



## JOINT COMMITTEE

18.00 Hrs, 26<sup>TH</sup> JULY 2006 - LYTHAM St ANNES TOWN HALL

### AGENDA

1. ATTENDANCE / APOLOGIES FOR ABSENCE
2. MINUTES OF LAST MEETING & MATTERS ARISING
3. MONITORING REPORT – WASTE MANAGEMENT
4. SHARED SERVICES SCOPING DOCUMENT – STREETSCENE
5. SHARED SERVICES SCOPING DOCUMENT – COASTAL DEFENCES
6. SHARED SERVICES SCOPING DOCUMENT – BPR
7. ASSET MANAGEMENT (VERBAL REPORT)
8. A.O.B.
9. DATE OF NEXT MEETING

report of	Meeting	Date	Item No
Neil Bailey David Jenkinson	Joint Committee	26 July 2006	3

**First Twelve month waste management contract performance - report**

**1. Purpose of Report**

- 1.1 To report the first twelve months performance on the waste management partnership arrangements.

**2. Outcomes**

- 2.1 To allow members the opportunity of scrutinising performance of the waste management activities and to suggest areas for further reporting

**3. Recommendation/s**

- 3.1 That the Joint Committee notes the report.  
3.2 Members agree the Quarterly Reporting Format .

**4. Background**

- 4.1 At the inaugural meeting of the Fylde & Wyre Borough Councils informal joint committee held on the 26 April 2006, the committee it was agreed that the joint committee should monitor existing and future joint working arrangements on a regular basis, including Quarterly reports on the existing waste management contract.

**5. Key Issues and Proposals**

- 5.1 Members are asked to consider the proposed performance management reporting format attached as Appendix 1 and make any suggestions for improvement.

**5.2** The format attached at Appendix 1, is based on Key National Performance Indicators and a selection of Local Indicators.

**5.3** Attached at Appendix 2 is a series of Graphs that show performance of Key areas over the first twelve months of the contract. The Graphs are:-

- Number of Customer Requests/Complaints received at the Customer Contact Centre
- Number of Missed Bins during the first Twelve months
- Number of Street Cleansing Request/complaints received in the first twelve months

REPORT AUTHOR	TEL	DATE	DOC ID
David Jenkinson & Neil Bailey	(01253) 658631 (01253) 887412	12 July 2006	001: Quarterly Report

LIST OF BACKGROUND PAPERS		
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION
None at this stage		N/A

