision	Key Decision
Appendix 4 to this report contains exempt information as defined in Paragraph(s) 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. SUMMARY OF PROPOSALS

- 1.1 Three Business Cases have been drawn up to show the current pressures on Environmental Services across Bromsgrove District, and consider a number of options to secure the service areas for the future.
- 1.2 Commercial Services are experiencing pressure as a result of successful growth of their operations and the generation of significant additional income for the Council.
- 1.3 The Domestic Waste Collection Service and Place Team have seen an increase in demand on their services generated by increased housing growth and limited capacity to provide the service in full and cover sickness and annual leave when they overlap.
- 1.4 Although each service area has had an individual Business Case, it has been determined that it is appropriate to present a combined covering report, as together they represent the wider picture of Environmental Services, and crucially how the successful growth of Commercial Services supports increased investment in the services, and minimises the financial impact for the Council Tax Payer in the short term, and will support costs in the future as the Commercial Services expand and generate additional income.
- 1.5 The Business Cases set out a number of recommendations to address the challenges faced by each service area, and although the changes recommended for the Place Team and Commercial Services will provide support for the services, the Domestic Waste recommendation is intended as a shorter term solution to secure the service whilst a wider service review is carried out over the next 2 years to consider the most sustainable model for delivering the service and accommodate the continuing growth of the District and changes to our statutory duties expected to be brought in by Central Government from 2023.
- 1.6 The recommendations relating to Domestic Waste Collection and Commercial Services are based on full implementation in the 2019/20 Financial Year, as

there is a high risk of service failure if additional resources are not implemented.

- 1.7 The recommended option for changes to the Place Team is necessary to secure the service, although implementation can be phased to spread the financial impact on Council Budgets.
- 1.8 Future income generation of the Commercial Services team will offset the impact of this phased introduction, if the recommendations for the expansion of the team are approved.
- 1.9 The recommendations collectively work to secure a greater resilience for our services; supporting both our staff and the work they do across the District to support our Strategic Purposes.

2. RECOMMENDATIONS

- 2.1 Members agree the recommendation from the Domestic Waste Collection Business Case, and allocate £156,646 revenue funding to Environmental Services to fund 3 members of staff, vehicle maintenance costs, and running costs to support the service.
 - 2.1.1 If Members agree the additional revenue funding for the Domestic Waste Service, then they are also asked to agree Capital Investment of £137,000 for 1 new Collection Vehicle, which will also incur annual borrowing costs of £21,823 from 2020/21 on the corporate financing revenue account.
- 2.2 Members agree the recommended option from the Commercial Waste Business Case, and allocate £184,558 additional revenue funding to Environmental Services to fund 6 additional members of staff, vehicle maintenance and running costs to support the service and the generation of additional income for the Council.
 - 2.2.1 If Members agree the additional revenue funding for the Commercial Waste Service, then they are also asked to approve Capital Investment of £340,000 for 2 new Collection Vehicles, which will also incur annual borrowing costs of £54,162 from 2020/21 on the corporate financing revenue account.
- 2.3 Members agree the recommendation from the Future Delivery of Place Team Working Business Case, and allocate £166,697 additional revenue funding to Environmental Services to fund 6 additional members of staff to support the service on a phased implementation over the next 3 years:

	Staff Increase over 2018/19 levels	Additional Revenue Cost over 2018/19 Budget
2019/20	+2	£66,299
2020/21	+4	£119,161
2021/22	+6	£166,697

3. KEY ISSUES

Financial Implications

- 3.1 Across the three service areas, we have incurred additional costs for several years now as a result of shortfalls in staffing due to sickness, and increasing workloads.
- 3.2 This has incurred significant expenditure through both temporary contracts and use of Agency Staff, which has not been budgeted for.
- 3.3 The growing success of our Commercial Services Team has offset much of this overspend in recent years, but does not support good management of the service, and has created a high risk of service disruption through over reliance on temporary arrangements to support core services.
- 3.4 Although the 3 Business Cases put forward for Environmental Services require a significant financial investment, they are being put forward with a combined covering report so that the benefits of investing in our Commercial Services to create additional income can be seen as supporting the wider Council responsibilities and strategic purposes in a financially sustainable way.
- 3.5 Below is a table summarising the expenses and forecast income associated with these three Business Cases, to show the Nett Revenue impact on the Council.

	2019/20	2020/21	2021/22
Nett Revenue (Staff, Operating Costs)	£407,503	£460,365	£507,901
Capital Expenditure	£477,000		
Income (Revenue)	-£376,580	-£454,870	-£526,515
Total Yearly Revenue Impact (Env Services Budgets - Excluding Borrowing Costs)	£30,923	£5,495	-£18,614
Total Yearly Revenue Impact (Borrowing Costs - Corporate Financing)		£75,985	£75,985
Combined Revenue Impact	£30,923	£81,480	£57,371

- 3.6 Each Business Case requires additional vehicles to achieve the benefits of the extra staffing, but a review of existing Capital Replacement programmes has allowed us to change how we manage our fleets, and make changes to the specifications in order to fund £190,000 of Vehicle Purchases with existing funds and avoid additional Borrowing Costs, whilst still maintaining the rest of our Capital Re-placement programme.
- 3.7 The remaining Capital funding is primarily to support our Commercial Services Team through the purchase of two Collection Vehicles, which will be generating additional income and is forecast to be cost neutral after 3 years, and subsidising costs in other areas of Environmental Services.
- 3.8 In addition to the direct costs detailed above, the investment in this additional staffing will reduce the risk of ongoing overspend on Agency Staff and Temporary Staff to provide core services, which will benefit the Council by removing the risk of this additional unplanned expenditure in 2019/20, which is forecast to be approximately £100,000 in the 2018/19 financial year.

Legal Implications

- 3.9 The Domestic Waste Service is a statutory responsibility, under the Environmental Protection Act 1990, although the legislation gives Council's control over how they supply this service.
- 3.10 The Current Business Case does not make any significant changes to how the service is provided, but the Service Review planned to start in the 2019/20 financial year will review the wider service and may have legal implications if there are any changes to staffing, or proposed changes to working patterns that would require contract amendments.

Service / Operational Implications

- 3.11 **Domestic Waste Service**
- 3.12 August/September 2018 saw significant service disruption in the delivery of our Domestic Waste Collections, which highlighted the impact incremental growth in housing, and changes to service delivery within existing resources, has had on the service's wider resilience to sickness and annual leave.
- 3.13 It has been determined that there is a risk of further service failure, or budgetary overspend, in 2019 if measures are not taken to increase the resilience of the Domestic Waste Service.
- 3.14 The Domestic Waste Business Case is intended as a first response to this service disruption, in which approximately 20,000 households experienced disruption in the collection of their waste, and a quarter of our households

did not have their recycling collected on the normal 2 week cycle in order to ensure that everyone received their full grey bin service across the District.

- 3.15 The recommended option will provide the numbers required to reflect annual leave requirements of the service, and give resilience to support the service based on its current sickness rate and expected workload over the next two years.
- 3.16 This will considerably reduce the risk of disruption to the service for residents, whilst we review how we deliver the service in future, and consider options to secure the service in the most sustainable and cost effective way.
- 3.17 The service review will need to pull together accurate information relating to our existing collection arrangements, in order to give a bench mark for mapping alternative models of service delivery.
- 3.18 Stabilising the existing model is a key step to allow us to document accurate information on what our service currently achieves and where the system might not be meeting our needs. We can then map our costs and efficiency levels to ensure that any changes considered are supporting the service to achieve the greatest efficiencies to support reduced costs and improved service for residents.
- 3.19 **Commercial Waste Service**
- 3.20 The Commercial services have seen significant growth in the last two years as a result of a change in focus and greater drive to grow the service.
- 3.21 In 2018/19 the service is forecast to achieve £230,000 additional income over our original budgeted income for this year. Although this incurred £60,000 in additional costs on disposal of waste, this still highlights how significant the growth of both major national brands and smaller local businesses has been for the service and the number of new customers who trust us to manage their waste collection.
- 3.22 This growth has exceeded the capacity currently in the service, and temporary staffing arrangements have been put in place to support this expansion during 2018. This leaves a higher risk of failure for the service, and in the commercial services sector, the potential impacts of service disruption would be significant both for our customers viability to operate, and our future retention of customers and ability to generate income.
- 3.23 Investing in the service will create capacity for continued growth and income generation, as well as increasing the resilience of the service to protect future income generation, which is forecast to grow by £130,000 over the next 12 months if the recommended option is approved, and grow by a further £80,000 a year until 2021/22.
- 3.24 Our existing Commercial Services are nearing maximum capacity in its current form, and the expansion of a dedicated recycling service for

businesses, alongside increased capacity for the collection of residual waste, supports a number of our Strategic Purposes by supporting local businesses and keeping our Place Safe and Looking Good through responsible waste management.

3.25 Place Teams

3.26 The Place Teams were created to allow ownership by our skilled staff for the work needed across the District, and use their knowledge and experience to focus resources where and when they are needed in a proactive manner.

3.27 However, the team are facing similar pressures to our other services, with new housing in and around our District, increased traffic on our roads, and more people generating waste, which has increased the amount of resource needed to maintain many of our roads that are used as commuter routes, especially along our northern borders with Birmingham which sees a high volume of traffic and is also at higher risk from fly tippers due to the rural nature of these areas with good access from the M5, M42 and the urban fringe of Birmingham City.

3.28 Despite increased efficiencies in how the work is carried out, this increased workload has resulted in a more reactive model of working that prioritises resources to maintain a basic standard, and the true Place concept has been difficult to achieve.

3.29 The staffing increase identified will allow the service to catch up on work required in our more rural areas across the District, and then allow us to realise the proactive model of working that the Transformation Process identified in 2015.

3.30 If Members approve the staffing increase over the next three years, this will allow for incremental improvement of the service and support a noticeable improvement in how we provide our services for grass cutting and general cleanliness to support our Strategic Purpose over the next 3 years.

3.31 As well as supporting future standards for the benefit of our residents, and the wider environment, the increased staffing will also benefit the wider resilience of the service against sickness and other demand arising from extreme weather events such as the flooding experienced in early 2018 in Wythall and Hollywood.

Customer / Equalities and Diversity Implications

3.32 There are no negative implications arising from the recommended option, as they seek to improve our existing working model and do not introduce any new systems of work.

4. RISK MANAGEMENT

- 4.1 As part of the business case, long list options were identified, and the risks and benefits associated with each possible option considered.
- 4.2 Each service area has been identified as requiring action to avoid service failure, and this has driven the Business Case process. Doing nothing has been classed as a high risk to the Authority, and does not meet any of the desired evaluation criteria.
- 4.3 The recommended options were classed as the most viable, as they best meet the evaluation criteria identified and are deemed to best support delivery of the services to reduce the risk to the Authority of future service disruption.
- 4.4 Although sickness is managed as thoroughly as possible, some of the risk identified to the service is linked to the variable nature of sickness levels and the wider impact on our services.
- 4.5 It has been determined that in-house staff are a more viable means to protect service delivery, as Agency Staff take time to find and get up to the necessary skill level to support the service, and do not give the flexibility to support service delivery in a proactive way when shortfalls occur.
- 4.6 Although intended to support specific teams, the additional staffing capacity identified in each business case will also be available to support the wider Environmental Services in periods of disruption, and training of new staff will highlight the flexible nature of each role, and the wider business need when required.

5. APPENDICES

Appendix 1 - Domestic Waste Business Case
Appendix 2 - Commercial Waste Business Case
Appendix 3 - Place Team Business Case
Appendix 4 - Exempt Information from Appendix 2

6. BACKGROUND PAPERS

None

7. KEY

None

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Appendix 1

Full Business Case

Domestic Waste Collection Services

Options to support sustainable delivery for the future.



Author:	Matthew Austin
Date:	30/01/2019
Release Version:	Vs 4

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1. Executive Summary

- 1.1. The Council has a legal duty as the waste collection authority to provide a service for our residents, but has authority to determine how it will provide that service to residents, as well as certain limitations based on the available infrastructure available through Worcestershire County Council as the Waste Disposal Authority.
- 1.2. In addition to this, there are currently discretionary services that can be offered for which a charge can be made – Garden Waste.
- 1.3. In 2015, Environmental Services carried out a transformational review of how it delivers services across the District, although the Waste Service element did not follow a full review process at that time.
- 1.4. This business case outlines the resources currently in use to deliver the service, along with a range of options to support the service in the short-medium term and carry out a full review of the service for consideration at a later date to secure the future sustainability of the service, and factor in the expected changes that the Government have set out in the “Resources and Waste Strategy” which is out to consultation during 2019 and has the potential to make significant changes to how local authorities provide waste collection services to support the environment, with headline aims set out relating to:
 - 1.4.1. Compulsory dedicated food waste collections
 - 1.4.2. Plastic bottle deposit schemes
 - 1.4.3. Removal of discretion to charge for Garden Waste Collections
 - 1.4.4. Increased Enforcement of Duty of Care and Waste Crime regarding waste disposal arrangements.
- 1.5. Sitting alongside Business Cases to similarly review the future delivery of our Commercial Waste Services for the generation of additional income for the Council, and an increase in staffing to support the works of our Place Teams across the District, the three business cases look to support the services to be sustainable and cope with the increasing work load and challenges being

faced by Local Authority Services as a result of new housing and changing behaviour by the public.

- 1.6. Having outlined and assessed options ranging from maintaining the status quo, suspension of services, and further investment at a range of levels, the recommendation put forward as the preferred option is to invest in the service in the short term, through additional staffing and vehicles in order to support a full review of the service, and return in two years with a range of options for future service delivery that reflects changes within our District and the National scene to ensure that the Council has a sustainable and flexible service that can meet the changing demands of our residents.

1.7. Recommendations:

- 1.7.1. Approve increased revenue funding to employ 5 additional members of staff to deliver services across the District.
- 1.7.2. Approve Capital Funding to support the purchase of 2 additional vehicles to make full use of the increased staffing across the District. 1 Refuse Freighter, and one Luton Van to replace two currently in use through a hire arrangement.

2. Introduction

- 2.1. As the Waste Collection Authority, Bromsgrove District Council is responsible for the collection of household waste, and operates a statutory service across Bromsgrove District.
- 2.2. This is administered by the Environmental Services Team and operated in house as Alternate Weekly Collections (AWC) for both residual waste and dry recycling from all its households.
- 2.3. The Council also operates an optional "Paid for" Garden Waste service that provides a fortnightly collection service over 40 weeks of the year.
- 2.4. Bromsgrove District Council has adopted the Joint Municipal Waste Management Strategy for Herefordshire & Worcestershire, which is a joint strategy across the six Worcestershire district councils, Worcestershire County Council and Herefordshire Council, and reflects the partnership across Worcestershire and Herefordshire in relation to a shared waste disposal service.
- 2.5. All of our collection services are based on the use of a single 240 ltr grey bin for household waste¹, a green 240 ltr green bin for dry recycling², and Brown 240 ltr bins for garden waste customers³.
- 2.6. Over the past 10 years a significant number of physical and behavioural changes have occurred both nationally and locally that have changed the services we provide to our residents, and also how we deliver them.
- 2.7. This has resulted in progressive changes to accommodate them and continue to provide an effective collection service to our residents.
- 2.8. In 2015, Environmental Services went through a Transformational process that made significant changes to the provision of its Street Cleansing and Grounds Maintenance functions, with the creation of the Place Teams.

