

STREETSCENE**DATE: OCTOBER 2012**

Introduction and Background

- 1 The Streetscene Review has been established to fundamentally challenge the way services within scope are currently delivered and commissioned to ensure Herefordshire secures the right services at the right price. In this context it is essential that value for money can clearly be demonstrated and that opportunities for savings are identified.
- 2 The review encompasses services and contracts within the scope of four Cabinet Portfolios. It includes important local services which affect the daily lives of all local residents as well as corporate services to all parts of the organisation.
- 3 The lead Cabinet Member for the review is Cllr Graham Powell, Cabinet Member for Education and Infrastructure. However, initiatives arising from the review are cross portfolio and are clearly within the remit of the Cabinet Member for Major Contracts.
- 4 The review is led by the Assistant Director Place Based Commissioning supported by the Assistant Director Law, Governance and Resilience. A steering group for the review is in place drawing together relevant officers and Cabinet Members to scope and guide the review.

Scope

- 5 The table below provides an overview of the broad scope of the review together with the initial reasons for inclusion within scope. This encompasses a wide range of front-line services traditionally referred to as highways and transportation, maintenance of the streetscene and public realm including parks and public rights of way and public conveniences. In addition to these frontline services, the review also covers property services provided within the organisation and to support delivery of our corporate objectives. For completeness, the scope of the review also includes all services currently provided through the wide ranging strategic service delivery partnership with Amey. In addition to those services referred to above, this includes a number of ancillary services such as printing, catering and courier.

Herefordshire Streetscene		
Scope	Why	Key Issues
Roads and paths construction and maintenance Street cleaning, lighting, amenities Links with regeneration, LTP etc Public sector property holdings, including locality asset plans	Significant spend circa £30m High resident priority Need for clear vision for streets in Herefordshire Significant impact on Council reputation In flight review (Amey contract)	What are the priorities for investment Relationship between spend and outcomes Opportunities for collaboration, including with residents Opportunities for devolving services to parishes etc Links to Amey contract review

- 6 The review brings together a number of new initiatives alongside “in-flight” projects that had been initiated prior to the Root and Branch programme. As such there is a considerable evidence base that has been drawn upon to help define and support the recommendations from the review.
- 7 The following diagram highlights the scope of the review and the key elements that have helped to inform the proposals for implementation.



Overview of Review Programme Elements

8 **Strategic Partner Review (incorporating Asset Management and Property Services (AMPS) Review)**

9 This element forms the core part of this Root and Branch review and takes forward an “in-flight” initiative to review service delivery and commissioning arrangements to deliver savings and service improvement. The Root and Branch process has provided a rigorous challenge and provided the wider context for future delivery.

10 This encompasses a review of the current service delivery arrangements with Amey and the approach to future delivery of property services.

11 The Asset Management and Property (AMPS) service is currently managed in house with direct works and additional professional services support provided by Amey. The service was originally included within the scope of the Shared Services project which established Hoople. As part of Shared Services the approach to future delivery of property services was considered and alternative delivery options appraised. As part of the Cabinet decision which led to the establishment of Hoople, it was decided not to include property services within this arrangement but instead work towards an outsourced model to commission the service with a strategic partner to support future delivery and deliver savings and improvement.

12 Herefordshire Council’s current partnership with Amey delivers a wide range of services which includes highways, parks, public rights of way, building services, technical consultancy, as well as a range of ancillary services such as catering and printing.

13 The contracts for these services were originally agreed in 2003 and whilst the Highways and related aspects of the contracts were transformed and delivered savings in 2009, other areas of the contractual arrangements, notably property services, were not renegotiated and did not see the quality and service improvement required.

