

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET EXECUTIVE
5th December 2017**

REPORT AUTHOR: County Councillor Phyl Davies, Portfolio Holder for Waste and Property.
County Councillor Liam Fitzpatrick, Portfolio Holder for Highways.

SUBJECT: Closure of the HTR Commissioning Programme

REPORT FOR: Decision

Summary

The HTR Commissioning Programme was focused on finding an alternative delivery solution to manage the achievement of a £1.8m reduction to the HTR service budget by 2018/19. The service has been successful in its attempts to reduce its budget by up to £2m each year for the past three years of a five year savings plan. Many initiatives have been applied to achieve greater efficiency in the management and delivery of the service. To enable further savings to be achieved, that would not result in depleting the resource and diminishing the current level of service delivery, it was felt a new delivery model should be identified and implemented as soon as possible.

To ensure the correct level of governance, analysis and planning for a programme that would require a significant degree of upheaval and change, we applied and followed the Government Five Case Model. The model takes a step by step comprehensive approach through three key stages. The first to establish the agreed strategic approach, the second to agree the outline business case based on the analysis of a list of proposed options, which would result in identifying the preferred option. The last stage being the full business case which sets out the 5 to 10 year financial plan for the option and the list of benefits and the governance structure and operating plan.

The programme was supported by the key senior leads for the disciplines within the Council that were required to be involved at that point in time. The full business case was focused on the formation of a trading company which, from the outcomes of the analysis stage of the programme, was seen as the preferred option. The whole of the HTR service was in scope to move into a trading company. The company would be owned in its entirety by the Council who would have governance and control via the reserved matters and board arrangements.

The advantage to the service was the opportunity to apply the Teckal exemption and trade within a much broader market place with the private sector. The aim being to produce an annual financial dividend that would increase as the trading company grew. The financial dividend could then be shared with a percentage going back to the owner (the Council) and with a percentage being reinvested in the trading company. One of the many benefits would be the opportunity to secure the future sustainability of the HTR service by giving it the environment within the trading company to grow.

Proposal

The proposal going forward is not to move the service into a trading company but instead to retain the service within the Council. We will retain the members of the current programme board and include other key officers to move forward and achieve the transformation of the service, adopting most of the benefits and changes in activity that were outlined for the trading company.

There has been considerable change happening within the Place Directorate with the transfer of our Leisure Centres to Freedom Leisure and the recent formation of the Joint Venture Company with Kier for the Council's Building Maintenance service. The move to a trading company was too soon at this current point in time. Also there was the view that the Council should keep its own identity with the services it delivers for its residents, services that are seen to be the key services they want and rely on to ensure their community space is as pleasant as possible for them to live in.

The transformation programme going forward is based on six work streams as follows:-

Operations – focusing on the adoption and implementation of key activities across all functions within the HTR service which were identified for the trading company, that will grow the business and win back lost contracts.

Finance & Procurement – focusing on the commercial finance function, management and profit and loss reporting. Asset management and capital programme assessment. Pricing policies and advice on tender rates. The cost of corporate overheads and the need to increase productivity. Creditor and debtor management. Procurement strategy to reduce unit costs and increase tendering opportunities.

Commercialisation – forming a business development strategy. Prioritising opportunities to expand existing revenue streams. Develop a strategy for each service to optimise value for money between external and insource work. Drive web based sales and direct campaigns. Focus on better governance and improved performance and productivity.

Digital Transformation – improve the use of data to provide management information. Payment systems and processes. New website and apps. Mobile technology. Intelligent systems i.e. for street lighting.

People & Productivity – review corporate and working practices to suit a more commercially focused and productive service delivery model. Key areas of focus to include a review of HR policies, approach to rewards and incentives, sickness absence and Health & Safety compliance.

Organisational Development – enabling, supporting and embedding a commercial culture. Management review and development. Skills development strategy. Recruitment. Career progression and promotion. Communication strategy, staff engagement strategy.