¹ Based on a household of 6 people, or 5 with two children in nappies

² Additional bins available on request in order to support household recycling

³ Currently £45 for 20 collections (February – November)

- 2.9. This included the creation of a dedicated Pool of staff to support the Waste Collection Services, and Place Teams by providing additional staff to cover annual leave and sickness throughout the year to ensure that services had a greater resilience, and would not require additional expenditure on Agency Staff.
- 2.10. This was calculated based on the staffing and work levels in place at that time, with estimates on how services would develop, and where staff would be needed.
- 2.11. Since 2015, the Pool staff have been used primarily to support front line service across both Domestic and Commercial waste collection services rather than cover sickness and leave as had been intended, and have not supported the Place Teams in any significant way, but due to underspend on other areas of the Environmental Services Budget, and increased income on the Commercial services, the financial impact had been absorbed in the operating budgets.
- 2.12. During 2018 it was identified that new housing development across the District, and rapid growth of our Commercial Services had outgrown our current resources, and the previous estimation of what would be needed to support the wider Environmental Services model had been overly conservative, resulting in higher costs on staffing outside of the planned staffing levels set out in the budget, and the savings expected from the previous changes in 2015 had not been realised.
- 2.13. In late August/early September 2018, whilst reviewing how to evidence this and trial small scale changes to review current productivity, the service experienced significant failure that affected the collection arrangements for approximately 20,000 households.
- 2.14. This was caused by a combination of high short and long term sickness across the service, which was compounded by annual leave commitments and a lack of capacity within the wider service area.

- 2.15. This Business Case is presented in response to this unprecedented failure in service, to identify short term actions to secure the service over the next two years, during which a full Service Review can be carried out to explore all available options for the future delivery of the service and present a wider business case to Members.
- 2.16. This wider Business Case will look to set out a secure business model to give future sustainability of the service and ensure that residents are receiving the highest value service possible, in a sustainable way that makes allowance for future growth of the district and sets out a clear process for ongoing review and evolution of the Service in a controlled way.
- 2.17. The full terms of this Service Review will be set out over the coming months, along with the creation of a review group that will bring together the necessary knowledge and experience from across the combined authority, and pull in best practice from local and national models of service to reflect the local challenges on our service and priorities for the future.
- 2.18. This Business Case is being presented alongside two other Business Cases to review:
- 2.18.1. The future delivery of our Commercial Waste Services for the generation of additional income for the Council
 - 2.18.2. Options to address the changes in demand being generated by new housing and increased littering on our road networks, and how the Place Teams can meet this growing challenge.

3. The Strategic Case

- 3.1. Our Domestic Waste Collection services are the most visible service the Council provides across the District, and benefits all our residents.
- 3.2. For many, it is the only service they “see” for their Council Tax, and so it is a very visible representation of the Council, making any disruption a significant reputational issue.
- 3.3. Our current Domestic Waste Service supports two of the Council’s key priorities identified in the Council Plan:
 - 3.3.1. Financial stability for the Council
 - 3.3.2. Quality services for residents, with affordable charges where appropriate
- 3.4. In addition to supporting these priorities, The Waste service supports the following strategic purpose:
 - 3.4.1. “Keep my place safe and looking good”
- 3.5. The Case for Change
- 3.6. Since 2015, our Commercial Waste and Cesspool Services have seen an increase in workload (and income) as a result of our growing reputation, and increased housing stock across the District has generated a greater workload on domestic waste collection services as well as our cleansing and grounds operations.
- 3.7. This pressure, in concert with standard leave requirements and both short and long term sickness across Environmental Services, has resulted in our “Pool Staff” being fully committed supporting day to day waste operations, and not realised the wider support that was originally envisaged would be available to support Place Team operations.
- 3.8. The Council started the 2018 financial year with funding for the following resources in our structure (Unchanged from 2017/18 Financial Year):

- 51 Staff.
- 13 full crews 9 Domestic & 4 Garden (39 staff)
- 2 crews of 2 Trade & Rural Domestic Round. (4 staff)
- 1 Tanker Cesspools (1 staff)

3.9. That is 44 staff needed every day on the books, leaving 7 Spare Staff every day to cover A/L & Sickness (based on that staffing model). As the Waste Services team need 6 staff every day to give holiday cover over the course of the year, this makes it unlikely that there will be any resource to support Place, but does successfully support delivery of the service and low sickness levels.

3.10. However, it was identified that operationally we have also been running the following due to growth of the services, but these had not gone through a formal review process to formalise them in our structure:

3.10.1. 1 Crew of 2 - Trade Recycling (2 staff) – New service grown to meet demand, and generating income.

3.10.2. 1 Tanker - Cesspools (1 staff) – Continuing growth in customer base

3.10.3. Bin Deliveries (1 staff) – Full time role with new properties and increasing trade waste customer numbers

3.10.4. 1 Crew of 3 - Round 11 (3 staff) - Used to accommodate New Builds across the District and share the load on existing rounds.

3.11. The additional resources being used required 7 people every day, which means that the Pool is fully committed, and there is no capacity to cover A/L or Sickness without taking staff from other service areas - which then impacts on their work, or requires expenditure on Agency staff that is not built into the budget.

3.12. Until 2015, this level of expenditure was written into the budget, but the restructure of Environmental Services in 2015 did away with this budget as new staff were recruited to act as "pool staff" to support the service where needed, although in practice these staff ended up being used to cover growth of the service.

- 3.13. As part of an ongoing review of the Environmental Services Budgets to support Council Wide savings, budgets have been refined to more accurately reflect our expenditure, which means current expenditure levels are outside of our available funds.
- 3.14. Service failure in August/September 2018 had a significant impact on residents and the Authority, with significant political oversight to determine what had happened, and how disruption could be addressed and normal service resumed.
- 3.15. On-Going long term sickness is also impacting on services and requiring further expenditure on Agency Staff, that are outside current funding and so increasing the overspend on our Domestic Waste Service – although this is being balanced by higher than forecast income on our Commercial Waste Services for 2018/19.
- 3.16. Business Need
- 3.17. Although services resumed fairly quickly as short term sickness ran its course, the service has recognised that the collection operations need to be prioritised to re-build trust in the service, as the nature of waste collection and proximity of Birmingham (which has experienced significant large scale failures in the last two years), means that there is significant public pressure to maintain the service, and if we are to make any future changes to the service, we will need residents to support our efforts – especially if we are to encourage greater take up of our recycling service and reduce waste to landfill.
- 3.18. Staff morale has also suffered as a result of the public backlash over the failure of service, and any future changes to the service need to include the staff in the process to ensure it delivers the required security and efficiencies.
- 3.19. Changes to the service are needed in the short term to reflect increasing workload, and greater expectations of what the crews will achieve as part of their work, but this needs to be a sustainable model for the future, and requires considerable work to consider all of the options for delivering the service into the future.

3.20. To support the short term need for secure service delivery, there is a need to stabilise existing services in the following ways:

3.20.1. To increase staffing levels to support the Operational requirements of the existing Waste Service over the next two years, based on current Planning predictions for House building across the District and current workload using the existing service model.

3.20.2. To carry out housekeeping to reset existing budgets to ensure that Staff Costs are fully linked to the area of work they carry out and ensure that all salary costs are accounted for in preparation for a full Service Review.

3.20.3. To create the Pool of staff originally envisaged to support the Domestic Waste Service, and wider Environmental Services requirements around Annual Leave and Sickness Cover.

3.21. The Long Term Business need is to ensure that the service is fully sustainable for the future and makes best use of the resources available to support our residents to increase recycling, and provide secure disposal of their residual waste as part of a wider drive to reduce waste being sent to landfill/incineration.

3.22. Benefits & Risks

3.23. Disruption to service in 2018 affected approximately half of the District directly, and although relatively short lived, generated considerable concern for residents.

3.24. Approval of this Business Case will support the service in the short term at relatively low cost, and will provide security over the next two years to carry out a thorough review of the service and outline practical options for the provision of the service over the next decade, and explore sustainable options to balance or even reduce the costs whilst continuing to provide the full range of services to our residents.

3.25. It will also provide a potential reserve to support other services within Environmental Services such as our income generating Commercial Services

Team, and our Place Teams that are responsible for the wider appearance of our District for the benefit of our residents, visitors and local businesses.

- 3.26. The Risk of not strengthening the service for 2019 and 2020 is that the service will continue with existing resources and be unable to sustain service delivery should it experience significant sickness, extreme weather, or vehicle breakdowns, and that the Service will either then incur on-going significant over-spends that will affect the Council's financial security, or that residents will experience further disruption and question the ability of the Council to provide one of its most visible services.

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Agenda Item 5a

3.27. Current Staffing & Resources

	Vehicle	ESO 3	ESO 1	Combined	Staffing Cost	Vehicle Cost
Domestic Round 1	1	1	2	3	£75,674	£180,000
Domestic Round 2	1	1	2	3	£75,674	£180,000
Domestic Round 3	1	1	2	3	£75,674	£180,000
Domestic Round 4	1	1	2	3	£75,674	£180,000
Domestic Round 5	1	1	2	3	£75,674	£180,000
Domestic Round 6	1	1	2	3	£75,674	£180,000
Domestic Round 7	1	1	2	3	£75,674	£180,000
Domestic Round 8	1	1	2	3	£75,674	£180,000
Domestic Round 9	1	1	2	3	£75,674	£180,000
Domestic Round 10	1	1	2	3	£75,674	£180,000
Domestic Rural Round	1	1	1	2	£52,384	£140,000
Total Required	11	11	21	32	£809,124	£1,940,000
Current Total	11	11	21	32	£809,124	£1,940,000
Current Shortfall	0	0	0	0	£0	£0
Brown 1	1	1	2	3	£75,674	£180,000
Brown 2	1	1	2	3	£75,674	£180,000
Brown 3	1	1	2	3	£75,674	£180,000
Brown 4	1	1	2	3	£75,674	£180,000
Total Required	4	4	8	12	£302,696	£720,000
Current Total	4	5	7	12	£308,500	£720,000
Current Shortfall	0	1	-1	0	£5,804	£0
Bin Deliveries & Collections	1	0	1	1	£23,290	£45,000
Total Required	1	0	1	1	£23,290	£45,000
Current Total	0	0	0	0	£0	£0
Current Shortfall	-1	0	-1	-1	-£23,290	-£45,000
Pool Resources (Leave/Breakdown)				0	£0	
Total Required	2	2	9	11	£267,798	£340,000
Current Total	2	6	0	6	£174,564	£300,000
Current Shortfall	0	4	-9	-5	-£93,234	-£40,000
Total Variance in current model	-1	5	-11	-6 ⁴	-£110,720	-£85,000

3.28. The ESO 3 role is a combined HGV Driver/Loader role, so is qualified to do both. As such, although they are on a higher pay scale, they provide greater flexibility to cover services and ensure vehicles are able to be used at all times, as a surplus of ESO 1's could still result in service failure if no one is available to drive a collection vehicle.

⁴ The shortfall was being covered by Agency and staff from other areas of Environmental Services for the first half of 2018, but this was formally addressed through the creation of 6 temporary posts in August 2018 as fixed term contracts to give clarity to what was being used to run the service.

4. The Economic Case

4.1. Long List Options

Option One	Do Nothing
Option Two	Increase Agency Budget to support higher staffing levels.
Option Three	Increase Staffing Expenditure to provide 5 additional staff to cover sickness and annual leave, and cover additional services beyond current resource levels where possible.
Option Four	Increase Staffing & Vehicle Expenditure to provide 5 additional staff to support delivery of an additional collection round, a dedicated bin delivery/collection role, and provide increased resilience for annual leave/sickness.
Option Five	Reduce Garden Waste Service to free up resources for Domestic Waste collection.
Option Six	Cancel Garden Waste Service

4.2. These Options are considered the most practical options to support the service, and deliver the improved standards required to deliver our Strategic Purpose.

4.3. In order to support the decision making process and identify a preferred option for the Council, these options are subject to a review process to scrutinise their ability to deliver the outcomes required, and provide a short list of the options warranting more detailed assessment.

4.4. The key outcomes that have been identified are detailed below, and each one has a maximum score that reflects the importance of that criteria in delivering our Strategic Purpose:

- **Spending Objective** – 10 - This relates to the Council’s financial pressures, and whether the proposed option is factored in to the financial planning of the Local Authority.

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- **Strategic Fit** – 20 - This quantifies how well the proposed option supports the Council Plan and our Strategic Purpose
- **Meets Business Needs** – 15 - This score reflects if the proposed option will support the Council in delivering the service required by residents with the lowest risk of failure.
- **Maintain Standards** – 30 - This score reflects whether the proposed option meets the minimum requirement to maintain provision of the service at a viable level, with a low risk of significant failure.
- **Support Improved Standards** - 5 – This scores the potential of each option to improve the overall standard of service.
- **Capacity to support Increased Income Generation** – 5 - This recognises flexibility to support chargeable works to generate income in addition to the core work required maintaining the District.
- **Affordability** – 15 -This gives each option a score based on its variance from current funding.

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4.5. Evaluation Criteria for Appraisal and Analysis for Long List Options

Evaluation Criteria		Spending Objective	Strategic Fit	Meets Business Needs	Maintain standards	Support improved standards	Capacity to support Increased Income Generation	Affordability	
	Weighting for Scoring	10	20	15	30	5	5	15	100
Do Nothing	Option One	Yes 10	Part 10	No 0	No 0	No 0	No 0	Yes 15	35
Increase Agency Budget to support higher staffing levels.	Option Two	No 0	Yes 20	Part 7.5	Yes 30	No 0	No 0	Part 7.5	65
Increase Staffing Expenditure	Option Three	No 0	Yes 20	Part 7.5	Yes 30	No 0	No 0	Yes 15	72.5
Increase Staffing & Vehicle Expenditure	Option Four	No 0	Yes 20	Yes 15	Yes 30	No 0	No 0	Part 7.5	72.5
Reduce Garden Waste Service to free up resources for Domestic Waste collection.	Option Five	Yes 10	Part 10	Part 7.5	No 0	No 0	No 0	No 0	27.5
Cancel Garden Waste Service	Option Six	Yes 10	Part 10	Part 7.5	No 0	No 0	No 0	No 0	27.5

4.6. Short List Options

4.7. Following the initial Evaluation and Appraisal process to determine which options best meet the criteria set out by the Business Case, Options 2, 3 and 4 present as the highest scoring options, and are summarised below for further consideration.

4.8.

Option Two	Increase Agency Budget to support higher staffing levels.
Option Three	Increase Staffing Expenditure
Option Four	Increase Staffing & Vehicle Expenditure

4.9. A full cost benefit analysis identifying relevant benefits and costs for each of the short listed options is shown below:

	Increase Agency Budget to support higher staffing levels.	Increase Staffing Expenditure	Increase Staffing & Vehicle Expenditure
	2	3	4
Change to staff levels	0	5	5
Changes to Vehicles Numbers	0	0	2
On-Going Costs			
Staffing Costs (yearly)	£108,110	£111,646	£111,646
Hire Costs	£10,000	£10,000	-£18,000
Vehicle Cost (Yearly - Running Costs)	£56,250	£56,250	£45,000
Capital Cost	£0	£0	£192,000
Capital Depreciation Costs	£0	£0	£30,571
Total Revenue Cost	£174,360	£177,896	£169,217
Total Capital Cost	£0	£0	£192,000

4.10. Risk Assessment

4.11. Scored on a scale of 1 – 3, the chart below identifies the level of risk to the authority arising from each option:

Individual Scores: 1 - Low. 2 - Med. 3 - High	Option Two	Option Three	Option Four
Fails to deliver security of service	2	2	1
Financial Risk of failing to achieve aims	2	2	1
Resources	1	1	1
Decrease in Public Satisfaction	2	1	1
Reputational Harm	2	1	1
Total Score:	9	7	5
	Medium	Medium	Low

(1-6 Low Risk, 7 - 12 Medium Risk, 13 - 18 High Risk)

4.12. After assessing the quantitative and qualitative costs and benefits of the two options, Option four is considered the preferred option, and is put forward as the proposal to secure the domestic waste collection service over the next two years to support our Strategic Purpose of "Keep our Place Safe and Looking Good".

4.13. Recommendation:

Option Four	Increase Staffing & Vehicle Expenditure to provide 5 additional staff to support delivery of an additional collection round, a dedicated bin delivery/collection role, and provide increased resilience for annual leave/sickness.
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5. The Commercial Case

5.1. In the Bromsgrove Community Panel Survey (2017), the questions relating to waste management show that public involvement and understanding of our services is high, and that they are supportive of our in-house services, with nearly 90% of respondents identifying that waste and recycling should be given priority by the District Council in the delivery of services, alongside high concern regarding litter and fly tipping across the District.