## APPENDIX 1 - Key Performance Indicators

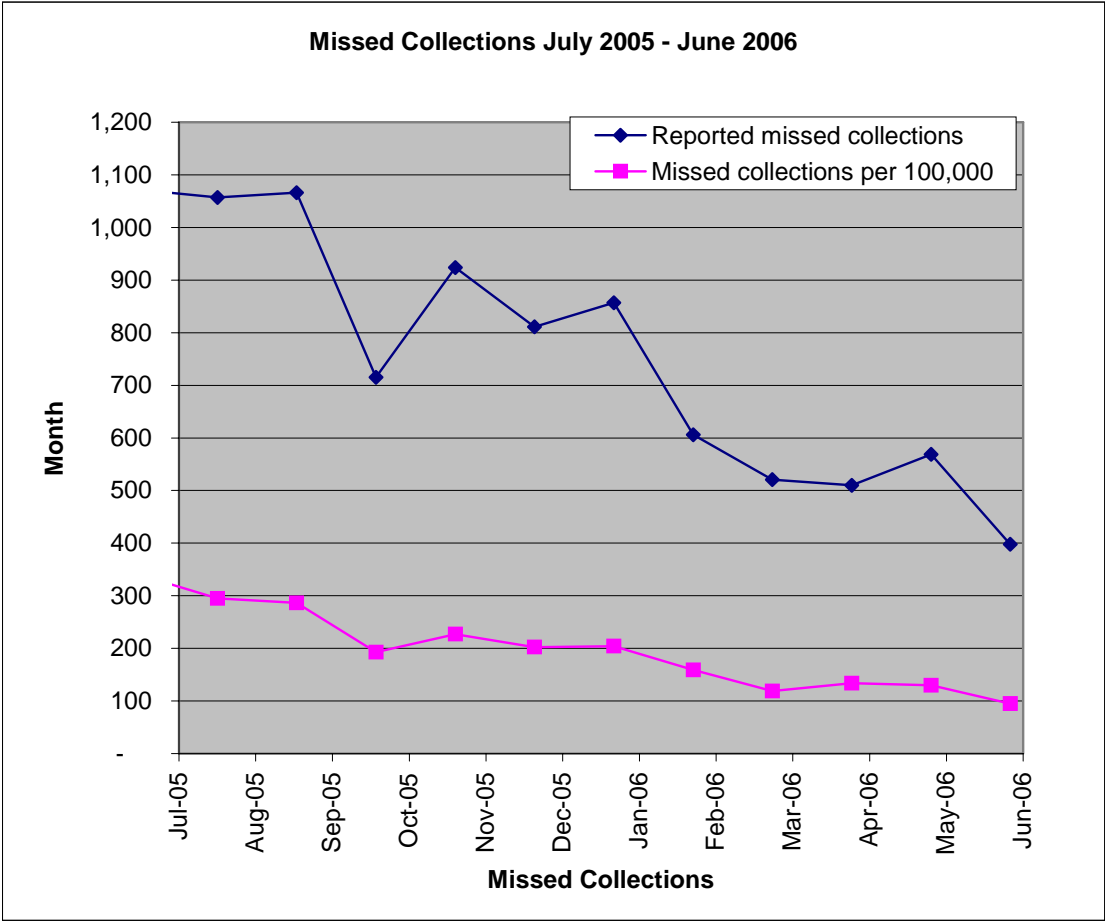
## Appendix 1

### Key Best Value Performance Indicators for 2005-06

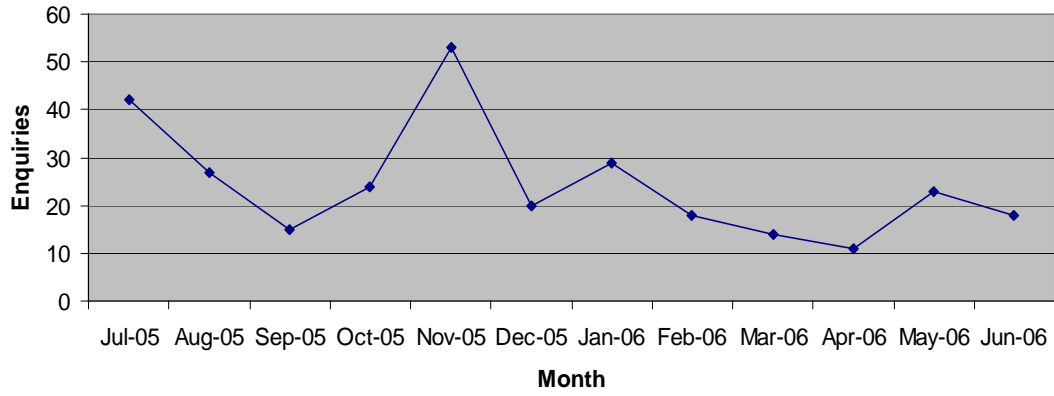
<b>WASTE BEST VALUE PERFORMANCE INDICATORS</b>		<b>2004/05 Actual</b>	<b>2005/06 Actual</b>	<b>2006/07 Targets</b>
<b>82a(i)</b>	Percentage of the total tonnage of household waste arisings that have been recycled.	<b>9.29%</b>	<b>14.68%</b>	<b>16%</b>
<b>82b(i)</b>	Percentage of the total tonnage of household waste arisings which have been composted	<b>15.31%</b>	<b>17.59%</b>	<b>22%</b>
<b>84a</b>	Number of kilograms of household waste collected per head	<b>486</b>	<b>439</b>	<b>380</b>
<b>84b</b>	Percentage change from the previous financial year in the number of kilograms of household waste collected per head of the population	<b>NEW</b>	<b>-8.5%</b>	<b>-10%</b>
<b>86</b>	Cost of household waste collection per household	<b>£34.96</b>	<b>£45.97</b>	<b>£50</b>
<b>199a</b>	Cleanliness of relevant land and highways	<b>23%</b>	<b>19%</b>	<b>18%</b>

Missed collections

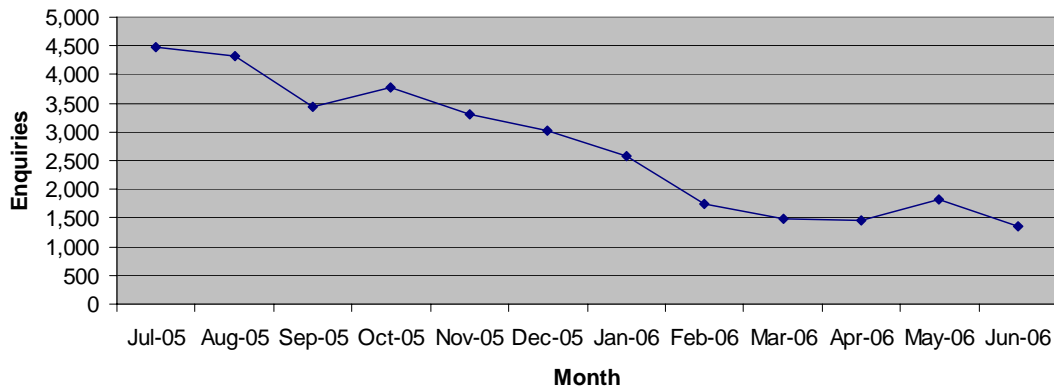
	Missed collections	Missed per 100,000
Jul-06	1072	341
Aug-06	1057	295
Sep-06	1066	287
Oct-06	715	192
Nov-06	924	227
Dec-06	811	202
Jan-07	857	204
Feb-07	606	159
Mar-07	521	119
Apr-07	510	134
May-07	569	130
Jun-07	398	95



**Street Cleansing Enquiries (July 05 - 22nd June 2006)**



**Total Waste Management Enquiries (July 05 - 22nd June 06)**





Meeting	Date	Item No.
Fylde BC and Wyre BC Joint Committee	26/07/2006	4

**SHARED SERVICE SCOPING DOCUMENT -  
STREET SCENE**

**1. Introduction**

- 1.1** The purpose of this report is to consider the options and issues involved in developing shared service delivery of Street Scene services within the boundaries of Wyre Borough Council and Fylde Borough Council.
- 1.2** The first Fylde and Wyre Borough Council's Informal Joint Committee, held on 26<sup>th</sup> April 2006, set out as their first priority the development of a more co-ordinated approach to the provision of street scene services. It was agreed that a report would be submitted at the next meeting (26<sup>th</sup> July) on the options and proposals including consideration of the services currently included in the street scene by each Council and the range of services that could be included.
- 1.3** The implications of this report need to be considered alongside those for shared services of the Coastal Defence Function and Leisure Services. Coastal Defence and Grounds Maintenance are within Fylde Borough Council's Street Scene Unit. Coastal Defence is within the proposed Neighbourhood Services of Wyre Borough Council and Grounds Maintenance is within Leisure, Cultural and Tourist Services.
- 1.4** Shared Services is about improving the quality of services provided to the public, whilst simultaneously improving efficiency and reducing costs. It brings together a set of services that are common to both Fylde and Wyre. These services will share standard end-to-end business processes and associated enabling technology. The relevant parts of these services are placed into a **single** governance delivery structure that is customer focused and performance managed.
- 1.5** The key to establishing shared street scene services across Wyre and Fylde is agreeing a common vision, outcomes and delivery mechanism.  
At the outset it is recognised that there is a need to establish the legal, procurement and governance framework within which **all** shared services could operate. Also there will be a requirement to take what could be difficult decisions on culture, staffing, service location and the operational model for the shared services. The complexity and resolution of these issues should not be underestimated. This will require considerable commitment and staff time.

A summary of the commercial, legal and procurement issues for shared services is set out in Annex 1.