The members of the HTR Transformation Board are:-

- Cllr Phyl Davies, Property & Waste (Chair)
- Cllr Liam Fitzpatrick, Highways (Vice Chair)
- Cllr Aled Davies, Deputy Leader Finance
- Cllr James Evans, HR & Communications
- Paul Griffiths, Strategic Director
- Nigel Brinn, Head of Service HTR
- Lisa Griffiths, SM Business Change
- Jane Thomas, Head of Finance
- John Baker, Financial Manager
- Clive Pinney, Solicitor to the Council
- Vincent Hanly, Interim Commissioning & Procurement
- Commercial Consultancy Support, (Peopletoo)
- John Evans, Communications Manager
- Mark Evans, Head of Business Services
- Sarah Powell, Professional Lead Culture & Leadership Development
- Lorna Simpson, HR Manager Operations
- Andrew Durant, Head of ICT & Programme Office
- John Byrne, Union Convenor
- Hayley Hughes, Admin Support

Meetings are taking place to discuss the resource required from the corporate functions which may alter and be covered by consultancy support. This is due to the pressure currently being put on support services by a wide range of initiatives the Council is aiming to achieve. Meetings are also taking place to appoint an Interim Commercial Consultant to support the programme.

Finance colleagues have confirmed that the management of change funding that was agreed for consultancy support for the HTR Commissioning Programme, can be carried forward for the HTR Transformation Programme and we are not expecting to need to ask for any further funding. The funding for consultancy support will be for 12 months from Jan to Dec 2018.

One Powys Plan

This proposal supports the new expected outcomes in the Council's Vision 2025, in particular the Residents & Communities programme and the Economy programme.

Options Considered/Available

A range of alternative delivery models were considered and a preferred option for a trading company was proposed.

Preferred Choice and Reasons

The preferred choice is to keep the service in house but to adopt a lot of the initiatives and changes to service delivery that were identified for the trading company. The reason for this decision is based on considerable change happening in the Place Directorate and suitable timing for further change and the preference to keep the Council's own identity with its front line services.

Sustainability and Environmental Issues/Equalities/Crime and Disorder/Welsh Language/Other Policies etc

The service will comply fully with the above policies and themes.

Children and Young People's Impact Statement - Safeguarding and Wellbeing

We do not expect there to be any impact in the context of securing the safety and protection of children and young people.

Local Member(s)

These proposals apply across the whole of Powys.

Other Front Line Services

We do not expect there to be any impact on other front line services outside of the HTR Service.

Support Services (Legal, Finance, Corporate Property, HR, ICT, BPU)

The Corporate Support Services are involved in the development of the work outlined within the work streams for the transformation programme. As mentioned, additional external consultancy support may be required due to the stretched demands on our Corporate Services.

Finance - The Finance Business Partner for Places notes the content of the report. The efficiency target of £1.73m is still proposed to be delivered in 18/19 by the Highways, Transport and Recycling transformation programme.

The funding for additional consultancy support has been confirmed and will be funded from Management of Change in 18/19.

Legal: The recommendation can be supported from a legal point of view

Local Service Board/Partnerships/Stakeholders etc.

We expect the HTR Transformation Programme will support the objectives of the Local Service Board.

Corporate Communications

The report is of public interest and requires use of news release and appropriate social media to publicise the decision.

Statutory Officers

The Head of Financial Services (S151 Officer) acknowledges the report and confirms the response from the Finance Business Partner is accurate in that the efficiency target for the service still needs to be delivered in 2018/19, and the internal transformational approach needs to have a clear plan for achieving this target within the timescale.

The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
To agree this closure report for the HTR Commissioning Programme and support the proposal to retain the HTR service in house and progress with the HTR Transformation Programme.	Timing due to other major change initiatives happening in the Place Directorate. The preference to keep the HTR services in house and retaining the Councils own identity with the delivery of services within our communities across the county.

Relevant Policy (ies):	
Within Policy:	Y
Within Budget:	Y

Relevant Local Member(s):	All
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Person(s) To Implement Decision:	Cllr Phyl Davies, Cllr Liam Fitzpatrick, Paul Griffiths, Nigel Brinn.
Date By When Decision To Be Implemented:	5th December 2017

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