Q no.	Question	Responses	#	%
Q11a (268)	I understand what I can place in my green recycling bin	I agree strongly	105	39.2%
		I agree	130	48.5%
		I neither agree nor disagree	16	6.0%
		I disagree	14	5.2%
		I disagree strongly	3	1.1%
Q11b (265)	I can recycle waste easily	I agree strongly	104	39.2%
		I agree	136	51.3%
		I neither agree nor disagree	19	7.2%
		I disagree	4	1.5%
		I disagree strongly	2	0.8%
Q31	To what extent do you agree or disagree that the following should be given priority by Bromsgrove District Council? <i>We are keen to understand where your priorities lie for the District. In answering the following question, please consider each point, saving your 'I agree strongly' responses for those which you feel are of the utmost importance to the District.</i>			
Q31g (246)	Waste and recycling	I agree strongly	92	37.4%
		I agree	129	52.4%
		I neither agree nor disagree	23	9.3%
		I disagree	2	0.8%
		I disagree strongly	0	0.0%
Q32f (243)	Public services would be better managed and delivered by an outside organisation	I agree strongly	9	3.7%
		I agree	26	10.7%
		I neither agree nor disagree	91	37.4%
		I disagree	86	35.4%
		I disagree strongly	31	12.8%
Q32g (249)	Public services should continue to be managed and delivered by Bromsgrove District Council	I agree strongly	52	20.9%
		I agree	112	45.0%
		I neither agree nor disagree	72	28.9%
		I disagree	8	3.2%
		I disagree strongly	5	2.0%

5.2. This is the only qualitative data we have available aside from specific customer queries regarding individual issues, and so this provides our only view on how

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well we are meeting our strategic purpose to Keep our Place Safe and Looking Good.

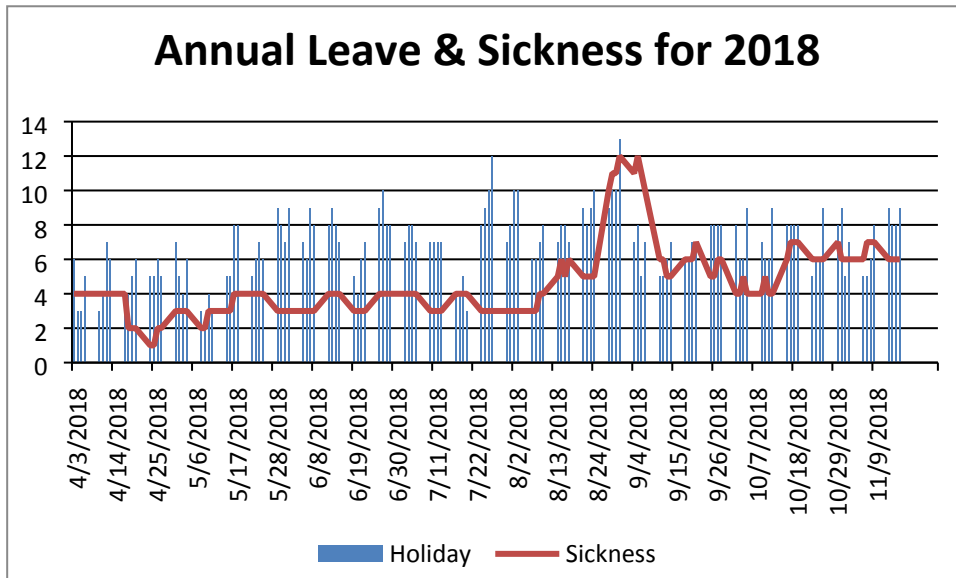
5.3. As outlined in the Strategic case, current resources are insufficient to support waste collection services when annual leave and sickness levels are taken into account, and other service areas within the Council are not trained to support the service and have limits on their capacity to be able to support the service without creating cumulative failure in other areas of the Council's service.

5.4. Staffing Calculation to cover Annual Leave & Sickness:

			Days of Annual Leave	Pool to cover A/L
Daily Staff Needed:	45.0		1215.0	5.8
Annual Leave Cover	6.6	Based on 1215 Days Annual Leave to be covered each year.	157.7	0.8
Sickness Cover	3.2	Based on current Sickness Rate of Waste Service 7%		
Have	50.0	Current Staffing		
Need	4.8	Additional Staff Required		

5.5. These are detailed in separate business cases that are being put forward in concert with this one, for our Place Teams, and Commercial Services.

5.6. The chart below illustrates the sickness and annual leave levels for the service in 2018 to illustrate how the two combined can have a significant impact on service delivery.



5.7. In concert with the business cases being put forward for our Commercial Services, and Place Teams, the preferred option will increase the staffing levels to an extent that will ensure all three services have a consistent level of staff available to carry out their duties throughout the year.

5.8. Aside from the practical considerations of having an increased presence across the district, this will also support morale within the team as there will be less individual pressure on the team members throughout the year, and will support greater ownership of the service.

5.9. To implement the preferred option identified in the Economic Case, the Council has a standard recruitment process for advertising the roles, and interviews will be carried out using the same model used on previous recruitment processes in the last 12 months, with a combination of Practical Exercises and a formal interview to ensure we are taking on the right staff to support the business moving forwards.

5.10. New staff will be subject to a 6 month probation period, and will be given training to carry out all elements of the role in stages that allow us to develop their skills to support the team, and support operations to the standard required.

5.11. Existing staff will also receive refresher training and mentoring alongside the new staff in order to help integrate the teams and support consistent standards.

- 5.12. Additional Vehicles will be ordered through a procurement framework to achieve best value, but as they are made to order there will be approximately a 6 – 9 month delay on receipt of the necessary vehicles.
- 5.13. We have recently received new vehicles to replace existing vehicles as part of our capital replacement program, and the best of these can be held to support the service in the short term.
- 5.14. Existing hire arrangements will need to continue for one of the two hire vehicles currently used to support bin deliveries, but some savings can be made as part of formalising the bin delivery role by letting the second vehicle go immediately.

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6. The Financial Case

- 6.1. The preferred option addresses a shortfall in current capacity to carry out all of our work across the district, and supports improved standards by making services more robust to accommodate sickness and other pressures on Environmental Services.
- 6.2. This Business Case is being presented alongside similar Business Cases to support growth of the Domestic Waste Collection Service, and our Commercial Services Team.
- 6.3. As detailed in the Introduction, our Waste Collection Service is a Statutory Service, and so has limited capacity to generate additional income to offset their costs. However, the business case for expansion of our Commercial Services team sets out the current level of income above our forecast targets for 2018/19, and the expected growth in business that even with additional expenditure on Revenue and Capital during 2019/20 will continue to generate a positive surplus for the Council that offsets the additional expense set out in this Business Case.
- 6.4. In addition to the expected rate of return from expansion of our Commercial Services, when compared with the increase in properties across the district and the associated Council Tax income, the costs highlighted for growth of the Waste Team are proportionate to how the District has evolved over the last ten years, and the future housing projections for the District also highlight the increased volume of work likely to be generated over the next 10 years alongside additional revenue through Council Tax.

6.5. Table of Pro- Rata Staffing Levels linked to Housing Growth

	No. of Households (Planned Housing of 6,500 used to estimate numbers beyond 2018/19.) ⁵	BDC C.Tax Income (Increase estimated using average price per household in 2018/19 rate multiplied by increase in properties.)	Expenditure on Domestic Waste Staffing based on current levels (including Agency) (2% Pay increase confirmed for 2019/20. Yearly 1% Increase forecast for 2020+ as per Finance Team projections)	Yearly Cost per Household	Average Staff Member Cost (including Agency)	Pro Rata Staffing to maintain current levels in use (Based on 827 Households to fund 1 staff in 2018/19).
2018/19	41340	£7,674,000	£1,394,188	£34	£25,348.87	55.0
2019/20	41710	£7,742,684	£1,422,072	£34	£28,441	55.5
2020/21	42080	£7,811,367	£1,436,292	£34	£28,726	56.0
2021/22	42450	£7,880,051	£1,450,655	£34	£29,013	56.5
2022/23	42820	£7,948,734	£1,465,162	£34	£29,303	57.0
2023/24	43190	£8,017,418	£1,479,814	£34	£29,596	57.5
2024/25	43560	£8,086,102	£1,494,612	£34	£29,892	58.0
2025/26	43930	£8,154,785	£1,509,558	£34	£30,191	58.4
2026/27	44300	£8,223,469	£1,524,653	£34	£30,493	58.9
2027/28	44670	£8,292,152	£1,539,900	£34	£30,798	59.4

⁵ **Figures used sourced from:** BDC Plan Review – Consultation Document September 2018 – Section 4.20: “By using the standard methodology, we will need to plan for about the following number of dwellings purely to meet Bromsgrove District’s local housing needs (excluding any cross boundary growth and any housing associated with higher economic growth): 1) 2018 - 2036 = about 6,500 dwellings 2) 2018 - 2041 = about 8,350 dwellings 3) 2018 - 2046 = about 10,200 dwellings Land for about 2,500 dwellings is already allocated in the current District Plan and will count towards the above figures.”

6.6. Revenue & Capital Summary

Revenue Requirements

	No of Staff	BDC Cost per assett (with on-costs)	Total Cost
ESO 1	6	£23,290	£139,740
ESO 3	-1	£29,094	-£29,094
Vehicle Maintenance & Operating Costs			
		£45,000	£45,000
Materials & Training			
		£200	£1,000
Hire Costs			
		-£9,000	-£18,000
Depreciation on Capital Costs	RCV	£24,285.71	£27,429
	Luton Van	£3,142.86	£3,143
Total Additional Cost (Excluding Depreciation on Capital Costs)		£156,646	
Total Additional Cost (Including Depreciation on Capital Costs)		£169,217	

Capital Requirements

	Number	Individual Cost	Capital Investment
26 Ton RCV	1	£170,000	£170,000
3.5 Ton Luton Van	1	£22,000	£22,000

6.7. The reduction in ESO 3's is not expected to result in any loss of post, as the Business Case for our Commercial Services Team includes an increase in the number of ESO 3's to support future service delivery and income generation.

6.8. Current staffing levels detailed in sections 3.27 and 5.6 show how unplanned absences can have a significant impact on achieving the work required across the District, and long term sickness requires Agency cover to support the teams, which in 2018/19 is expected to total £40,000.

6.9. The increased staffing detailed by the preferred option will give a greater margin to accommodate these absences within existing resources, and reduce the risk of unexpected expenditure on Agency or significant fall in standards across the District.

6.10. Overview of these costs alongside the Business Cases for Place Staffing and Commercial Services:

Overall Operational Costs	
Combined	£131,321
Place	£166,697
Domestic Waste	£156,646
Commercial Services	£184,558
Additional Income	-£376,580

Capital Borrowing Cost (with Interest)	
Combined	£531,898
Place	£0
Domestic Waste	£152,767
Commercial Services	£379,130

Annual Borrowing Costs	
Combined	£75,985
Place	£0
Domestic Waste	£21,823
Commercial Services	£54,162

6.11. When considered as a suite of Business Cases, and considering the forecast growth of our Commercial Services in the first three years, the overall impact of the preferred options on current finances are positive, with all of the increased costs expected to be balanced in 2022/23.

7. The Management Case

- 7.1. Should this business case be agreed for funding, a recruitment process will be followed to attract people with the balance of skills and ability to support the Council in delivering its strategic purpose to keep my place safe and looking good.
- 7.2. As these staff will be a key part to the future delivery of the service, they will receive both practical training in the use of equipment and more specific support to develop the right approach to apply the Place thinking approach to everything they do. The precise format of this training would depend on the individuals, and would be tailored by our Coordinators in a mentoring approach to develop them and continue to support this approach with our existing staff with an emphasis on proactive maintenance using the additional resources.
- 7.3. New starters will be subject to a 6 month probation period, and clear targets will be set regarding performance as part of the Place Team, alongside the mentoring approach by Coordinators that will be used to support their integration into Environmental Services.
- 7.4. This will be managed informally on a daily basis, and formally through monthly 1:1's in line with existing policies and practices – albeit on a greater frequency to ensure that the staff are able to support our work going forwards and start developing people with the right skills and mind-set to develop through the organisation as succession planning.
- 7.5. The additional resources will be used to strengthen the existing team, but is intended primarily to strengthen the existing structure over the next two years, and allow for a full service review to be carried out supporting the service moving forwards.
- 7.6. Greater stability within the service will remove the existing reliance on regular Agency staff, and will ensure that service delivery is delivered consistently across the District so that accurate data can be used to support consideration of different models of service.

7.7. This will be measured through both qualitative and quantitative data including the following measures and any others that may be identified once the review has started:

1	Missed Residual Collections
2	Missed Recycling Collections
3	Number of Collections
4	Missed Assisted Collections
5	Number of Wheeled Bins in use
6	Residual Waste Tonnage
7	Recycling Tonnages
8	Garden Waste Tonnages
9	Missed Garden Waste Collections
10	Non-Renewals on Garden Waste
11	New Renewals on Garden Waste
12	Lost Grey Wheelie Bins
13	Lost Green Wheelie Bins
14	Lost Brown Wheelie Bins
15	Mileage
16	Working Time
17	Travelling Time
18	Sickness Rates
19	Staff Welfare - Physical Health
20	Staff Welfare - Mental Health
21	Succession Planning

7.8. A project brief will need to be drawn up to set the parameters of the service review, and a detailed project plan will be created to support this project using staff from across Environmental Services, unions and councillors as appropriate to ensure that the practical knowledge and experience of the crews are a key part of the process, and conclusions put forward are based on solid information in a transparent way.

7.9. This approach supports the results from the latest staff survey and will ensure that all interested parties in the future shape of the service can buy into the process and influence the final business case setting out options for a sustainable service.

APPENDIX 2

Full Business Case

Commercial Waste Collection Services

Options to support future growth and income generation.



Author:	Matthew Austin
Date:	30/01/2019
Release Version:	Vs 3

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1. Executive Summary

- 1.1. All businesses have a Duty of Care to manage their waste and ensure it is disposed of responsibly.
- 1.2. Local Authorities have a duty to support businesses dispose of their waste responsibly if requested, but unlike domestic waste, the service can be charged for, with an expectation that all costs of this service will be covered by the customer.
- 1.3. As Commercial waste has to be collected separately from Domestic Waste Collections, there are increased costs in providing this service on top of the domestic service.
- 1.4. Due to this, most local authorities face such high costs in setting up the resources to provide a service (with no secure customer base to protect the investment), that they actively direct businesses to the private sector, or adjacent authorities that are able to provide this service at lower costs than the actual host authority could operate.
- 1.5. This Business Case outlines the successful growth of our existing Commercial Waste services, and summarises options to secure this income generation for the future through investment to consolidate and further grow the business to generate a greater surplus for the Council that can offset additional expenditure needed across Environmental Services.

1.6. Recommendations:

- 1.6.1. Approve increased revenue funding to employ 6 additional members of staff to deliver Commercial services across the District and increase income generation for Bromsgrove District Council.
- 1.6.2. Approve Capital Funding to support the purchase of 2 additional vehicles to provide capacity to grow the existing business, and provide resilience within the service against service disruption through vehicle breakdowns.

2. Introduction

- 2.1. All waste generated by businesses is classed as commercial waste, for which they have a legal Duty of Care to dispose of responsibly under the Environmental Protection Act 1990.
- 2.2. Bromsgrove District Council also has a legal duty to provide a household service to its residents, and to support businesses in the completion of their duty of care if requested.
- 2.3. Although domestic waste collection of residual waste and dry recycling cannot be charged for, the Council is able to charge businesses who require this service at a rate to be determined by the Council to recover the costs of administration, collection and disposal.
- 2.4. As there are a number of large waste collection businesses operating nationally, and regionally, there is a lot of choice available for businesses to choose from, and many local authorities are not able to compete with the private sector on price, and so are never called upon to fulfil this duty, although local authorities do have certain benefits such as exemption from charging VAT to customers within their authority area, that allows them to be more competitive.
- 2.5. Bromsgrove District Council has operated a Business Waste service since 2008 for Residual Waste, which has seen significant growth in the last two years as a result of a change in focus and greater drive to grow the service, resulting in £600,000 of income in 2018/19. £230,000 over our original forecast for this year as a result of significant growth with a number of significant national brands as well as smaller local businesses trusting us to manage their waste collection.
- 2.6. In addition to this, the service started offering a recycling collection service in 2017/18 for existing customers to help create additional capacity within the service and attract new business from those keen to support the environment.