## **2. Background**

- 2.1** The public are very clear that street cleanliness, dog waste and anti-social behaviour are top priorities. These concerns are reflected in our Corporate Plans, Community Plans and the Lancashire Area Agreements. The Government reinforces this with legislation such as the Clean Neighbourhoods and Environment Act, 2005. Guidance is being provided on developing cleaner, safer and greener communities. Responsibility for coping with anti-social behaviour is increasingly directed towards local authorities. In May 2006 an Audit Commission Report, Neighbourhood Crime and Anti-Social Behaviour recommends that reducing crime and anti-social behaviour needs to be underpinned by neighbourhood approaches by all local services.
- 2.2** Wyre Borough Council are currently in the process of establishing a Street Scene function, within a Neighbourhood Services Unit, which will be operational by October/November 2006. Fylde Borough Council already has an established operational Street Scene Unit.
- 2.2** Wyre Borough Council is developing a holistic community based approach to tackle the crime and grime agenda. It requires developing improved linkages with the community, supporting agencies such as the police and community support officers as well as developing internal service delivery. In Fylde these matters are addressed through effective partnership and corporate working which cuts across the business units. Fylde also provide the waste management and street cleansing services in Wyre through the “Fylde and Wyre Waste Management Partnership”.
- 2.3** Both authorities operate within similar performance management frameworks and wish to improve their Comprehensive Performance Assessment position.

Shared service operations would aim to meet customer needs in the most efficient way possible and have governance, service level agreements, performance monitoring, bench-marking and continuous improvement arrangements in place to help achieve this.

## **3. Resources**

- 3.1** Wyre Borough Councils proposed Street Scene within Neighbourhood Services is set out in Annex 2. The broad functions of Street Scene at Wyre BC are: Car parking, Waste Management including Recycling, Street Cleansing, Dog Wardens and Community Safety (Crime and Grime agenda). Neighbourhood Services would also include Coastal and General Engineering, Environmental Design and Administration.
- 3.1** Neighbourhood Services would comprise of some 47 staff with a revenue budget of around £1.1 million. Within this Street Scene would have some 34 staff with a revenue budget of around £735,000.
- 3.2** Fylde Borough Council’s Street Scene functions, set out in Annex 3, are: Car Parking, Waste Management including recycling, Street Cleansing, Dog Wardens, Vehicle Maintenance, Technical Services (including Coastal & General Engineering), and Parks & Grounds Maintenance. The Unit also carries out the waste management & street cleaning operations in Wyre.

Currently 203 staff are employed with a revenue budget of £8.5 million. An organisation structure is set out at Annex 4.

## **4. People**



- 4.1** Fylde Borough Council has an established Street Scene function. Wyre Borough Council is in the process of setting up this function. This requires deleting two Service Units, namely Environmental Services and Engineering Services, to establish Neighbourhood Services. A significant number of staff has recently transferred out of Engineering Services to Lancashire County Council on the abolition of the Lancashire Highways Partnership. This combined with the break up of the client/contractor split means that there has been considerable staff disruption across Wyre Borough Council in the recent months.

This break up was achieved in Fylde several years ago and the approach now is one of customer focus and ownership of outcomes and one which emphasises the 'one team' approach to service quality and improvement. However, it is recognised that further work would be required to develop a joint community focus and a partnership culture.

## **5. Staff Key Skills**

- 5.1** Wyre Borough Council proposes to develop more multi-functional staff such as the Street Scene Officers including the Neat Team who will provide rapid response for graffiti and fly tipping.

Fylde Borough Councils staff are proficient at undertaking their roles and have demonstrated a capability to meet changing circumstances.

Depending on the operational model chosen for shared services additional training and development would have to be undertaken.

## **6.**

### **Shared Services Options**

- 6.1** As mentioned above the first pre-requisite is a shared vision and outcomes for Street Scene. Having determined this then the potential shape and governance can then be arrived at.

Working with the services as they are currently delivered certain service delivery options can be considered. Each of these options then requires appropriate governance arrangements. This will require the significant constitutional, legal and procurement issues to be resolved

- 6.1** The requirement throughout will be to move delivery away from a contractual basis to a partnership arrangement. True partnership working needs to be a top priority with joint multi-functional responsibility and delivery across both authorities. Greatly reducing the monitoring, hierarchies and bureaucracy.
- 6.2** The **first** option is simply to merge the current Street Scene services within Fylde Borough Council and those proposed for Wyre Borough Council – see Annexes 2 & 3. Broadly these can be combined and considered as Operational and Community Services – see Annex 5.

- 6.3** Further work would be required to develop Community Safety and in particular the linkages with the Community Support Officers with particular reference to the crime and grime role across the two authorities. It is to be noted that this first model does **not** include Wyre Borough Council's Grounds Maintenance

There are obvious resource savings that can be achieved and assets released. Some £100,000 of potential resource savings could be released but this will be dependant on the level of community support determined. There are significantly greater savings as part of further asset release realization such as Copse Road Depot.

- 6.4** The pros and cons of sharing these services are set out below:

**Pros**

More Responsive – to customers, members and officers.  
Targeting of specific issues such as community safety and tackling anti social behaviour.  
Single Management Team.  
Common Systems. Development.  
Common Customer Interface.  
Common Budgetary System.  
Common Member Reporting.  
Common Specifications and work standards.  
Consolidated approach to National Agenda – for neighbourhoods services.  
Savings and economies of scale.  
Improved performance.  
Less development costs.  
Co-ordinated response.  
True partnership working and development.  
Cross border working.  
Model for other shared services.

**Cons**

Constitutional, Governance and reporting issues.  
Procurement issues.  
Cultural match.  
Change issues.  
Relocation costs.  
Learning and training issues.  
Member/Executive/Management support.  
Jealousies/ rivalries.  
Potential redundancies.

- 6.5** The **second** option is to incorporate Wyre Borough Council's Grounds Maintenance within the Shared Services – see Annex 6. This would both be at the operational and community level. In particular the community service would further develop the public open space agenda across the two boroughs. This has the potential of releasing further resource savings of some £60,000.

The advantages of incorporating grounds maintenance is that there would be greater generic working to create a cleaner, greener and safer environment.

- 6.6** Both options will require appropriate governance and reporting structures. It is intended that all shared services be placed into a single governance delivery structure that is customer focused and performance managed. There are then a number of potential reporting arrangements:
- To a constituted Fylde/Wyre Shared Services Board
  - To joint Fylde/Wyre Informal Joint Committee
  - To joint executive and management team.
  - To designated Management Team/ Executive Officer.