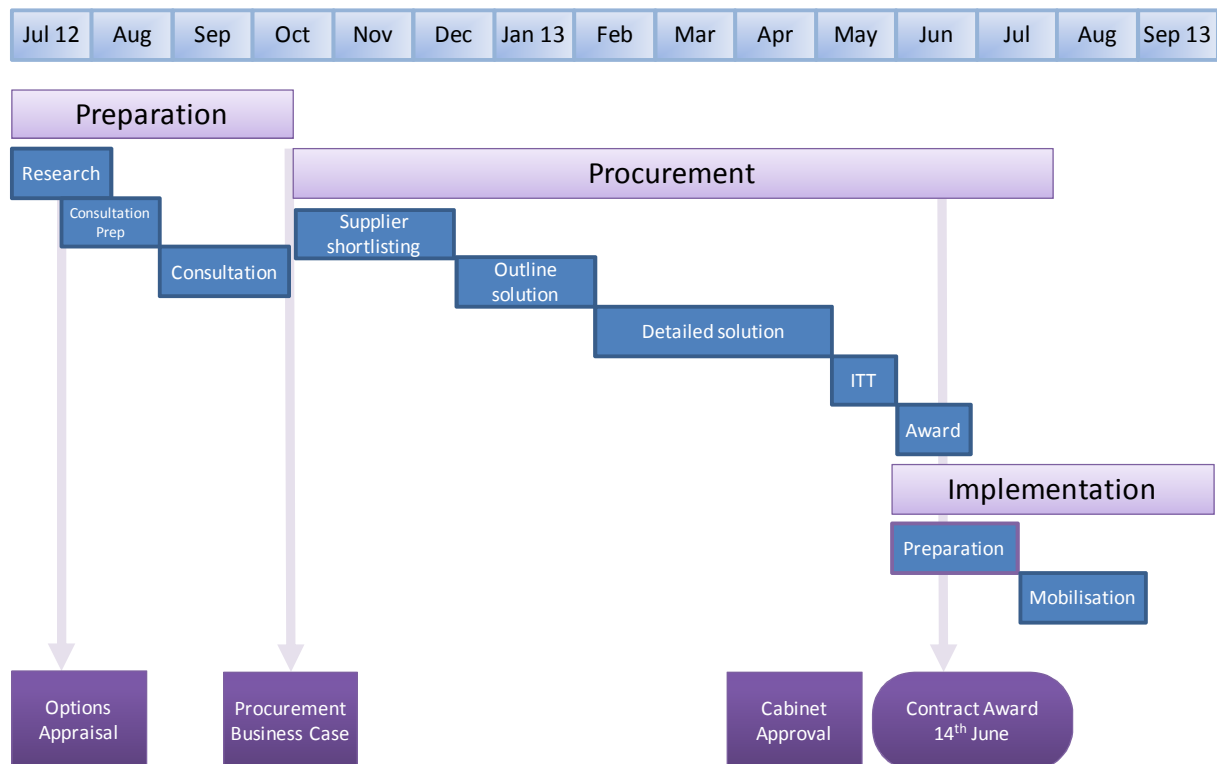
14 The existing contracts are now coming to the end of their initial ten year term but included the option to extend for a further ten years. They also include exclusive rights for Amey to deliver all works within scope and hence resolving the future of the contractual arrangements with Amey was a pre-condition for taking forward the strategic commissioning of property services.

15 In order to allow an informed decision to be taken regarding whether to extend the current contracts or undertake a procurement exercise, commercial negotiations were undertaken with Amey to establish whether service and value for money improvements could be secured, alongside a number of “red lines” agreed with Cabinet in December 2011.

16 Cabinet considered the results of these negotiations on 12th July 2012 and resolved that a procurement process commences to put in place new contracts for services currently included in the Amey Service Delivery Agreement at the earliest practical opportunity. This to be done alongside other opportunities identified through the root and branch programme. It was accepted that the current contractual arrangement with Amey should not be extended except where required to support the procurement timetable.

17 Work has therefore commenced as part of this review to implement Cabinet’s decision and take forward the procurement exercise. The provisional programme for this is set out overleaf.

Provisional Procurement Programme



- 18 The first phase is a market consultation exercise which has been designed to inform the approach to commissioning services within the scope of the Streetscene review, but also provide market feedback about the level of interest in services within scope of the Housing, Economy and Regulatory Services phase 1 review. This approach has been developed through the Commissioning and Commercial Board and will inform how best to approach the market and the potential benefits that could be achieved through different bundling of services.
- 19 The results of the market consultation form only one part of the evidence that will be used to inform the procurement strategy going forward and shape the priorities and objectives to be achieved. A range of approaches have been taken to understanding aspirations for future service provision. The following projects have been used to engage stakeholders in the Root and Branch process and identify areas for improvement. These will help shape the procurement and also feed into recommendations for change. In addition, Overview and Scrutiny Committee considered a report on the procurement approach on 14th September 2012 and it is proposed to continue to involve the committee at key stages during the procurement process to seek their views and help to shape the implementation strategy.
- 20 **Defining World Class Highway service for Herefordshire**
- 21 Herefordshire Council has taken a lead role in the development of a framework to assess current delivery against a "World Class Highway Service" through the West Midlands Highway

Alliance. Working with Improvement & Efficiency West Midlands, who have provided funding to carry out this work, a model has been developed by consultants Happold and Habanero that can be used by all Highway Authorities whilst assisting us in carrying out the Root and Branch review of Highways services.