- 2.7. What was originally intended as a trial in conjunction with our domestic recycling collection service has proven extremely popular and has grown to become an additional collection round operating as a commercial activity alongside our existing commercial residual collection operation, generating a significant boost in income generation as shown above.
- 2.8. This resource is not built into the structure of Environmental Services, and has put additional strain on the wider service, as well as increased the risk of service failure, as this additional recycling collection service is currently being operated using a vehicle that has been replaced on our Capital Replacement programme, and is now 8 years old without a dedicated maintenance budget to support it.
- 2.9. In addition to the growing Commercial Waste Collection services, we also operate a Cess Pool Tanker service, which has also benefitted from renewed focus in the last 12 months, and is on track to grow its income beyond the current target of £204,000 in 2019/20.
- 2.10. These two service elements have now reached a point where further growth is no longer possible with existing resources, and a decision needs to be made on how the service should progress from its current position.
- 2.11. The service has an opportunity to grow the Commercial Services to generate additional sustainable income for the Council, although additional investment is needed to fully realise this, and so this Business Case sets out the options for the future of this service, and the wider context of how this service supports our other services across Environmental Services.
- 2.12. This Business Case is being presented alongside two other Business Cases to review:
 - 2.12.1. The stabilisation of our Domestic Waste Services prior to a full service review
 - 2.12.2. Options to address the changes in demand being generated by new housing and increased littering on our road networks, and how the Place Teams can meet this growing challenge.

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2.13. This Business Case should be considered in parallel with these business cases, as our Commercial Services are integral to meeting the financial pressures on the Council whilst supporting full delivery of services to our residents in line with our Strategic Purpose: Keep our Place Safe and Looking Good.

3. The Strategic Case

3.1. Our current combined Domestic and Commercial Waste Service supports two of the Council's key priorities identified in the Council Plan:

3.1.1. Financial stability for the Council

3.1.2. Quality services for residents, with affordable charges where appropriate

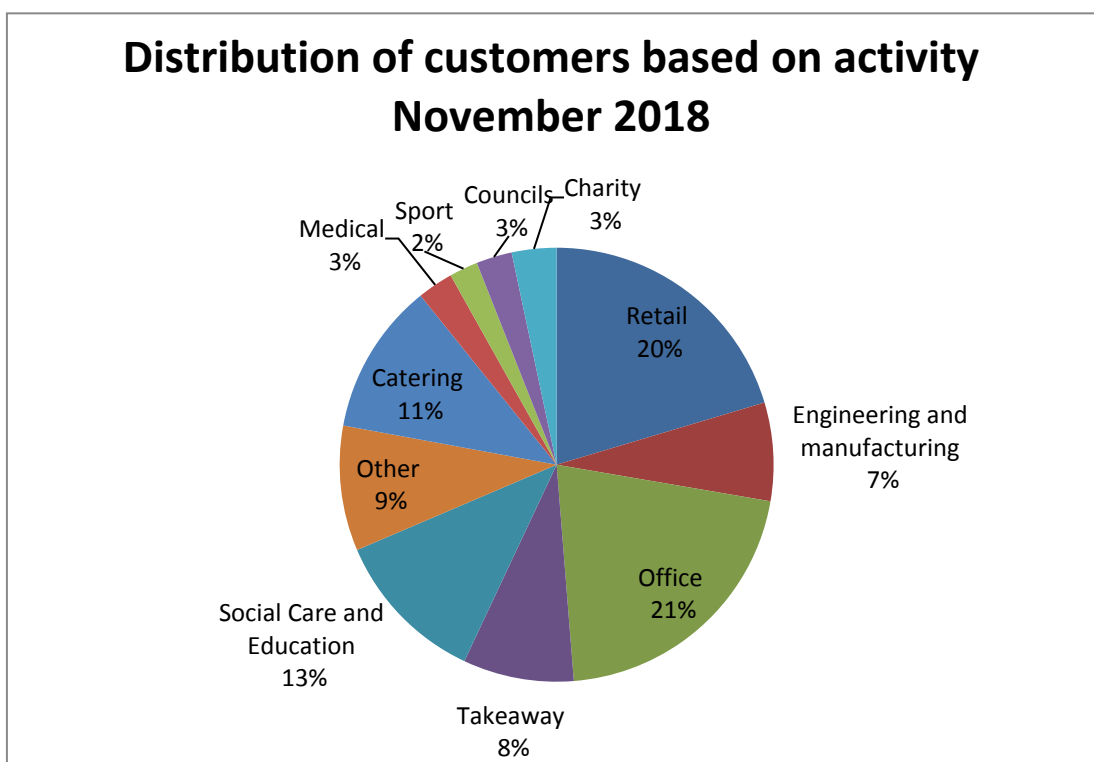
3.2. In addition to supporting these priorities, The Waste service supports the following strategic purposes:

3.2.1. "Keep my place safe and looking good"

3.2.2. "Help me run a successful business"

- It does this by providing a fully integrated and economical method of waste management for local businesses.
- By easily being able to take advantage of environmentally acceptable waste disposal.
- By attracting like-minded business and associated benefits including supply chain and environmental management system controls.
- By safeguarding or enhancing employment opportunities for the local community in dealing with waste and recycling close to where it is generated; the proximity principle.

3.3. Our current Customer base is made up of the following business areas:



3.4.

3.5. The Case for Change

3.6. Since 2015, our Commercial Waste and Cesspool Services have seen an increase in workload (and income) as a result of our growing reputation, and increased housing stock across the District has generated a greater workload on domestic waste collection services as well as our cleansing and grounds operations.

3.7. This pressure, in concert with standard leave requirements and both short and long term sickness across Environmental Services, has resulted in a shortage of staff to support both elements of the service at peak times of annual leave/sickness, and left little flexibility to support the range of services that we operate on a daily basis.

3.8. The Council started the 2018 financial year with funding for the following resources in our structure (Unchanged from 2017/18 Financial Year):

- 51 Staff.
- 13 full crews 9 Domestic & 4 Garden (39 staff)
- 2 crews of 2 Commercial Residual Waste Collection, & a Rural Domestic Round. (4 staff)
- 1 Tanker Cesspools (1 staff)

3.9. That is 44 staff needed every day on the books, leaving 7 Spare Staff every day to cover A/L & Sickness (based on that staffing model). As the Waste Services team need 6 staff every day to give holiday cover over the course of the year.

3.10. However, operationally this has expanded due to growth of the services, but without a formal review process to formalise them in our structure:

- 1 Crew of 2 - Trade Recycling (2 staff) – New service grown to meet demand, and generating income.
- 1 Tanker - Cesspools (1 staff) – Continuing growth in customer base
- Bin Deliveries (1 staff) – Full time role with new properties and increasing trade waste customer numbers

- 1 Crew of 3 - Round 11 (3 staff) - Used to accommodate New Builds across the District and share the load on existing rounds.

- 3.11. The existing model with a combined domestic and commercial service suffers from a lack of clarity over resources to support defined services, and has caused tensions within the team as attempts are made to balance commercial pressures relating to contracted chargeable services, alongside the importance of delivering a household service to our residents.
- 3.12. The Domestic Waste Business Case reviews staffing on the domestic service in full, and outlines recommendations to address this shortfall and support our domestic services.
- 3.13. This Business Case focuses on the Commercial Services Team, and considers options to formalise the team as a separate entity to our domestic services in order to remove this conflict and ensure greater transparency regarding the full costs of the service as well as support the continuing development of a commercial mind set towards services, recognising the difference in skills required to succeed in a competitive business environment.
- 3.14. Benefits & Risks
- 3.15. The Risks associated with not investing in the service are significant, both for the short and long term income generation of the Council.
- 3.16. In 2012/13, the Council was winding down its Commercial Services with a view to selling the customer list as a going concern for the private sector.
- 3.17. This resulted in a drop in service to businesses, and a period of limbo for both customers and staff, as resources were limited, and a number of problems affected the service.
- 3.18. Although the decision was made to continue with the service as a commercial venture, there had been a significant drop in customer numbers as businesses made use of the private sector to meet their waste needs, and the service had no ownership of its customer base.

- 3.19. The demands of Commercial Waste Collection are far more significant on vehicles than domestic waste collection, as the weights being collected can be significant.
- 3.20. Until 2017, the Council only had one custom built Commercial Waste Collection vehicle available to support services, and when this was unavailable, there was a significant impact on services, with inconsistent communication to manage the issues.
- 3.21. A similar position existed around our Tanker service as well, and between 2012 and 2016, the Council lost many customers (both domestic and Commercial) as a result of failures in our service, and it has taken time and demonstrable security of service to win back this business and attract new investment.
- 3.22. Changes made during 2017 have strengthened the service and supported a more commercial approach to how we deal with our customers at every level, and this has been shown in the growth of the business over the last three years, but has still been associated with quite a high level of risk, as it has relied on an older vehicle modified to support the Commercial Waste service alongside a custom built vehicle.
- 3.23. The Tanker service has by comparison seen investment in a new Tanker in 2017 alongside a significant refurbishment of an older vehicle to increase the resilience of the service and support additional income through reactive partnerships with third parties in the Septic Tank repair business across our area.
- 3.24. Although the service is not at risk of failure in the short term, consolidating the existing customer base reduces our visibility in the local marketplace, and makes it harder to maintain a competitive presence in the waste collection business.
- 3.25. The service is also at Capacity for existing business, and so has limited capacity to support further income generation to offset upcoming costs across the rest of Environmental Services and the Council as a whole.

3.26. Current Staffing & Resources¹

Commercial Services Staffing

	No. Funded	Budgeted Expense	Actual Usage	Actual Expense 2018/19
ESO 3 Driver	2		4	
ESO 1 Loader	1		2	

3.27. The Service is funded based on a single 26 Ton Collection Vehicle for Commercial Waste, and a single Tanker for Cess Pool emptying. In Practice, there is a second tanker and a second Collection Vehicle being used, that have been kept beyond the normal Capital Replacement lifespan. Although their initial cost has already been accounted for, there are no maintenance budgets for their upkeep, and this is a pressure on the service.

4. **The Economic Case**

¹ For Costs info, please see Appendix 4.

4.1. Long List Options

Option One	Do Nothing
Option Two	Increase Staffing Expenditure to formalise current staff requirements (+ 2 ESO 3's & 1 ESO 1) and consolidate service with purchase of a second dedicated Commercial Recycling Vehicle.
Option Three	Increase Staffing Expenditure to formalise and enhance current staff requirements (+ 3 ESO 3's & 2 ESO 1's) and purchase a dedicated Commercial Recycling Vehicle and a Second Commercial Residual Waste Collection Vehicle.
Option Four	Sell Commercial Services Team to Private Sector
Option Five	Invest in setting up Local Authority Trading Company to operate Commercial services

4.2. These Options are considered the most practical options to support the service, and deliver the improved standards required to deliver our Strategic Purpose.

4.3. In order to support the decision making process and identify a preferred option for the Council, these options are subject to a review process to scrutinise their ability to deliver the outcomes required, and provide a short list of the options warranting more detailed assessment.

4.4. The key outcomes that have been identified are detailed below, and each one has a maximum score that reflects the importance of that criteria in delivering our Strategic Purpose:

- **Spending Objective** – 10 - This relates to the Council’s financial pressures, and whether the proposed option is factored in to the financial planning of the Local Authority.
- **Strategic Fit** – 20 - This quantifies how well the proposed option supports the Council Plan and our Strategic Purpose

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- **Meets Business Needs** – 15 - This score reflects if the proposed option will support the Council in delivering the service required by residents with the lowest risk of failure.
- **Maintain Standards** – 30 - This score reflects whether the proposed option meets the minimum requirement to maintain provision of the service at a viable level, with a low risk of significant failure.
- **Support Improved Standards** - 5 – This scores the potential of each option to improve the overall standard of service.
- **Capacity to support Increased Income Generation** – 5 - This recognises flexibility to support chargeable works to generate income in addition to the core work required maintaining the District.
- **Affordability** – 15 -This gives each option a score based on its variance from current funding.

4.5. Evaluation Criteria for Appraisal and Analysis for Long List Options

Evaluation Criteria	Weighting for Scoring	Option One		Option Two		Option Three		Option Four	
		Yes	No	Yes	No	Yes	No	Yes	No
Spending Objective	10	Yes	10	Yes	10	Yes	10	No	0
Strategic Fit	20	No	0	Yes	20	Yes	20	Yes	20
Meets Business Needs	15	No	0	Part	7.5	Yes	15	Part	7.5
Maintain standards	30	No	0	Yes	30	Yes	30	Yes	30
Support improved standards	5	No	0	No	0	Yes	5	No	0
Capacity to support Increased Income Generation	5	No	0	No	0	Yes	5	No	0
Affordability	15	Part	7.5	Yes	15	Yes	15	Part	7.5
	100		18		82.5		100		65

Do Nothing

Increase Staffing Expenditure to formalise current staff requirements (+ 2 ESO 3's & 1 ESO 1) and consolidate service with purchase of a second dedicated Commercial Recycling Vehicle.

Increase Staffing Expenditure to formalise and enhance current staff requirements (+ 3 ESO 3's & 2 ESO 1's) and purchase a dedicated Commercial Recycling Vehicle and a Second Commercial Residual Waste Collection Vehicle.

Sell Commercial Services Team to Private Sector

4.6. Short List Options

4.7. Following the initial Evaluation and Appraisal process to determine which options best meet the criteria set out by the Business Case, Options 2, and 3 present as the highest scoring options, and are summarised below for further consideration.

4.8.

Option Two	Increase Staffing Expenditure to formalise current staff requirements (+ 2 ESO 3's & 1 ESO 1) and consolidate service with purchase of a second dedicated Commercial Recycling Vehicle.
Option Three	Increase Staffing Expenditure to formalise and enhance current staff requirements (+ 3 ESO 3's & 2 ESO 1's & Sales Role) and purchase a dedicated Commercial Recycling Vehicle and a Second Commercial Residual Waste Collection Vehicle.

4.9. A full cost benefit analysis identifying relevant benefits and costs for each of the short listed options is shown below²:

	Consolidate Service	Consolidate & Expand
	2	3
Change to staff levels	3	6
Changes to Vehicles Numbers	1	2
On-Going Costs		
Staffing Costs (yearly)		
Vehicle Cost (Yearly - Running Costs)		
Capital Cost		
Capital Depreciation Costs		
Total Revenue Cost	£149,054	£245,723
Total Capital Cost	£170,000	£340,000

² For Costs info, please see Appendix 4.

4.10. Risk Assessment

4.11. Scored on a scale of 1 – 3, the chart below identifies the level of risk to the authority arising from each option:

Individual Scores: 1 - Low. 2 - Med. 3 - High	Option Two	Option Three
Fails to deliver security of service	2	1
Financial Risk of failing to achieve aims	2	1
Resources	1	1
Decrease in Customer Satisfaction & Retention	2	1
Negative Impact on other Council Services	2	1
Total Score:	9	5
	Medium	Low

(1-6 Low Risk, 7 - 12 Medium Risk, 13 - 18 High Risk)

4.12. After assessing the quantitative and qualitative costs and benefits of the two options, Option Three is considered the preferred option, and is put forward as the proposal to continue growing the Commercial Services Portfolio to generate additional income for the Council and support the Council’s Strategic Purposes.