Member-reporting arrangements will have to be established.

It is important that we do not establish a governance structure that requires dual reporting and places conflicting delivery demands on the service.

- 6.7** There is potential to expand this model to include other services such as Regulatory Services.
- 6.8** Because of employment issues realistically Wyre Borough Council cannot implement it's own working groups proposals until October/November 2006. The establishment of the shared service model may take longer to implement and would be around at the earliest by 2007. Therefore a decision is required as to what is required and any necessary implementation phasing.

## **7. Processes**

- 7.1** It is evident from the above that there is a close fit between the street scene functions that are undertaken by each authority. A significant proportion is contained within the "Fylde and Wyre Waste Management Partnership". The establishment of this "partnership" has demonstrated both authorities maturity in enabling the transition to a different operating model. Most of the other activities are duplicated. Consideration of a joint role of Street Scene Officers including the linkages with community support officers would need to be considered. The potential for integrating Grounds Maintenance needs to be further assessed in light of the Leisure Services scoping.

Process Improvement is also being scoped. Wyre Borough Council is currently commencing a process review of all Street Scene activities and a joint approach is being developed between the two councils on process review in this and other service areas.

- 7.2** It is essential that the implementation and operation of joint street scene activities come within an effective performance management framework. Output related measures would need to be established for street scene services following determination of what outcomes were required. This could go beyond existing statutory performance indicators and local indicators currently collated.
- 7.3** It is clear that although there is good practice across both authorities that this will have to be developed into a co-ordinated whole rather than impose any one model that is currently operating if shared services are to be successful.

## **8. Governance**

- 8.1** This is a key issue for all shared services. Some options are provided at 6.6. However the full implications of the Commercial and Legal issues shown at Annex 1 need to be considered and addressed.

## **9. ICT**

**9.1** Both authorities utilise Team Knowledge at the front end of their contact centres. Similarly they both operate the Civica financial system. Fylde Borough Council have made considerable use of GIS, which Wyre Borough Council is currently developing. The principle would be to adopt the best practice revealed by the process reviews. No major technical issues are envisaged. However there will be resource implications establishing shared core and service systems.

## **10 Cost**

**10.1** The revenue savings of between £100k - £160k within this report are indicative of the savings that could be achieved by rationalising operational staff. Overall revenue savings could be considerably greater dependant on the supervisory/ managerial structure determined. In the first year these savings would not be fully realised, as there will be set-up costs. There would be additional savings through asset realisation resulting from the sale and rationalisation of depots, office space and facilities.

## **11 Capability**

**11.1** The capability to affect the delivery of shared street scene services is available throughout the two authorities. For it to be successful however requires the appetite for change and long-term commitment to see it through.

## **12 Benefits**

**12.1** The outcomes required from street scene are:

- Cleaner, Greener, Safer Communities
- Reduced crime and fear of crime
- Improved quality of life
- More responsive service
- Improved Neighbourhood service delivery
- Improved Customer Satisfaction
  - Overall with the Council
  - At Service level
- High quality value for money service
- Empowering local communities to influence service delivery

**12.2** The benefits to the public will be:

- To provide communities at all levels with a co-ordinated service, undertaken by a customer-focused, multi-tasked and trained workforce, to achieve immediate and effective responses to service delivery and identified needs
- To provide a single point of contact
- To provide a unified service and standards regime across the Boroughs
- To ensure public participation and satisfaction
- To show real and sustainable improvement in services and standards and
- To increase efficiency and achieve cost reductions, by eliminating duplication and unnecessary transaction costs.

## **13 Timescales**

- 13.1** Because of employment issues Wyre Borough Council proposes as a first step to implement their own Street Scene function, within Neighbourhood Services, by October/November 2006. It is envisaged that the earliest that a shared services model could be implemented would be late in 2007.

Fylde Borough Council has indicated that they are ready to move straight to the shared services model. Recognising the strategic commercial, legal and procurement issues that would have to be overcome the earliest implementation date would be July/August 2007.

It is recommended that a project board and project group be established to oversee the implementation of joint streetscene services (particularly the commercial, legal and procurement issues set out in Appendix 1) if the Joint Committee is minded to take the proposal forward.

## **14 Key Risks**

- 14.1** At the highest level, risks on the impact on shared services success can be grouped into four categories:
- Failing to ensure an effective strategic fit
  - Failing to identify and address the gaps and shortfalls in relationships
  - Failing to fully assess and plan for the organisational impact the changes will have; and
  - Failing to robustly develop and test the economic case for the partnership
- 14.2** This scoping document only partially covers these high level risks. Further work is required developing a common vision for street scene, overcoming the strategic commercial, legal and procurement issues and then tackling the operational and cultural issues.

## **15 Recommendations**

- 15.1** That a Project Board and a Project Team be established to oversee and develop the detailed implementation of joint streetscene services (particularly the commercial, legal and procurement issues set out in Appendix 1 of this report).

<b>IMPLICATIONS</b>	
Finance	Potential resource and asset savings
Legal	Constitutional and procurement issues to be resolved
Community Safety	Linkages with Community Safety to be determined
Equality and Diversity	To be addressed
Sustainability	To be addressed
Health and Safety	To be addressed
Risk Management	To be addressed

Asset Management	To be addressed in the business plan
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Report Author	Telephone No.	Email	Date
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<b>List of Background Papers:</b>		
Name of Document	Date	Where available for inspection

### **LIST OF ANNEXES**

Annex 1 -	Shared Services Commercial, Legal and Procurement Issues
Annex 2 -	Wyre Borough Council's Proposed Street Scene Structure
Annex 3 -	Fylde Borough Council's Current Structure
Annex 4 -	Fylde Borough Council's Outline Organisation Chart
Annex 5 -	Combined Fylde and Wyre Street Scene – excluding Wyre Borough Council's Grounds Maintenance
Annex 6 -	<b>Combined fylde and wyre street scene – including wyre borough council's grounds maintenance</b>

## **ANNEX 1 – SHARED SERVICES COMMERCIAL, LEGAL AND PROCUREMENT ISSUES**

WYRE BOROUGH COUNCIL AND FYLDE BOROUGH COUNCIL NEED TO ADDRESS THE FOLLOWING STRATEGIC ISSUES:

- **THE CURRENT SERVICE DELIVERY ARRANGEMENTS TO ASCERTAIN THE EXTENT OF ALIGNMENT THAT MIGHT BE ACHIEVED INCLUDING THE USE OF ASSETS - THIS IS BROADLY COVERED WITHIN THE SCOPING DOCUMENT.**
  
- **THE NATURE OF THE JOINT ORGANISATIONAL STRUCTURE – WHETHER A CORPORATE ENTITY E.G. A COMPANY OR AN UNINCORPORATED ENTITY E.G. A JOINT COMMITTEE OR BOARD (AND WHETHER STATUTORY OR NOT). A JOINT BOARD WITH A UNIFIED STRUCTURE WOULD APPEAR TO PROVIDE THE REQUIRED OUTCOMES OF IMPROVED SERVICES PLUS EFFICIENCIES. THIS RAISES REPRESENTATIVE, RESPONSIBILITY AND REPORTING ISSUES.**
  
- **WHETHER TO POOL INDIVIDUAL BUDGETS AND FUNCTIONS AND THE EXTENT OF POOLING OTHER RESOURCES.**
  
- **THE PRINCIPLE ISSUES IN THE ARRANGEMENTS BETWEEN WYRE AND FYLDE THAT NEED TO BE DOCUMENTED THROUGH CONTRACT AND/OR THROUGH THE CONSTITUTION OF THE CHOSEN CORPORATE ENTITY.**
  
- **THE EXTENT THAT EU PROCUREMENT RULES THAT MIGHT APPLY TO THE SHARED SERVICES ARRANGEMENT. THERE IS NO SPECIFIC EXEMPTION FROM THE EU PROCUREMENT RULES WHERE ONE PUBLIC BODY CONTRACTS WITH ANOTHER PUBLIC BODY FOR SERVICES, WORKS ETC.**

**ONCE THE ABOVE STRATEGIC ISSUES HAVE BEEN ADDRESSED, THE COUNCILS WILL NEED TO ADDRESS THE MORE DETAILED COMMERCIAL, LEGAL AND PROCUREMENT ISSUES COVERING THE ARRANGEMENTS BETWEEN THEMSELVES:**

- The duration of the arrangements;
- The extent of the activities to be the subject of the arrangements;
- Whether to establish a vehicle or single contractual entity (if so, whether a company limited by shares or guarantee, an industrial and provident society, community interest company or a limited liability partnership);
- The extent to which each public authority is to contribute financial and other resources (e.g. employees, property and equipment) and any valuation issues;
- Any third-party funding requirement and if so, what will be the source of such funding and the impact of third-party funding on the structure (e.g. the need for the establishment of a separate entity);

- The funding of any increased costs, losses or shortfalls and the mechanism for managing this;
- Appropriate risk management arrangements put in place to identify, manage and mitigate risks;
- Any issues raised from each authority undertaking a detailed due diligence on their asset contributions including any encumbrances on ownership, consents needed (leases, software licences etc), fetter on intellectual property rights, prohibitions on the assignment of contractual rights and contracts with onerous terms;
- Whether the arrangements will involve a TUPE transfer (more likely in the case where a separate entity is established), and have the authorities addressed the implications of transferring the employees (particularly in the light of any proposed management structure); has there been adherence to the *Workforce Code of Guidance* (ODPM circular 3/2003) and the *Code of Practice* (Cabinet Office 2005); whether any employees are to be seconded rather than transferred and the consents to be obtained from such employees undertaken; the statutory consultation of all relevant employees; consider the admission of any separate entity to one or other of the public authority pension funds or whether equivalent pension arrangements be provided;
- The levels of service to be provided and whether there will be any differences between the public authorities, how the levels of service will be determined and managed and the extent of any step-change improvement or continuous improvement;
- The arrangements for changes to the service by one or more of the authorities and how such changes will be funded;
- The approach to benefits realisation for each authority with appropriate management arrangements and performance reporting;
- Whether they will need to procure works or services and if so how will this be undertaken, for example, by one authority on behalf of the other(s) or the entity if one has been established. What procedures will be followed and how will these reconcile with each authority's financial regulations. How will the contractor be selected and the terms of engagement settled, and to what extent will one authority need to indemnify the other(s) against costs, expenses and liabilities; how the arrangements will be managed, either by a joint committee or joint board (statutory or otherwise) (and any delegation of functions), or through a corporate entity. What the membership of the joint committee/joint board and/or corporate entity will be; what procedural requirements will be needed (meetings, quorum, voting rights etc);
- What rights each authority will have to appoint to the joint committee/board or corporate board of directors, how the joint committee/board or corporate entity will be accountable to each of the public authorities, how decisions will be made, by simple majority, or will there be important issues requiring unanimity or special majorities?
- Will any provision be made for withdrawal of one (or more authorities)? Could the arrangements continue without the withdrawing authority and the assets contributed by it? Can the withdrawing authority's assets be identified (e.g. in a situation where they may have been pooled)? Are there any outstanding liabilities to be met by the withdrawing authority, which employees will transfer to the withdrawing authority?
- How any deadlock will be resolved: for example casting vote, reference to an independent party, withdrawal of one or other authority, a winding up of the arrangements, or an Alternative Dispute Resolution procedure;
- Will any authority be able to terminate the arrangements before their expiry and, if so, on what grounds?



- What arrangements will apply on termination for the distribution/retransfer of assets and employees, the discharge of outstanding contracts and the assumption or discharge of any other liabilities relating to the arrangements?