22 This has engaged stakeholders in defining what a “world class highway service” would mean in Herefordshire. A detailed review of the service from client to operatives working for Amey on the ground has been carried out. This provides an assessment of how effective the highway service is at delivering outcomes and identifies areas for improvement.

23 A workshop was held with Members who expressed an interest in the review to consider the findings of this piece of work on 21st September and to consider priorities for the procurement process. This tested whether the findings reflect Members experience of the service and identify areas for improvement. The outcome of this review is providing a foundation for the development of the outcome specification needed to support the re-procurement of highway services.

24 Highways Asset Management

25 The current approach to highway maintenance has been considered. Customer feedback indicates that highway condition is an important factor influencing satisfaction with Council services. The Council has developed an asset management approach to highway maintenance which seeks to invest in capital maintenance in a timely manner to make best use of available resources and minimise the impact on revenue budgets. Consideration has been given to whether significant capital investment over a short period could address the backlog of maintenance, improve road condition and allow a reduction in revenue expenditure. This approach has been adopted by a number of other authorities and following discussions with relevant Cabinet Members, the market consultation exercise has sought views from potential providers as to whether there is a contract model that could facilitate such upfront investment by the private sector. This feedback will be used to inform the procurement strategy going forward.

26 Traffic Management and the implementation of new Traffic Regulation Orders (TRO)

27 Whilst the delivery of Traffic Regulation Orders is a small part of the overall Highways service, it is high profile and the current approach does not meet customer expectations. Improving this area is likely to be a key objective set for any new provider. However, in advance of this a project team is reviewing the current process within Amey. This review has focused on improving service delivery within Amey and we anticipate significant changes to the process by the end of the year. Any changes will be assessed to ensure if any efficiency savings are made these are passed on through the current contractual arrangements.

28 Public Convenience Review

29 The Council maintains 25 public conveniences around the County which results in annual revenue costs of c£230k. As a non-statutory element of the Streetscene services, a detailed review of this area has been conducted to consider alternative models of service delivery including withdrawal. Over recent months, the review has looked at the current quality of provision and talked to stakeholders including City, Town and Parish Councils.

- 30 During this review, it has become clear that the current standard of provision does not meet our aspirations for high quality, sustainable, accessible toilet provision to meet the needs of local people and visitors to Herefordshire. The review has looked at how service delivery could be changed to better meet local needs across the County and learn from good practice elsewhere improve the quality and availability of public toilets.
- 31 In recent years the number of toilets available for use by the public has increased, for example within supermarkets, cafes and public houses. There are also a number of public buildings across the County where toilets exist and could be made more available to the public. The review is therefore recommending that Herefordshire takes advantage of these opportunities by establishing a “Community Toilet Scheme” to work with local businesses to support and signpost visitors to such locations. This concept is already in place and successful in places across the Country including Powys and Gloucestershire and can bring real benefits in terms of customers for retailers whilst improving access to toilets.
- 32 All sites currently maintained by the Council have also been looked at to assess whether they should be retained taking into account the need to avoid duplication, reflect local changes in demand and reduce levels of anti-social behaviour reported to the Police. This has resulted in four sites Countywide being identified for closure subject to final agreement. All these sites are in Hereford and have been selected to address site specific issues. They are
- Union Street where there is currently a single unit with significant history of anti-social behaviour and alternative better quality facilities exist close by in Gaol Street Car Park
 - East Street where there is also a significant history of anti-social behaviour with alternative provisional also readily accessible
 - Merton Meadow which is no longer required due to development proposals; and,
 - Maylords Orchards slip road which directly duplicate provision within the shopping centre
- 33 This will preserve 21 public conveniences with 4 remaining in Hereford City, 1 in Kington, 4 in Leominster, 2 in Bromyard, 2 in Ledbury, 3 in Ross-on-Wye, 1 in Leintwardine, 1 in Weobley and 1 in Symonds Yat.
- 34 Through stakeholder discussions, we have identified the potential for public conveniences to be delivered more locally in partnership with community groups and City, Town and Parish Councils. The approach in relation to Public Conveniences could provide a model for the wider adoption of self-delivery within local communities and provide an opportunity to work more closely with Town and Parish Councils to ensure local delivery matches local aspirations. It is recommended that formal discussions with City, Town and Parish Councils and community groups to transfer management and cleaning commence alongside a wider discussion regarding devolving services and local service delivery. It may be appropriate for this to be taken forward through the Safer and Stronger Communities Phase 2 Root and Branch Review.