4.13. Recommendation:

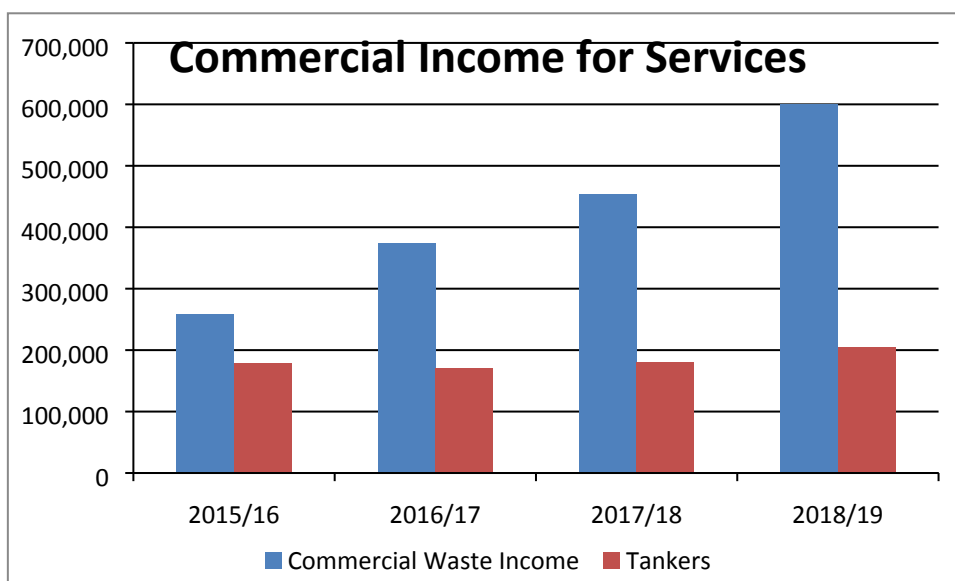
Option Three	<p>Increase Staffing Expenditure to formalise and enhance current staff requirements (+ 3 ESO 3's & 2 ESO 1's & Sales Role) and purchase a dedicated Commercial Recycling Vehicle, and a Second Commercial Residual Waste Collection Vehicle.</p>
---------------------	---

5. The Commercial Case

5.1. Since 2015, the Commercial Waste Collection Service has grown from an annual value of £258,000 (gross) to one expected to achieve in excess of £700,000 (gross) in 2019/20, with nearly 800 customers, and 158 of those using both our residual and recycling services. A 73% increase in the numbers of customers, alongside some of our best known local and national businesses, including an increased presence across Bromsgrove and areas in adjacent authorities based on growing relationships with retail chains as well as individual names.



5.2. By comparison, three years ago we had a customer base of 549 customers, solely on residual waste collections across the Bromsgrove and Redditch Area.



5.3.

5.4. Our Tanker Service has also seen growth in this timeframe, increasing income from £178,000 in 2015/16 to a forecast £214,000 in 2018/19, through a combination of increased frequencies from existing customers, and over 200 new customers choosing to use our services in that time period.

5.5. Although our costs have increased in line with the volume of new work being carried out, this is still on target to generate a surplus of £176,000 in 2018/19 for Bromsgrove District Council after all expenses have been accounted for.

5.6. In concert with the business cases being put forward for our Domestic Waste Services, and Place Teams, the preferred option will generate future income that will both support the growth of our domestic services by reducing additional expenditure using public funds in the short term, but will also grow to generate an additional financial surplus that can be used to safeguard Council Services in the future.

5.7. Below is a forecast of the investment and conservative estimates of returns expected over the next three years, based on the preferred option: ³

	2018/19	2019/20	2020/21	2021/22
Hire				
Insurance				
Disposal				
Fuel				
Maintenance				
Crew Salaries				
Other Staffing				
IT (Incab & Webaspex)				
Tankers Staff Cost				
Tankers Operational Cost				
Advertising & Promotion				
Total Expenditure				
Commercial Waste Income				
Tanker Income				
Surplus	-£175,856	-£196,172	-£236,222	-£268,503

5.8. One uncertainty built into this forecast is how effective a dedicated Sales Role will be in driving customer growth.

³ For Costs info, please see Appendix 4.

- 5.9. This Sales Role has been Job Evaluated as a Grade **X** role, at a cost of £**XXXXXX**, and growth figures included in the forecast returns at Section 5.7 above have been forecast based on growth levels achieved over the last two years using existing resources, plus a target of recovering the salary costs of the sales person from Year 2, and further cost recovery up to 150% of their salary in Year 3.⁴
- 5.10. It is expected that the dedicated Sales Role will not increase the rate of new customer take up immediately, and the benefit will be seen from the start of Year 2, as they will work to build relationships with businesses tied to existing contracts with our competitors that will then translate to new business for Bromsgrove District Council in 2020/21.
- 5.11. The Council has a standard recruitment process for advertising the roles, and interviews will be carried out using the same model used on previous recruitment processes in the last 12 months, with a combination of Practical Exercises and a formal interview that focuses on the Commercial skills we have identified as having been so crucial to achieving the increase in business and reputation achieved by the team in the last three years and ensure we are taking on the right staff to support the business moving forwards.
- 5.12. New staff will be subject to a 6 month probation period, and will be given training to carry out all elements of the role in stages that allow us to develop their skills to support the team, and support operations to the standard required.
- 5.13. Existing staff will also receive refresher training and mentoring alongside the new staff in order to help integrate the teams and support consistent standards.
- 5.14. Additional Vehicles will be ordered through existing procurement arrangements to achieve best value, but as they are made to order there will be approximately a 6 – 9 month delay on receipt of the necessary vehicles, which will require us to continue using an older vehicle in the interim to meet all of our commitments.
- 5.15. This increases the risk of unexpected costs in that time frame, due to break down and possibly the need to hire a vehicle in, but it is believed that this risk is low and that there are sufficient vehicles available within the Environmental

⁴ For Costs info, please see Appendix 4.

Services arrangements that short-term failure can be covered at minimal cost in this time frame.

6. The Financial Case

6.1. This Business Case is being presented alongside similar Business Cases to support growth of the Domestic Waste Collection Service, and our Place Teams, and the benefits of this business case are intended to be integrally linked with those business cases in order to offset their additional costs without adversely affecting the Council's bottom line.

6.2. The Commercial Services Business Case requires the following investment for the 2019/20 financial year to realise the income generation summarised in section 5.7.

Staff & Training	£160,558
Vehicle Operating Costs	£24,000
Total Revenue Investment in Commercial Services	£184,558

Capital Vehicle Purchases	£340,000
Total Borrowing Cost to fund Vehicle Purchases	£379,130
Annual Repayment of Borrowing Costs for Capital Purchases (7 Year Re-payment Period)	£54,162

Combined Annual Revenue Cost to Bromsgrove District Council:	£243,720
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- 6.3. Overview of these costs alongside the Business Cases for Place Staffing and Commercial Services:

Overall Operational Costs	
Combined	£131,321
Place	£166,697
Domestic Waste	£156,646
Commercial Services	£184,558
Additional Income	-£376,580

Capital Borrowing Cost (with Interest)	
Combined	£531,898
Place	£0
Domestic Waste	£152,767
Commercial Services	£379,130

Annual Borrowing Costs	
Combined	£75,985
Place	£0
Domestic Waste	£21,823
Commercial Services	£54,162

- 6.4. When considered as a suite of Business Cases, and considering the forecast growth of our Commercial Services in the first three years, the overall impact of the preferred options on current finances are positive, with all of the increased costs expected to be balanced in 2022/23.

- 6.5. However, it is believed that approval of the Commercial Services Business Case in isolation would likely lead to a cumulative service failure of the domestic waste service, and undermine the ability to accurately review the current service and offer up alternative models that may make better use of existing resources to limit future expenditure, or offer up savings.

7. The Management Case

- 7.1. Should this business case be agreed for funding, a recruitment process will be followed to attract people with the balance of skills and ability to support the Council in delivering its strategic purposes "To keep my place safe and looking good", and "Help me run a successful business".
- 7.2. As these staff will be a key part to the future delivery of the service, they will receive both practical training in the use of equipment and more specific support to develop the right approach to apply the Place thinking approach to everything they do. The precise format of this training would depend on the individuals, and would be tailored by our Coordinators in a mentoring approach to develop them and continue to support this approach with our existing staff with an emphasis on proactive maintenance using the additional resources.
- 7.3. New starters will be subject to a 6 month probation period, and clear targets will be set regarding performance as part of the Place Team, alongside the mentoring approach by Coordinators that will be used to support their integration into Environmental Services.
- 7.4. This will be managed informally on a daily basis, and formally through monthly 1:1's in line with existing policies and practices – albeit on a greater frequency to ensure that the staff are able to support our work going forwards and continue developing people with the right skills and mind-set to develop through the organisation as succession planning.
- 7.5. These services will be measured through both qualitative and quantitative data including the following measures:

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1	New Residual Customers
2	New Recycling Customers
3	Number of Bins being paid for
4	Customer Retention
5	Missed Collections
6	Variance from Financial Income Targets
7	Recycling Tonnages
8	Residual Tonnages
9	Variance from Financial Income Targets
10	Mileage
11	Working Time
12	Travelling Time
13	Sickness Rates
14	Staff Welfare - Physical Health
15	Staff Welfare - Mental Health

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Appendix 3

Future delivery of Place working across Bromsgrove District

Business Case

Author:	Matthew Austin
Date:	30/01/2019
Release Version:	Vs 8

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1. Executive Summary

- 1.1. The Council has a legal duty to provide certain services to maintain the cleanliness of the District, as well as discretionary services to deliver its strategic purposes for residents, visitors and business.
- 1.2. In 2015, Environmental Services carried out a transformational review of how it delivers these Cleansing and Grounds Maintenance functions across the District.
- 1.3. The Place Teams were created from this process, to implement a revised model of working focused on delivering a level of service across the district based on what needed doing rather than a simple cycle of works that couldn't reflect the changing pressures on the District and our staff.
- 1.4. This business case builds on that transformation process, using the three years since its inception to highlight the issues that have faced the service, and identify both the limitations and the opportunities for the service to grow and fully deliver our Strategic Purpose to Keep our Place Safe and Looking Good.
- 1.5. Sitting alongside Business Cases to similarly review the future delivery of our Commercial Waste Services for the generation of additional income for the Council, and the stabilisation of our Domestic Waste Services prior to a full service review (similar to the Transformation process that created Place), this Business Case sets out options to address the changes in demand being generated by new housing and increased littering on our road networks, and how the Place Teams can meet this growing challenge.
- 1.6. Having outlined and assessed options ranging from maintaining the status quo, suspension of services, and further investment at a range of levels, the recommendation put forward as the preferred option is to invest in the service in order to fully realise the potential of the Place Model of Working, and secure the service for the future in a proactive manner, with scope to build further partnerships with Parish Councils to generate additional income

to offset its costs, and fully support our residents, businesses and visitors to make Bromsgrove a successful and attractive place for everyone.

1.7. Recommendations:

- 1.7.1. Agree increased funding to employ 6 additional members of staff to deliver services across the District
- 1.7.2. Restructure the teams to focus more resources on the core work across the district
- 1.7.3. Create a dedicated Bulky Collections Team to deliver the service in parallel with the Place Teams as a Commercial Team.



2. Introduction

- 2.1. The Environmental Protection Act 1990 makes certain duty bodies legally responsible for keeping land which is under their control, and to which the public has access, clear of litter and refuse and their highways must be kept clean, as far as is practicable.
- 2.2. Bromsgrove District Council is the principal litter authority under the Act, and Worcestershire County Council are the Waste Disposal Authority responsible for arranging disposal of any waste collected by BDC as litter or fly tipping under this duty.
- 2.3. Historically this duty was met through the efforts of our street cleansing staff based out of the Bromsgrove depot.
- 2.4. In addition to the legal duty for managing litter across our District, we also carry out grass cutting services as a service in partnership with Worcestershire County Council to maintain highway verges within speed restricted settlements, and also provide maintenance as a non-statutory service on our Public Open Spaces, Play Areas and larger recreational spaces.
- 2.5. WCC have a duty to maintain visibility on the public highway, and meet this with 2-3 cuts of grass verges each year to prevent them becoming significantly overgrown.
- 2.6. To support a higher aesthetic standard in our towns and villages, Bromsgrove District Council receives the funds that WCC would have spent on those areas, and supplements it with additional funding and resources to carry out more cuts to maintain a higher standard throughout the year.
- 2.7. Bromsgrove District Council (BDC) adopted a new model of service delivery for Street Cleansing and Grounds Maintenance in 2015 after a transformation process.
- 2.8. This applied systems thinking to all our services to determine how we could best use our resources to deliver the standards desired for everyone who lives, works, and visits our District.

- 2.9. This process resulted in the creation of three Place Teams to provide a form of locality working based on levels of demand and multi skilled labour rather than individually specialised operatives and fixed work schedules. This would give flexibility in how resources are used to carry out the complete job whilst operating across the district rather than a series of actions in parallel.
- 2.10. It also created a central tractor team and a central mechanised sweeper team to support the combined area maintained by Environmental Services across both Bromsgrove and Redditch.
- 2.11. In addition to the more visible services carried out on cleansing and grounds maintenance, the Council also provides a Bulky Collection service, which is a non-statutory service provided for a fee to support residents with the disposal of larger household goods that cannot be disposed of through our normal waste collection service.
- 2.12. As this Bulky waste is disposed of by Worcestershire County Council as the Waste Disposal Authority, at their expense, we are limited to items that would typically be taken away during a house move, so there are a number of items that we are not currently able to take.
- 2.13. The Bulky Service generates income for the authority, but in recent years has seen an increase in the quantity of collections being requested, and an increase in the sizes of goods being collected.
- 2.14. This additional work has limited the ability to work as flexibly across the district in line with the original plans, and the logistics of our district have compounded the impact of this increased pressure on the service.
- 2.15. Over the last three years we've made multiple changes to drive greater efficiency in how we deliver our services under the new model, including significant changes to the way we deliver the Bulky Service almost as a stand-alone service alongside our Place Teams, and identifying how we prioritise our work across the district with the remaining resources separately from that service.

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- 2.16. With new housing in and around our District, we have seen an increase in traffic on our roads, and more people generating waste, which has increased the amount of resource needed to maintain many of our roads that are used as commuter routes, especially along our northern borders with Birmingham.
- 2.17. New housing is also increasing the volume of highway verges across the District, which increases both our Cleansing and Grounds Maintenance responsibilities.
- 2.18. Current staffing levels have been in place for approximately 10 years without change, and the transformation process changed the way our resources were divided, which has also had an impact on certain areas of the work carried out by the Place Team.
- 2.19. Although the sweeper and tractor teams are still carrying out the work required across the district, by having those people in separate teams in parallel with the Place Teams, there is less flexibility to allow prioritisation of different areas of work in the event of seasonal peaks in our workload or sickness, or use them flexibly to support other services where there is short term disruption.
- 2.20. During 2017 this became especially noticeable when two staff were off with long term sickness at the same time as planned work to support the Dual Carriageway works done in partnership with WCC, peak grass cutting season, and an increased visibility of our services during the warmer summer months.
- 2.21. The loss of these two staff had a significant impact on our services, and resulted in additional costs being incurred through Agency Staff to allow services to continue, but although this allowed the cleansing element of our services to continue, it highlighted the reliance of our new model of working on having multi skilled staff to ensure effective service delivery.
- 2.22. This Business Case is intended to set out the current workload on the Place Teams, and provide the evidence to support a range of options to increase our resources to support our Place Teams in carrying out their work across the District.

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- 2.23. It also looks to set out opportunities to support commercial opportunities as an income generator for the Council, and give additional options for greater security of the service to keep our Place Safe and Looking Good.
- 2.24. The Place Teams were originally set up to provide a proactive maintenance service across the District, and where we have been able to focus the resources to do this, we have seen the benefit of this way of working.
- 2.25. Over the last two years though, we have seen more compromises about achieving that proactive standard, and have been working in a more reactive fashion as a result.
- 2.26. If this Business Case is successful, we will be able to deliver on the original aims set out by the Transformation Process and provide a sustainable service that can meet the needs of the District as it grows and develops in the coming years.