### ***Procurement***

#### **THERE IS NO SPECIFIC EXEMPTION FROM THE EU PROCUREMENT RULES WHERE ONE PUBLIC BODY CONTRACTS WITH ANOTHER PUBLIC BODY FOR SERVICES, WORKS ETC.**

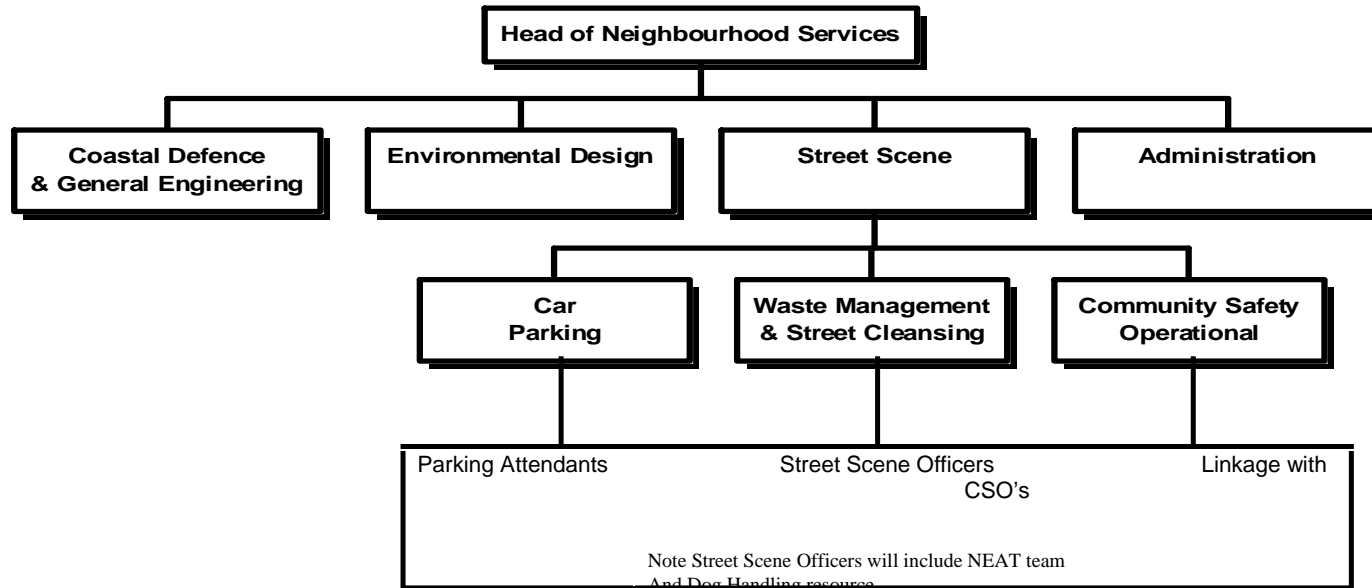
However, there is an array of powers that enable local authorities to provide services to other local authorities (and indeed other public bodies), particularly the Local Authorities (Goods and Services) Act 1970 and the trading powers under Section 95 of the Local Government Act 2003. On occasions, the powers under the 1970 Act have been exercised without recourse to the EU procurement rules. This is probably because the service provision has been undertaken without the local authority realising that a contract has been put in place or, more likely, because the value of the services has been below the threshold for the application of the rules to the services. However, these powers are being increasingly used by local authorities in contracts with other local authorities for:

- shared services; and
- service improvement (where a high performing local authority may provide services to improve a poor performing authority e.g. franchising (see above)).

**WHERE LOCAL AUTHORITIES SEEK TO ENGAGE IN PUBLIC/PUBLIC ARRANGEMENTS SUCH AS SHARED SERVICES ACTIVITIES, THE ACTIVITIES THEY ARE UNDERTAKING NEED TO BE EXAMINED TO DETERMINE WHETHER THE CONTRACT BETWEEN THEM FOR SHARED SERVICES IS A CONTRACT TO WHICH THE EU PROCUREMENT RULES APPLY. THAT IS, IT HAS TO BE DETERMINED WHETHER THE ARRANGEMENT AMOUNTS TO A PUBLIC CONTRACT AND/OR OTHERWISE THE ARRANGEMENT IS NOT ONE TO WHICH THE EU PROCUREMENT RULES APPLY.**

**IT IS ESSENTIAL THAT LEGAL/PROCUREMENT ADVICE BE SOUGHT WHILE THE SHARED SERVICES MODEL IS BEING DETERMINED.**

Annex 2 – Wyre Borough Council’s Proposed Street Scene Structure



Cemeteries - to be included within Leisure, Cultural and Tourist Services & Pollution Control –within Housing & Regulatory Services.

Current FTE's  
Budget

Some 47 staff  
Approximately £1.1million

Annex 3 – Fylde Borough Council's Street Scene Current Structure

<b>FBC OPERATIONAL SERVICES</b>	<b>WBC OPERATIONAL SERVICES</b>	<b>TECHNICAL SERVICES</b>	<b>PARKS &amp; GROUNDS MAINTENANCE</b>
<b>FTE: 71</b>	<b>FTE: 92</b>	<b>FTE: 7</b>	<b>FTE: 33</b>
<b>Budget: £3, 045,000</b>	<b>Budget: £3,500,000</b>	<b>Budget: £629,000</b>	<b>Budget: £1, 379,000</b>
<ul style="list-style-type: none"> <li>▪ Refuse &amp; Recycling Collections</li> <li>▪ <b>REFUSE COLLECTION &amp; RECYCLING ENFORCEMENT</b></li> <li>▪ <b>WASTE MINIMISATION</b></li> <li>▪ Street Cleansing</li> <li>▪ Street Cleansing - Enforcement</li> <li>▪ Beach Cleaning</li> <li>▪ Dog Control</li> <li>▪ Public Toilets</li> <li>▪ <b>Vehicle Maintenance</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Refuse &amp; Recycling Collections</li> <li>▪ Street Cleansing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sea Defences</li> <li>▪ Beach Foreshore Management</li> <li>▪ Car Parks / DPE</li> <li>▪ Section 38 Agreements</li> <li>▪ Local Transport Plan</li> <li>▪ Engineering Support</li> <li>▪ Project Management support</li> <li>▪ Street Name Plates</li> <li>▪ Pumping Stations</li> <li>▪ Land Drainage/Water courses</li> <li>▪ Bus Shelters</li> <li>▪ Street Lighting</li> <li>▪ Highway Functions</li> <li>▪ Building Repairs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grounds maintenance</li> <li>▪ Parks Development</li> <li>▪ Cemeteries &amp; Crematorium</li> <li>▪ In Bloom Arrangements</li> <li>▪ Allotments/Friends Groups</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Parks Repairs</li> </ul>	