Key things learned from discovery

- 35 The review has looked in considerable depth at the current service provision arrangements to inform each of the elements of the review. The following key points in relation to the overall

review may be helpful.

- a. Stakeholder and customer survey evidence continues to highlight the importance of these areas of service to the local community. The quality of the local environment and highway condition, in particular, continues to identify these as the top priority for improvement.
- b. The Strategic Partner Review has through the detailed negotiations with Amey established the current baseline position in relation to the Amey contract and identified the potential level of savings to be achieved through the procurement process.
- c. The market consultation exercise will provide further evidence to inform the approach to be taken through the procurement process.
- d. World Class Highways has provided recommendations for areas to target for savings through the proposed re-procurement exercise and a basis for a further action plan to deliver improvements and help define the outcome specification for the future.

Who has been engaged and how

- 36 Considerable engagement activity has been undertaken using a variety of methods during the review. This has included:
- a. Postal surveys to understand community priorities eg Annual Highways and Transport customer survey
 - b. Interviews with key stakeholders and customers eg in relation to Property services
 - c. Workshops on specific subjects eg World Class Highways and the approach to procurement
 - d. Formal reports to Overview and Scrutiny Committee, including most recently on 14th September 2012 in relation to the approach to procurement.
 - e. Formal reports to Cabinet and informal briefings eg Amey contract decision
 - f. Staff focus groups and briefings eg Property services
 - g. Work shadowing and operational review eg World Class Highways
 - h. Written consultations with local Councillors and Parish / Town Councils eg Public Conveniences

Fundamental policy changes proposed

- 37 The procurement process has the potential to identify innovations and significant changes of approach, the main areas currently identified are in relation to the deliver in localities and capital investment up front to drive revenue savings.
- 38 The Public Convenience Review is seeking approval to change the model of service delivery and move towards local self-delivery and Community Toilet Scheme. As outlined in paragraph 34 above it is proposed to integrate discussions with city, town and parish councils and community groups through a wider discussion as part of the Safer and Stronger Phase 2 review.

Proposed core purpose against which we've redesigned

- 39 The core purpose has been established as part of the review of each of the core service areas as outlined above. In general terms the approach has been to challenge the current commissioning and service delivery arrangements to ensure the right services are being delivered at the right price. The procurement process for the major areas of service covered by this review will identify the key outcomes required based on the various elements outlined above and in particular, the World Class Highways assessment and the review of current property services.

What we're proposing to stop, do differently, internal/external provision

- 40 Strategic Partner Review and associated procurement process will continue to deliver Highways and related services through external provision. In addition, the Cabinet decision in relation to Shared Services proposed the strategic commissioning of property services. Subject to the outcome of the market consultation exercise, this would result in a move to a more external provision of property services managed through a strategic client.
- 41 As highlighted above, the market consultation exercise will provide evidence to support the next phase of the HERS phase 1 review which will assess the benefits that could be secured through the different options for commissioning these services.
- 42 The review of Public Conveniences has identified a transformation of service to ensure high quality, sustainable, accessible toilet provision to meet the needs of local people and visitors to Herefordshire through the establishment of a community toilet scheme and working with local communities to consider the best approach to service delivery in their area.

The proposed benefits resulting from the redesign

- 43 The strategic partner review procurement process has the potential to deliver savings between £2.0m and £2.7m per annum. The level of savings are dependent upon the outcome of the procurement process but have been estimated following analysis of current delivery arrangements, benchmarking and market intelligence. On the current project plan, savings would start to be delivered following the start of new contracts in September 2013 subject to realising this through the procurement process.
- 44 Public Convenience Review efficiency improvements have secured contract savings of £55,000 up to March 2012 with £15,000 per annum for the following years. In addition, each closure or transfer of provision has the potential to deliver annual revenue savings of up to £9,000 per site. Additional savings to property budgets could be realised through reduced maintenance requirements and capital receipts could be realised if sites are disposed of.

High Level implementation plan and risks

- 45 The high level implementation for the procurement process arising from the Strategic Partner Review element is included under paragraph 17 above.
- 46 A detailed risk register has been developed for the Strategic Partner Review to manage the risks associated with this major procurement project. Key risks relate to the commercial procurement, service continuity and quality. Mitigation measures have been identified to

manage risks associated with the project. Legal, financial and procurement resources and expertise have been identified to support the project team

- 47 Implementation of the Public Conveniences review recommendations to transform the service would commence immediately with the development of the community toilet scheme. Discussions regarding the potential for local delivery arrangements to be put in place would be undertaken in the context of a wider package of services as part of the Safer and Stronger Communities Phase 2 Root and Branch review.