3. The Strategic Case

3.1. Alongside our waste collection services, the Place Teams are the most visible service the Council provides across the District, and benefits all our residents, visitors and businesses. It's operations support two of the Council's key priorities identified in the Council Plan:

- Financial stability for the Council
- Quality services for residents, with affordable charges where appropriate

3.2. In addition to supporting these priorities, The Place Teams support four of the Council's six strategic purposes:

3.2.1. "Keep my place safe and looking good"

3.2.2. "Provide good things for me to do, see and visit"

3.2.3. "Help me run a successful business"

3.2.4. "Help me find somewhere to live in my locality"

3.3. The Case for Change

3.4. In the business case that supported the transformation process Environmental Services implemented in 2015, it was identified that a pool of operatives would be created who could cover normal levels of sickness and holiday in the waste collection and support other services where required. This would reduce the requirement for overtime payments and give greater security to the wider service by ensuring we had staff with the right skills available to support operations across the Place Teams as well as the Waste Collection service.

3.5. Since then, our commercial waste and cesspool services have seen an increase in workload (and income) as a result of our growing reputation, and increased housing stock across the District has generated a greater workload on domestic waste collection services as well as our cleansing and grounds operations. This pressure, in concert with standard leave requirements and both short and long term sickness across Environmental Services, has resulted in this pool being fully committed supporting waste operations, and not realised the wider support that was originally envisaged would be available at peak times to support Place Team operations.

- 3.6. In the government's Litter Strategy for England 2017, it is noted that almost one in five people admit to dropping litter consciously. The real figure, which includes those who drop litter but do not admit to it, is likely to be higher.
- 3.7. This inconsiderate and anti-social behaviour by a minority of people blights our neighbourhoods and our open spaces, and dealing with litter places a significant burden Bromsgrove District Council, costing the taxpayer approximately £570,000 across Bromsgrove District in staff time alone¹
- 3.8. It has been identified² that "living in a littered environment makes people feel less safe in their communities, and discourages people from going outside. This in turn affects their mental and physical health and creates further costs to local healthcare providers. Poor local environment quality also discourages inward investment and may suppress property prices, damaging local economic growth."
- 3.9. With current staffing levels, the majority of our actions are focused on managing the issues across the district, to minimise their impact on the aesthetics of the District. This has limited the ability to be proactive in addressing issues and involving the right people to either identify those responsible, or support education activities to encourage local changes in behaviour.
- 3.10. Successful prosecutions in 2016 and 2017 have seen short term reductions in fly tipping, which helps release resources to support other duties across the District, but the single Investigation Officer that supports this action currently covers a wide range of work across the district and includes detailed administrative work to comply with formal data sharing agreements and build cases with the Legal team to support prosecutions. This reduces their available time to spend out on the ground, and the Place Teams don't have the capacity or knowledge to fully support this work.

¹ Figure calculated is estimated as 18% of staff time spent on Grounds Maintenance operations over the year, with the remainder primarily used on cleansing duties such as litter picking, bin emptying, and fly tip removal. This figure represents total cost to authority including pension contributions and other staff on costs. Table of staffing costs shown in section 3.16

² Government Litter Strategy 2017, P13.

3.11. Although not directly part of this business case, we expect to review this during 2019 alongside the resources agreed for Place in 2019 onwards.

3.12. Existing Staffing on Place

	Apprentice	ESO 1	ESO 2	ESO 3	Investigation Officer	Coordinator
Place Team 4	1 (Vacant)	4	3	2	1	1
Place Team 5		3	2	2		1
Place Team 6		3	3	1		1
Total Staff						26+1+1

3.13. Existing Physical Resources

4 x 5.2 Ton Tipper Cage Vans with Tail lifts
2 x 5.2 Ton Tipper Derby Back Vans
5 x 3.5 Ton Tipper Flat Bed Vans
1 x 3.5 Ton Tipper Cage Van
1 x Small Van
4 Trailers
9 x Ride on Mowers
1 x Ride on Mower with Grass Box
3 x Box Mowers
2 x Large Walk Behind Mowers
3 x Mini Sweepers
1 x Trailer Mounted Hot Water Pressure Washer
Strimmers, Hedge Cutters, Chainsaws, Blowers, Handtools

3.14. The Place Teams are currently operating with resources that have little spare capacity to carry out in depth work, or explore opportunities for additional income generation, and this is directly impacting on service delivery and reducing our productivity, as staff are working in a largely reactive manner rather than proactively to maintain the District as the Place Model originally intended.

3.15. This style of working is able to maintain a standard across much of the district when all staff are available, but experiences cumulative failure over time, as each time there is a disruption to resources it changes the base point for standards that are maintainable and will ultimately result in significant service failure as there is no capacity to reset that base standard across the District as a whole.

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3.16. When reviewing the work carried out across the District, it has been identified that throughout the year there are areas of work that are not able to be carried out in full, and there are several points in the year where the required workload exceeds our current resources by a considerable margin.

3.17. The following Tables document the changing pressures on Bromsgrove Place Teams throughout the year. (As the Cleansing operations continue all year round and are a statutory duty, they are not specifically stated as a pressure, but are detailed within the staffing requirements table)

Pressures

	January	February	March	April	May	June	July	August	September	October	November	December
County Cut (2 people per month average)			Yes	Yes					Yes	Yes		
Bromsgrove Highway (8 People 1 week - Average 2 people for month)					Yes				Yes			
Grass Cutting			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Extreme Weather (no figure applied)	Yes											Yes
Staff Holidays (729 Days Leave = 61 days off per month A/L - 3.05 staff)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bromsgrove High Street Jeting (2)			Yes	Yes								
Weekends (0.8)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Giving Internal Training (1 Month CPC (0.2 per month carried out). 8 Days MH/COSHH & Sharps [0.4])	Yes	Yes								Yes	Yes	Yes

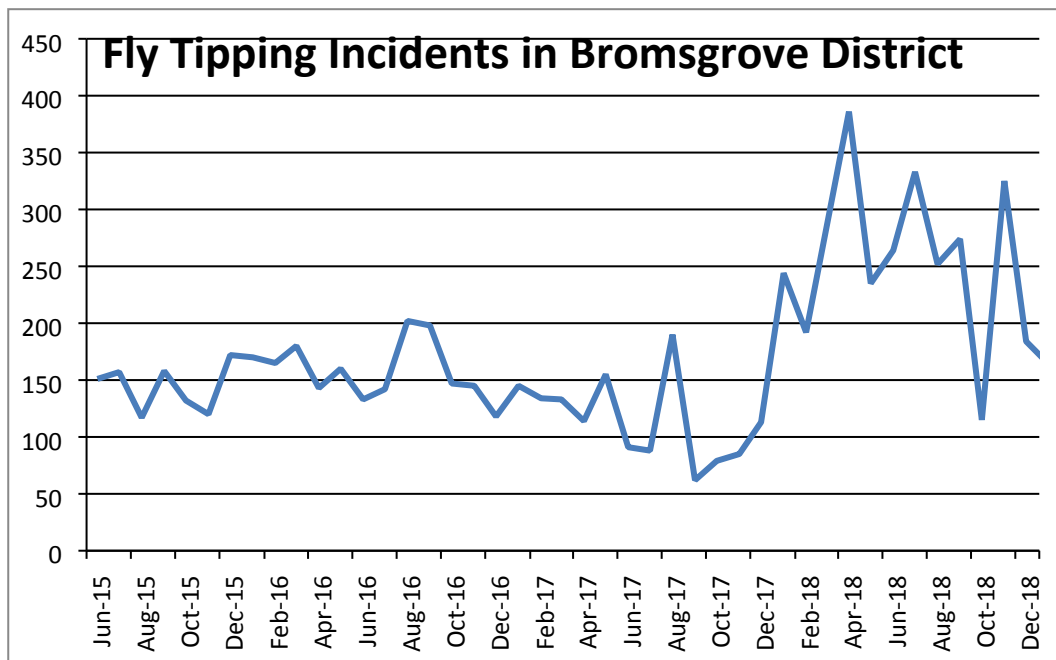
Staff Requirements

	January	February	March	April	May	June	July	August	September	October	November	December
Leadership	3	3	3	3	3	3	3	3	3	3	3	3
Highway Verges			6	6	6	5	5	5	6	6	6	
Prestige Mowing (BDC)			1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Spraying		2.5	2.5									
Litter Picking, Bin Emptying, F/T's & Play Area Checks	10	10	10	10	10	10	10	10	10	10	10	10
Bulky Collections	2	2	2	2	2	2	2	2	2	2	2	2
Hedge Cutting	6	6				2					6	6
Sweeping	1	1	1	1	1	1	1	1	1	1	1	1
Pressures ³	4.45	4.45	7.8	7.8	7.8	3.8	3.8	3.8	5.8	5.8	6.3	4.45
Staff Numbers	26.45	28.95	33.8	31.3	31.3	28.3	26.3	26.3	31.3	29.3	35.8	26.45
Current Deficit (FTE)	-0.45	-2.95	-7.80	-5.30	-5.30	-2.30	-0.30	-0.30	-5.30	-3.30	-9.80	-0.45

1.1. These tables document the operational pressures currently on the Place Teams, and highlight the deficit in staffing across the year, which is then exacerbated by staff sickness, as the Pool staff referred to in section 3.4 are not currently available to minimise the impact of the variable pressures detailed above.

1.2. To illustrate the workload behind these summary tables, the next few charts illustrate the core areas of work that the Place Team deal with, and highlight the increasing demand on our services:

³ Pressures are made up of Annual Leave, Weekend Rest Days, Dual Carriageway Works in partnership with WCC, Training, and Seasonal Work with specific timescale restrictions. .

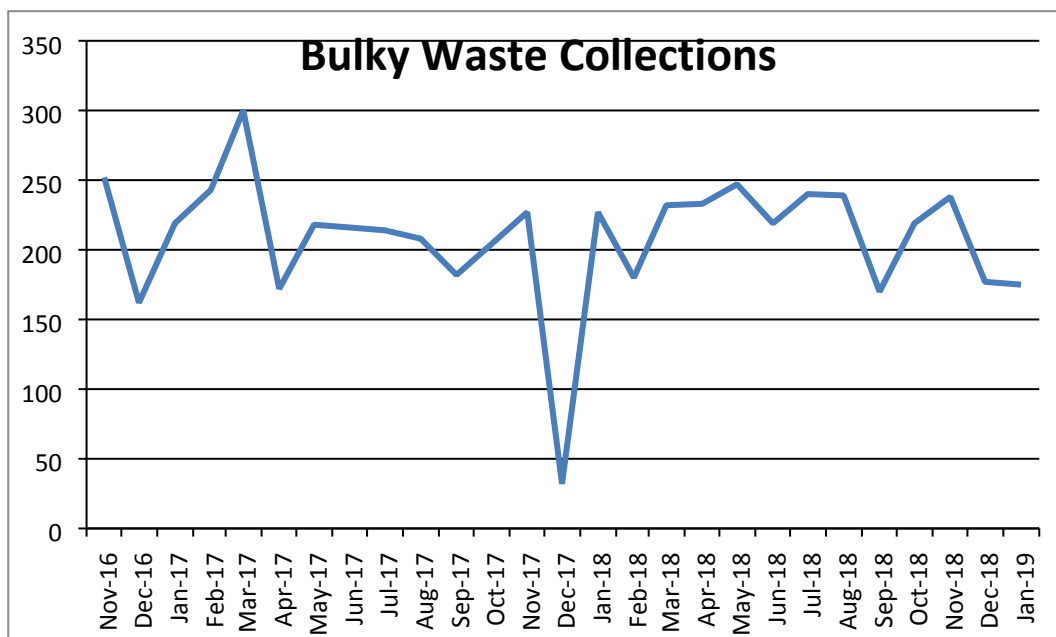


1.3.

1.4. With good access off the M42 & M5, and close proximity to Birmingham, Bromsgrove is unfortunately vulnerable to people coming into our district and fly tipping. Within minutes of leaving a main road, they can be in a relatively private location where the chances of them being observed are very low.

1.5. Much of the material we collect in Bromsgrove District appears to be commercial waste where small vans have been used to collect waste such as kitchen units, bath room suites, conifer and other tree cuttings, tyres, building rubble, fridge freezers (with the motors stripped out), garage clearances etc. Unfortunately many of these sort of jobs are typically paid in cash, and by dumping the waste illegally; the culprits save on the disposal costs and so make a greater profit.

1.6. This is estimated to have cost Bromsgrove District Council £70,000 in staff time and vehicle usage, and as can be seen from the chart above, this is an increasing issue, which takes more of our resources away from other work to manage.



1.7.

1.8. The Place Teams carry out a range of duties throughout the year, which primarily consists of litter picking, bin emptying, fly tip removal, grass cutting, and other similar duties that help ensure our Roads and Open Spaces are kept to a good standard across the District.

1.9. These jobs are all unique in the amount of time used, and area covered, as the work is so variable, but to help indicate the level of work across the district, our teams have responsibility for nearly 900 miles of paths and roads, and carry out an average of approximately 700 jobs a month.

1.10. This work is carried out by a total of 27 staff, and the current Staffing Costs are detailed below, along with a breakdown of how much of their time is spent on the main areas of work carried out across the District⁴:

	Staffing Costs	Percentage of total Cost
GM Cost	£82,000	10.7
Other GM Cost	£61,200	8.0
Bulky Cost	£52,060	6.8
Cleansing Cost	£569,740	74.5
Total Staffing Cost	£765,000	100

⁴ Figures Include Pension Contributions and all other on-costs for direct labour – Support services not included (BSU, Garage, Management).

4. The Economic Case

- 4.1. The Place Teams represent a significant cost to the Council, but provide a statutory service, as well as several non-statutory ones that do however have a significant impact on the appearance of the District, and support a large section of the Council Plan as detailed in the introduction.
- 4.2. In the current financial position that the council finds itself in, balancing the costs of service delivery to meet this statutory duty is an important consideration, but the Council is also looking to be more commercial in how it delivers services to generate additional income where possible alongside our statutory services, and ask challenging questions regarding the other services we provide to ensure that they are supporting the Council Plan and providing true best value for our residents and businesses.
- 4.3. This Business Case is intended to outline options for the future of the service, considering options both for expansion and reduction of services to better achieve the standards expected by our residents, visitors and businesses. As such, the Critical Success Factors for this business case have been identified as:
 - 4.3.1. Delivering a proactive service across the district to maintain, and support improvements in, the appearance of the district
 - 4.3.2. Greater resilience to deliver services within budget and to the standards required throughout the year.
 - 4.3.3. Maintain or improve customer satisfaction
 - 4.3.4. Sustainability of the service through financial security of resources
- 4.4. Options identified in this business case are broadly split into two themes for the future of the service:
 - 4.4.1. Service continues with current/reduced resources, and areas of work are reduced to free up capacity to support our statutory services and main identified priorities.
 - 4.4.2. Additional Investment in the service to support service delivery, with options to use resources more flexibly to generate additional income through projects on behalf of Parish Councils, Community Groups, Businesses, and Residents alongside provision of our services to maintain the appearance of our District.

- 4.5. These will support the future sustainability of our services both monetarily by supporting the costs of our services, and reputationally by increasing the standard of our work throughout the year. There is also the potential to increase the range of services we can provide to support the District in specific areas.
- 4.6. In considering how to support the service moving forwards, we have explored a range of options based on our existing in-house service, and keeping to that model.
- 4.7. Although there are options available to externalise the work carried out by our Place Teams, there has been considerable work done to review how the Council provides these services as part of a service wide transformational review that was carried out in 2014 – 2015.
- 4.8. This business case builds on the work that was carried out to implement the “Place” concept, and should be viewed as a continuance of that project in order to further update our existing services in response to increasing workloads arising from changes to the District as a whole, as well as evolving issues around environmental crime and patterns of behaviour.
- 4.9. Overview of Options identified for consideration:

Option One	Do Nothing
Option Two	Restructure Place Teams to create 1 new post from existing resources
Option Three	Restructure Place Teams to create 1 new post from existing resources, and 2 new posts to create a dedicated Bulky Collection Crew to free up resources on core services.
Option Four	Restructure Place Teams to create 1 new post from existing resources, and 5 new posts to create a dedicated Bulky Collection Crew and support core works across the District.
Option Five	Restructure Place Teams to create 1 new post from existing resources, a dedicated Income Generation Crew of 3 staff and 5 new posts to support core works across the district, and take on additional commercial opportunities alongside our core work.
Option Six	Stop providing Bulky Waste Collection service
Option Seven	Return Highway Verge Maintenance in Speed Restricted Settlements to WCC for responsibility.
Option Eight	Reduce Standards of Maintenance on most labour intensive areas of work to free up capacity.

4.10. These Options are considered the most practical options to support the service, and deliver the improved standards required to deliver our Strategic Purpose.

4.11. In order to support the decision making process and identify a preferred option for the Council, these options are subject to a review process to scrutinise their ability to deliver the outcomes required, and provide a short list of the options warranting more detailed assessment.

4.12. The key outcomes that have been identified are detailed below, and each one has a maximum score that reflects the importance of that criteria in delivering our Strategic Purpose:

- **Spending Objective** – 10 - This relates to the Council’s financial pressures, and whether the proposed option is factored in to the financial planning of the Local Authority.
- **Strategic Fit** – 20 - This quantifies how well the proposed option supports the Council Plan and our Strategic Purpose
- **Meets Business Needs** – 15 - This score reflects if the proposed option will support the Council in delivering the service required by residents with the lowest risk of failure.
- **Maintain Standards** – 30 - This score reflects whether the proposed option meets the minimum requirement to maintain provision of the service at a viable level, with a low risk of significant failure.
- **Support Improved Standards** - 5 – This scores the potential of each option to improve the overall standard of service.

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- **Capacity to support Increased Income Generation** – 5 - This recognises flexibility to support chargeable works to generate income in addition to the core work required maintaining the District.
- **Affordability** – 15 -This gives each option a score based on its variance from current funding.

4.13. Evaluation Criteria for Appraisal and Analysis for Long List Options

<p>This Table quantifies the benefits of each proposed option, in line with the key requirements that have been identified for the Service.</p> <p>This gives a scoring system to support an assessment of which options are most viable and will be developed to determine which is the best solution required by the Business Case.</p>	Evaluation Criteria	Spending Objective	Strategic Fit	Meets Business Needs	Maintain standards	Support improved standards	Capacity to support Increased Income Generation	Affordability	
	Weighting for Scoring	10	20	15	30	5	5	15	100
Do Nothing	Option One	Yes 10	No 0	No 0	No 0	No 0	No 0	Yes 15	25
Restructure & 1 new post	Option Two	Yes 10	No 0	No 0	No 0	No 0	No 0	Yes 15	25
Restructure - 1 + dedicated Bulky Collection Crew of 2	Option Three	No 0	Yes 20	Part 7.5	Part 15	No 0	No 0	Yes 15	57.5
Restructure - 4 new post + dedicated Bulky Collection Crew of 2.	Option Four	No 0	Yes 20	Yes 15	Yes 30	Yes 5	No 0	Part 7.5	77.5
Restructure - 5 new post + dedicated Income Generation Crew of 3 staff	Option Five	No 0	Yes 20	Yes 15	Yes 30	Yes 5	Yes 5	Unknown 0	75
Stop providing Bulky Waste Collection service	Option Six	Yes 10	No 0	Yes 15	Yes 30	No 0	No 0	Yes 15	70
Return Highway Verge Maintenance to WCC	Option Seven	Yes 10	No 0	Yes 15	Part 15	Yes 5	Yes 5	Yes 15	65
Reduce Standards of Maintenance	Option Eight	Yes 10	Part 10	Yes 15	Part 15	Part 2.5	No 0	Yes 15	67.5

4.14. Short List Options

4.15. Following the initial Evaluation and Appraisal process to determine which options best meet the criteria set out by the Business Case, Options 4, 5, 6 and 8 present as the highest scoring options, and are summarised below for further consideration.

4.16.

Option Four	Restructure Place Teams to create 1 new post from existing resources, and 5 new posts to create a dedicated Bulky Collection Crew and support core works across the District.
Option Five	Restructure Place Teams to create 1 new post from existing resources, a dedicated Income Generation Crew of 3 staff, and 5 new posts to support core works across the district, and take on additional commercial opportunities alongside our core work.
Option Six	Stop providing Bulky Waste Collection service
Option Eight	Reduce Standards of Maintenance on most labour intensive areas of work to free up capacity.

4.17. A full cost benefit analysis identifying relevant benefits and costs for each of the short listed options is shown below:

	4	5	6	8
Change to staff levels	+6	+9	0	0
Impact on Income Generation: (Averaged over 3 Years)	-£2,000	-£10,000	£45,000	£6,000
Year 1	£0	-£5,000	£45,000	£6,000
Year 2	-£2,000	-£10,000	£45,000	£6,000
Year 3	-£4,000	-£15,000	£45,000	£6,000
On-Going Costs				
Staffing Costs (yearly)	£108,110	£172,976	£0	£0
Vehicle Cost (Yearly - Running Costs & Capital Depreciation)	£4,418	£4,418	£0	£0
Total Average Yearly Financial Impact (Over first 3 Years)	£110,528	£167,394	£45,000	£6,000

4.18. Risk Assessment

4.19. Scored on a scale of 1 – 3, the chart below identifies the level of risk to the authority arising from each option:

	Option Four	Option Five	Option Six	Option Eight
Fails to deliver improvement in service	1	1	2	3
Financial – Additional Investment	2	3	3	2
Resources	1	1	1	1
Decrease in Public Satisfaction	1	1	3	2
Reputational Harm	1	1	3	2
Total Score:	6	7	12	10
(1-6 Low Risk, 7 - 12 Medium Risk, 13 - 18 High Risk)	Low	Medium	Medium	Medium

4.20. After assessing the quantitative and qualitative costs and benefits of the two options, Option four is considered the preferred option, and is put forward as the proposal to secure the future sustainability of the Place Team to deliver our Strategic Purpose of “Keep our Place Safe and Looking Good”.

4.21. Recommendation:

Option Four	Restructure Place Teams to create 1 new post from existing resources, and 5 new posts to create a dedicated Bulky Collection Crew and support core works across the District.
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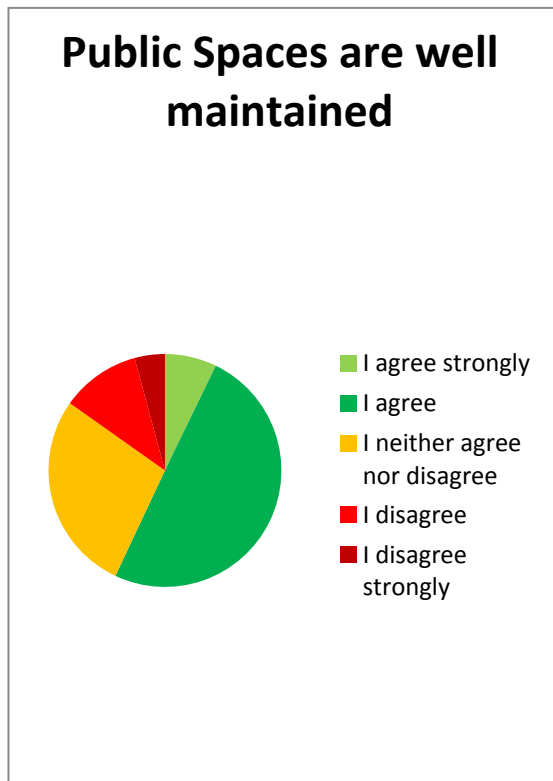
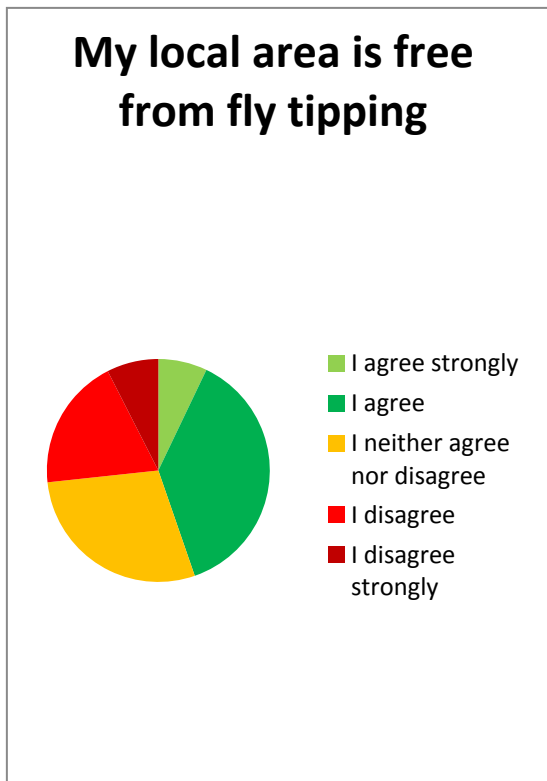
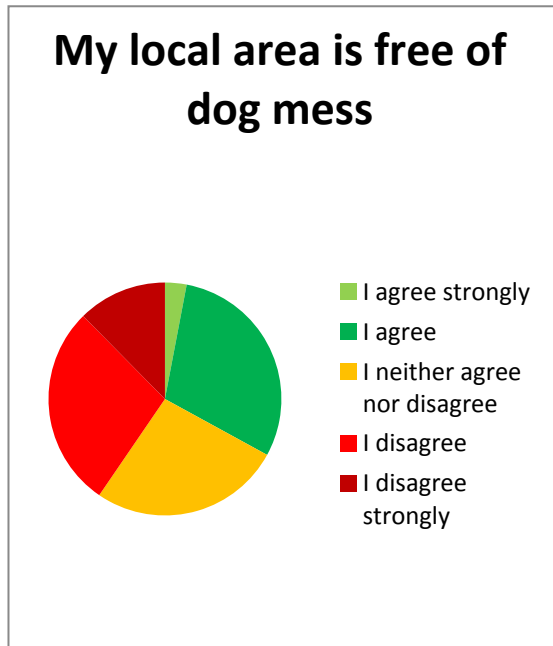
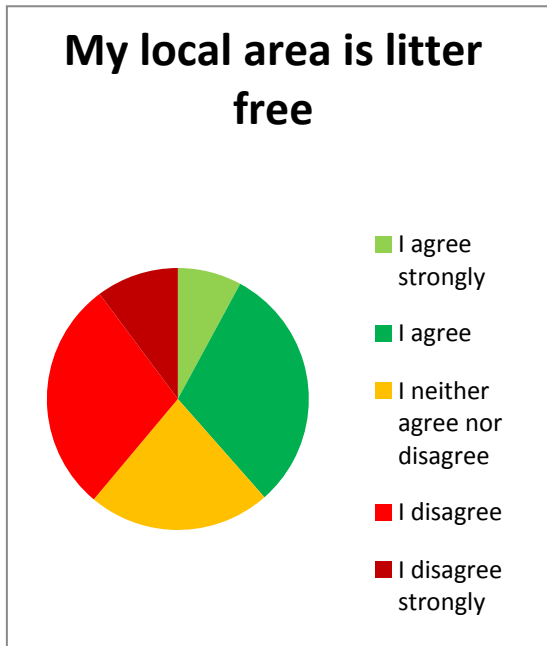
5. The Commercial Case

5.1. In the Bromsgrove Community Panel Survey (2017), the questions relating to work carried out by our Place Teams show that public perception of the standards being achieved across the District is split fairly evenly, with more than a third of those asked giving positive feedback on our services, but a similar number indicating that our standards are not where our residents expect, and that approximately a quarter of responders were neither supportive or critical of the work being carried out.

5.2.

My local area is litter free	I agree strongly	7.9%
	I agree	30.6%
	I neither agree nor disagree	22.6%
	I disagree	28.7%
	I disagree strongly	10.2%
My local area is free from dog mess	I agree strongly	3.0%
	I agree	30.0%
	I neither agree nor disagree	26.6%
	I disagree	28.1%
	I disagree strongly	12.4%
My local area is free from fly tipping	I agree strongly	7.1%
	I agree	37.6%
	I neither agree nor disagree	28.6%
	I disagree	19.2%
	I disagree strongly	7.5%
Public spaces are well maintained	I agree strongly	7.2%
	I agree	49.8%
	I neither agree nor disagree	27.8%
	I disagree	11.0%
	I disagree strongly	4.2%

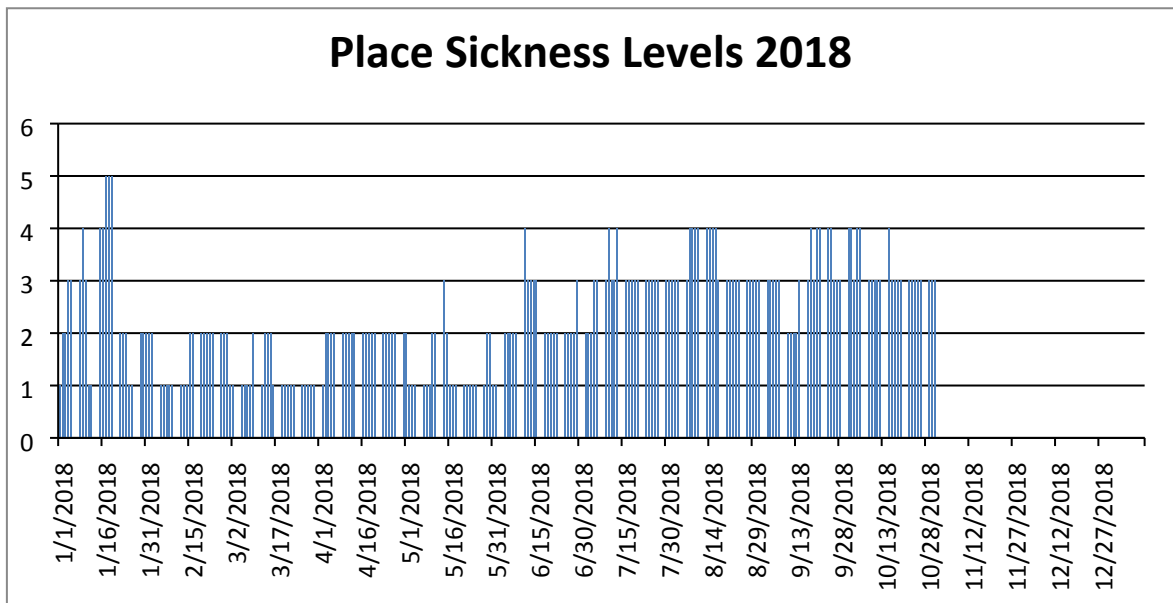
5.3. This is the only qualitative data we have available aside from specific customer queries regarding individual issues, and so this provides our only view on how well we are meeting our strategic purpose to Keep our Place Safe and Looking Good.



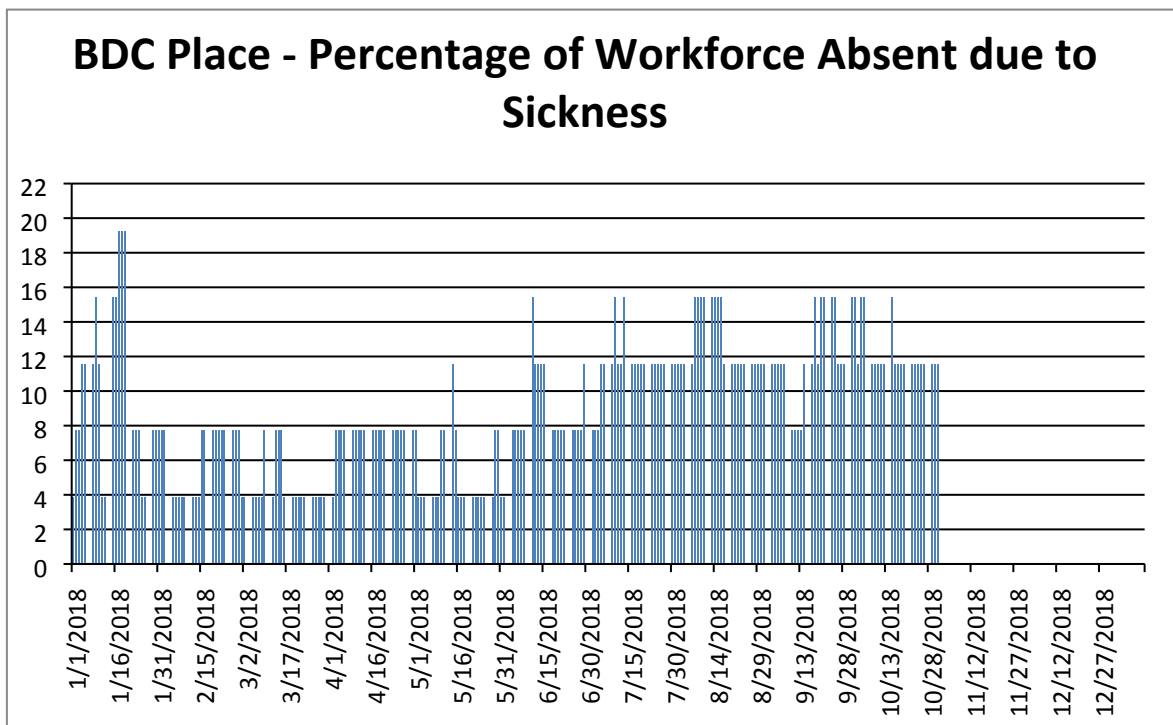
5.4. As outlined in the Strategic case, current resources are insufficient to work in a proactive manner across the District, and are experiencing cumulative failure each time there is an additional pressure on them, as there is insufficient capacity to catch up after anything more than short term disruption.

5.5. This is compounded by official absences due to annual leave, and 7 day working with our weekend arrangements, which when considered alongside Sickness, reveals that the current staffing numbers are not reflective of the available workforce over the course of the year.

5.6. The two charts below illustrate the sickness levels for 2018 to illustrate how even a small level of sickness has a significant impact on the resources available to maintain the District.



5.7.



5.8.

- 5.9. The preferred option will increase the staffing levels to an extent that will ensure the three Place Teams have a consistent level of staff available to carry out their duties throughout the year.
- 5.10. Aside from the practical considerations of having an increased presence across the District, this will also support morale within the team as there will be less individual pressure on the team members throughout the year to prioritise on a reactive basis.
- 5.11. The preferred option supports delivery of the service to maintain standards across the district and better realise the Place Model of working by giving sufficient capacity for staff to take full ownership as a proactive team rather than a reactive one.
- 5.12. To implement the preferred option identified in the Economic Case, the Council has a standard recruitment process for advertising the roles, and interviews will be carried out using the same model used on previous recruitment processes in the last 12 months with a combination of Practical Exercises and a formal interview.
- 5.13. New staff will be subject to a 6 month probation period, and will be given training to carry out all elements of the role in stages that allow us to develop their skills to support the team, and support operations to the standard required.
- 5.14. Existing staff will also receive refresher training and mentoring alongside the new staff in order to help integrate the teams and support consistent standards.
- 5.15. Additional Vehicles will be ordered through a procurement framework to achieve best value, but as they are made to order there will be approximately a 6 – 9 month delay on receipt of the necessary vehicles. There are currently 2 vehicles on order that were intended to replace 2 long term hire vehicles, so these hire arrangements can be extended under our existing arrangements to support operations during this time frame to minimise any restrictions on use of the new positions across the District.

- 5.16. During the Transformation Process in 2014/15, a new role was created for a Senior Skilled operative that would support day to day management of the team and support the Coordinator in mentoring staff, managing day to day issues within the team, and deputise for the Coordinator when they were on leave or short term sickness.
- 5.17. Initially set up as 6 ESO 3's across the three teams, this was reduced to 5 in 2017, as an operational change to increase the number of ESO 2's on one of the Place Teams and develop that team's remaining ESO 3 to better carry out the role as originally intended.
- 5.18. This change resulted in clearer communication within the team, and increased flexibility for how the team operate, and off the back of that it has been determined that there is a benefit to focusing more resource at the ESO 2 Level within the Place Teams, and that a restructure is the best way to achieve this.
- 5.19. By implementing this restructure, and re-purposing funds currently underutilised by a vacant Apprentice Post, which has been difficult to fill due to the role not matching up with available academic courses, this would generate a new ESO 1 post without additional funding.
- 5.20. The process would be in line with the Council's Reorganisation & Change Policy, which sets out the details on ring fencing roles, and the relevant appointment process, pay protection arrangements and consultation (where required). At no point would existing staff be at risk of redundancy under this restructure.
- 5.21. As such, the additional post would incur a cost if implemented immediately, or could be implemented at zero additional cost in the 2020/21 Financial Year.

6. The Financial Case

- 6.1. The preferred option addresses a shortfall in current capacity to carry out all of our work across the district, and supports improved standards by making services more robust to accommodate sickness and other pressures on Environmental Services.
- 6.2. This Business Case is being presented alongside similar Business Cases to support growth of the Domestic Waste Collection Service, and our Commercial Services Team.
- 6.3. As detailed in the Introduction, our Place Teams provide Statutory Services, and so have limited capacity to generate additional income to offset their costs. However, the business case for expansion of our Commercial Services team sets out the current level of income above our forecast targets for 2018/19, and the expected growth in business that even with additional expenditure on Revenue and Capital during 2019/20 will continue to generate a positive surplus for the Council that offsets the additional expense set out in this Business Case.
- 6.4. In addition to the expected rate of return from expansion of our Commercial Services, when compared with the increase in properties across the district and the associated Council Tax income, the costs highlighted for growth of the Place Team are proportionate to how the District has evolved over the last ten years, and the future housing projections for the District also highlight the increased volume of work likely to be generated over the next 10 years alongside additional revenue through Council Tax.

6.5. Table of Pro- Rata Staffing Levels linked to Housing Growth

	No. of Households (Planned Housing of 6,500 used to estimate numbers beyond 2018/19.) ⁵	BDC C.Tax Income (Increase estimated using average price per household in 2018/19 rate multiplied by increase in properties.)	Expenditure on Place Staffing based on current levels (2% Pay increase confirmed for 2019/20. Yearly 1% Increase forecast for 2020+ as per Finance Team projections)	Yearly Cost per Household	Average Staff Member Cost	Pro Rata Staffing to maintain current levels (Based on 1531 Households to fund 1 staff in 2018/19).
2018/19	41340	£7,674,000	£765,000	£19	£28,333	27.0
2019/20	41710	£7,742,684	£780,300	£19	£28,900	27.2
2020/21	42080	£7,811,367	£788,103	£19	£29,189	27.5
2021/22	42450	£7,880,051	£795,984	£19	£29,481	27.7
2022/23	42820	£7,948,734	£803,944	£19	£29,776	28.0
2023/24	43190	£8,017,418	£811,983	£19	£30,073	28.2
2024/25	43560	£8,086,102	£820,103	£19	£30,374	28.5
2025/26	43930	£8,154,785	£828,304	£19	£30,678	28.7
2026/27	44300	£8,223,469	£836,587	£19	£30,985	28.9
2027/28	44670	£8,292,152	£844,953	£19	£31,295	29.2

⁵ **Figures used sourced from:** BDC Plan Review – Consultation Document September 2018 – Section 4.20: “By using the standard methodology, we will need to plan for about the following number of dwellings purely to meet Bromsgrove District’s local housing needs (excluding any cross boundary growth and any housing associated with higher economic growth): 1) 2018 - 2036 = about 6,500 dwellings 2) 2018 - 2041 = about 8,350 dwellings 3) 2018 - 2046 = about 10,200 dwellings Land for about 2,500 dwellings is already allocated in the current District Plan and will count towards the above figures.”

6.6. Revenue Requirements

	No of Staff	Total Cost
New Posts	6	£152,304
Changes to current Structure		-£22,407
Vehicle Maintenance & Operating Costs		£36,000
Materials & Training		£800
Additional Funding Required		£166,697

6.7. The additional revenue funding identified above also includes operating costs for 3 additional vehicles, that are being funded through a re-purposing of existing budgets in our Capital replacement programme.

6.8. This has been possible as part of our ongoing review of operational needs and assets, to ensure that we are getting full value from our fleet in a way that supports how we need to work. Avoiding the risk of replacement vehicles that aren't needed any more, and are bought to a schedule rather than for an operational benefit.

6.9. The additional resources will allow the Place Teams to generate additional income through closer working with Parish Councils, in the form of litter bin emptying and more lengthsman work that is currently arranged through private contractors using funding from WCC.

6.10. Having spoken to WCC about opportunities across the district, we have identified £14,000 of work currently being carried out by Parishes under the lengthsman scheme, which we may be able to support in future, and initial conversations with Parishes have been positive about the opportunities.

6.11. We already have income from Bulky Waste collections, which the changes to our service will support moving forwards alongside our ongoing work with WCC for grass maintenance and County lengthsman arrangements.

6.12. This collective income is detailed below alongside the cost implications of the additional resources detailed by our preferred option.

	Forecast Income	New Expenditure	New Capital Costs
2019/20	-£122,000	£172,423	135,000
2020/21	-£126,000	£167,556	0
2021/22	-£128,000	£169,232	0
2022/23	-£129,000	£170,924	0
2023/24	-£129,000	£172,633	0

6.13. Current staffing levels detailed in sections 3.17 and 5.6 show how unplanned absences can have a significant impact on achieving the work required across the District, and long term sickness requires Agency cover to support the teams, which in 2018/19 is expected to total £40,000.

6.14. The increased staffing detailed by the preferred option will give a greater margin to accommodate these absences within existing resources, and reduce the risk of unexpected expenditure on Agency or significant fall in standards across the District.

6.15. Overview of these costs alongside the Business Cases for Place Staffing and Commercial Services:

Overall Operational Costs	
Combined	£131,321
Place	£166,697
Domestic Waste	£156,646
Commercial Services	£184,558
Additional Income	-£376,580

Capital Borrowing Cost (with Interest)	
Combined	£531,898
Place	£0
Domestic Waste	£152,767
Commercial Services	£379,130

Annual Borrowing Costs	
Combined	£75,985
Place	£0
Domestic Waste	£21,823
Commercial Services	£54,162

6.16. When considered as a suite of Business Cases, and considering the forecast growth of our Commercial Services in the first three years, the overall impact of the preferred options on current finances are positive, with all of the increased costs across the three service areas expected to be balanced in 2022/23.

7. The Management Case

- 7.1. Should this business case be agreed for funding, a recruitment process will be followed to attract people with the balance of skills and ability to support the Council in delivering its strategic purpose to "Keep my place safe and looking good".
- 7.2. As these staff will be a key part to the future delivery of the service, they will receive both practical training in the use of equipment and more specific support to develop the right approach to apply the Place thinking approach to everything they do. The precise format of this training would depend on the individuals, and would be tailored by our Coordinators in a mentoring approach to develop them and continue to support this approach with our existing staff with an emphasis on proactive maintenance using the additional resources.
- 7.3. New starters will be subject to a 6 month probation period, and clear targets will be set regarding performance as part of the Place Team, alongside the mentoring approach by Coordinators that will be used to support their integration into Environmental Services.
- 7.4. This will be managed informally on a daily basis, and formally through monthly 1:1's in line with existing policies and practices – albeit on a greater frequency to ensure that the staff are able to support our work going forwards and start developing people with the right skills and mind-set to develop through the organisation as succession planning.
- 7.5. Initially, staffing will be used to strengthen existing teams, and deliver improvements in standards across each area. The impact of which will be closely monitored through both qualitative and quantitative data regarding the standards achieved, number of complaints received, and volume of work carried out.
- 7.6. Once staff have been trained and are working to the required levels, the Place Teams will review how they are working and consider trialling further changes to service delivery in line with the original transformation programme set out in 2015, and alongside future growth of the wider Environmental Services.

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APPENDIX 6

BROMSGROVE DISTRICT COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2019/20 and each subsequent financial year, until amended. The information provided is based on a proposed model that is still subject to consultation.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Managers 1 - 2, Head of Service 1, Head of Service 2, Head of Service 3, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Redditch Borough Council.

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6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 43, the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. The Council's Pay structure is set out below. This includes the increases for grade 1-11 as agreed by the National Joint Council for 2019.

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	1	2	17,364	17,711
2	2	5	17,711	18,795
3	5	9	18,795	20,344
4	9	14	20,344	22,462
5	14	19	22,462	24,799
6	19	24	24,799	27,905
7	25	30	28,875	32,878
8	30	34	32,878	36,876
9	34	37	36,876	39,782
10	37	40	39,782	42,683
11	40	43	42,683	45,591
Manager 1	Hay evaluated	43%	54,658	56,885
Manager 2	Hay evaluated	45%	56,885	59,221
Head of Service 1	Hay evaluated	51%	65,005	67,659
Head of Service 2	Hay evaluated	61%	78,006	81,190
Head Of Service 3	Hay evaluated	68%	87,027	90,212
Executive Director	Hay evaluated	74%	94,456	98,171
Deputy Chief Executive	Hay evaluated	80%	101,968	106,131
Chief Executive	Hay evaluated	100%	127,461	132,664

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7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the "Gauge" Job Evaluation process..
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
10. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
11. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band.

Senior Management Remuneration

12. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2019 (assuming no inflationary increase for these posts).
13. Bromsgrove District Council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

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Title	% of Chief executive salary	Pay range (minimum) £	Pay range (maximum) £	Incremental points	Cost to Bromsgrove District Council £
Chief Executive	100%	127,461	132,664	3	65,031
Deputy Chief Executive	80%	101,968	106,131	3	52,024
Executive Director of Finance and Resources. (Also S151 Officer)	74%	94,456	98,171	3	48,156
Head of Worcestershire Regulatory Services	68%	87,027	90,212	3	<i>This is a shared post across 6 district Authorities at a cost of £14,769 each</i>
Head of Customer Access and Financial Support	61%	78,006	81,190	3	39,799
Head of Planning and Regeneration	61%	78,006	81,190	3	39,799
Head of Transformation and Organisational Development	61%	78,006	81,190	3	39,799
Head of Legal, Equalities and Democratic Services	61%	78,006	81,190	3	39,799

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Head of Environmental Services	61%	78,006	81,190	3	39,799
Head of Leisure and Cultural Services	61%	78,006	81,190	3	39,799
Head of Community Services	61%	78,006	81,190	3	39,799

Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

16. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

Additions to Salary of Chief Officers (applicable to all staff)

17. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
 - a. reimbursement of mileage. At the time of preparation of this statement, the

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- Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
- b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
 - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
 - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
 - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
 - f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
 - g. market forces supplements in addition to basic salary where identified and paid separately;
 - h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
 - i. attendance allowances.

Payments on Termination

18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
20. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

21. Upon approval by the full Council, this statement will be published on the Council's

website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:

- a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- b. Any bonuses so paid or receivable by the person in the current and previous year;
- c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- d. Any compensation for loss of employment and any other payments connected with termination;
- e. Any benefits received that do not fall within the above.

Lowest Paid Employees

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2019 this is £17,364 per annum.
23. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
24. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
25. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
26. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Accountability and Decision Making

28. In accordance with the Constitution of the Council, the Council is responsible for setting the policy relating to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. Decisions about individual employees are delegated to the Chief Executive.
29. The Appointments Committee is responsible for recommending to Council matters relating to the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer, Section 151 Officer and Chief Officers as defined in the Local Authorities (Standing Orders) Regulations 2001 (as amended);
30. For the Head of Paid Service, Monitoring Officer and the Chief Finance Officer, the Statutory Officers Disciplinary Action Panel considers and decides on matters relating to disciplinary action.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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