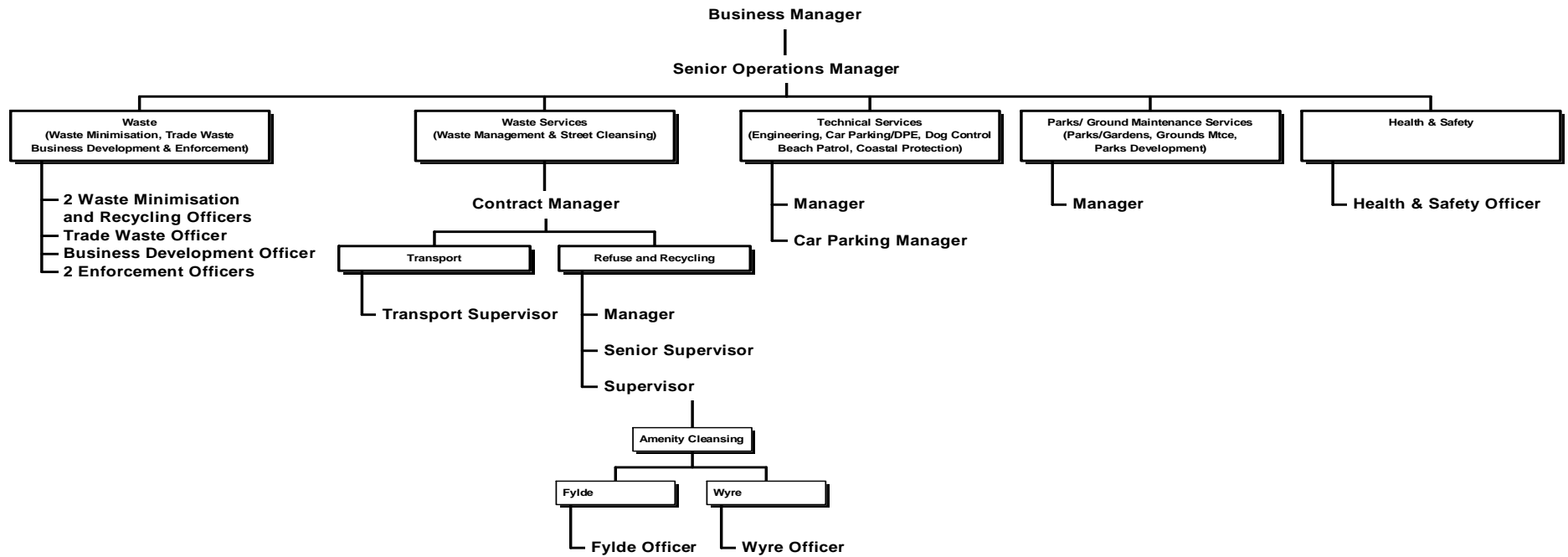
**Current FTE: 203 staff**

**Current Budget: £8,553,000**

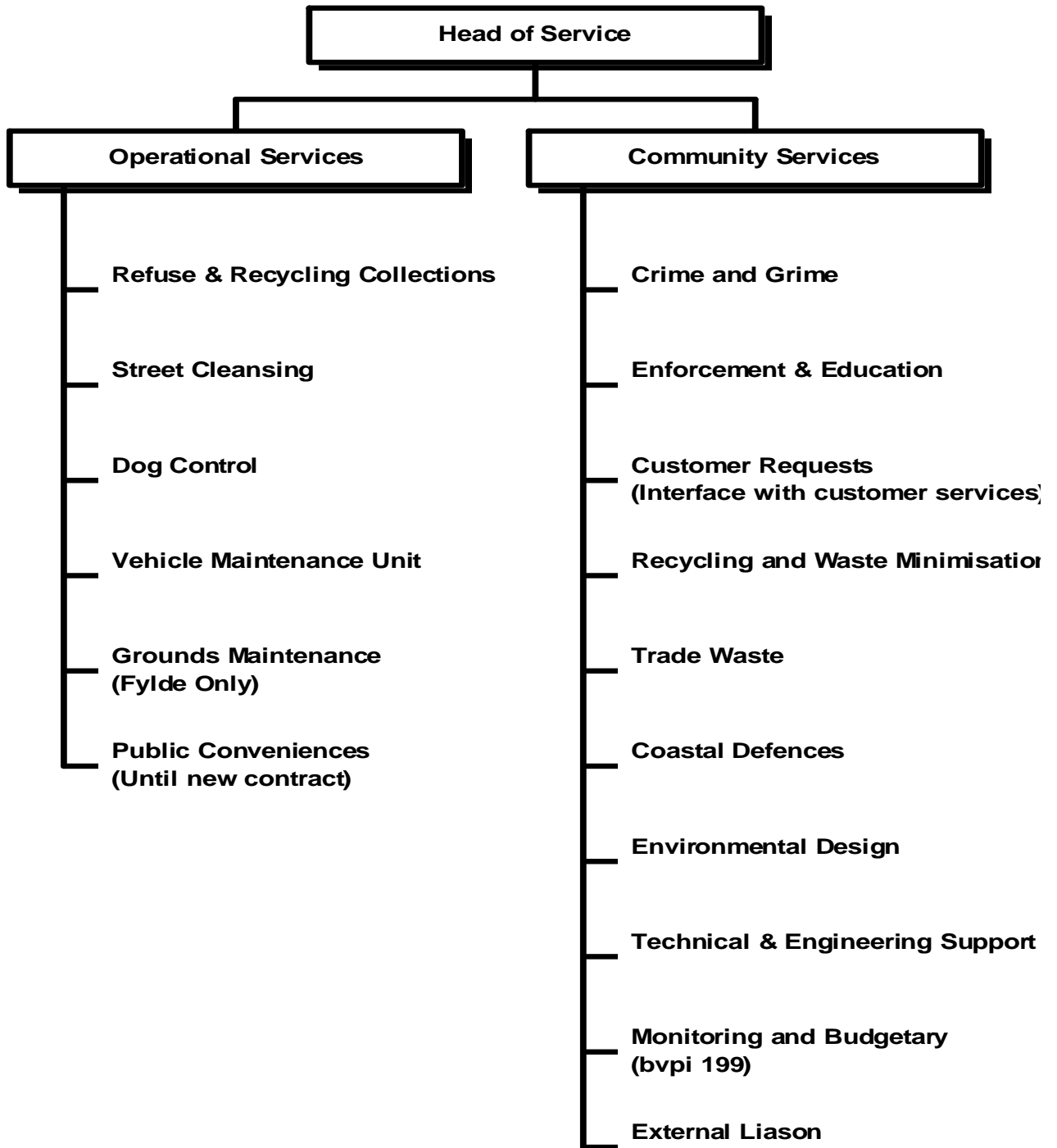
The Unit also has corporate responsibility for the following functions:

- 1 Project Management. Corporate Training & Co-ordination of project's
- 2 Procurement. Corporate Strategy, Training & Co-ordination of procurement projects

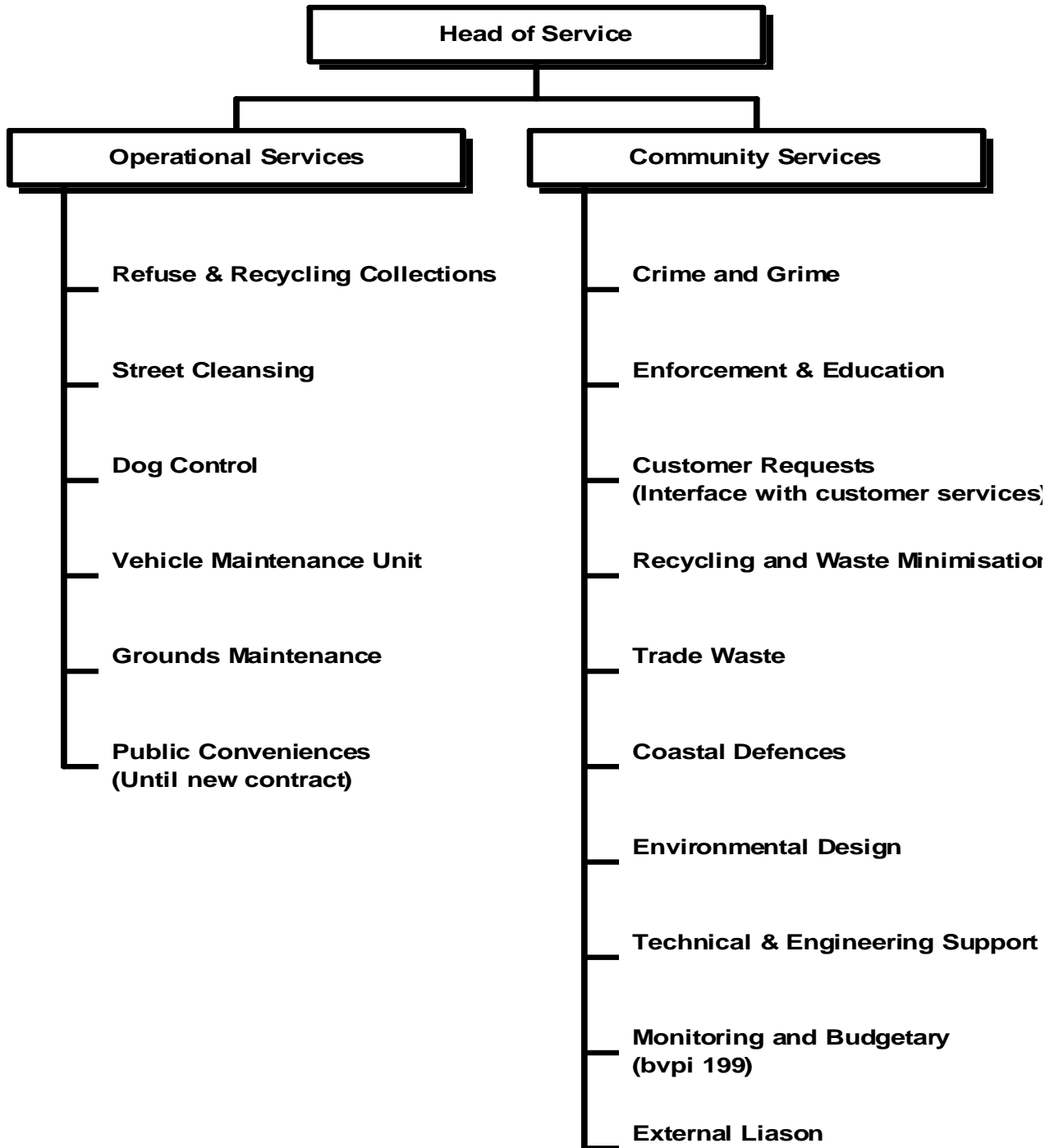
### Annex 3 – Fylde Borough Councils Outline Organisation Structure



**Annex 4 – Combined Fylde and Wyre Street Scene – excluding Wyre Borough Council’s  
Grounds Maintenance**



ANNEX 5 – COMBINED FYLDE AND WYRE STREET SCENE – INCLUDING  
WYRE BOROUGH COUNCIL'S GROUNDS MAINTENANCE





Meeting	Date	Item No.
Fylde BC and Wyre BC Joint Committee	26 July 2006	5

**SHARED SERVICE SCOPING DOCUMENT -  
COASTAL DEFENCE FUNCTION**

**1. Introduction**

- 1.1 Wyre Borough Council (Wyre BC) has a well-established and experienced team of engineers to deliver its coastal defence function. It also has well developed strategies for the management of its coastal defence assets over the next 100 years, as well as an extensive capital programme of schemes.
- 1.2 Fylde Borough Council (Fylde BC) currently has very limited expertise on coastal defence and no long-term schemes or programmes in place to manage flood risk.
- 1.3 The purpose of this scoping study is to consider how Fylde BC can meet their responsibilities and aspirations for the management of their coastal defence assets and flood risk by developing and utilising the extensive coastal experience at Wyre BC.
- 1.4 The aim of this joint initiative is to develop sufficient capacity to move from the current reactive based management of Fylde's coastal defences towards a capital led proactive approach adopted by Wyre BC. It should be noted that this development has taken Wyre BC a period of up to 8 years to achieve.
- 1.5 The objective is to identify sharing and capacity building initiatives in order to meet Government objectives to reduce flood risk for both Councils.

**2. Background**

- 2.1 Both authorities have to meet Government policy targets as defined in the High Level Targets for Coastal and Flood Defence. Both authorities have clearly defined objectives to enable the government to meet its overall objective to reduce flood risk.

**3. Resources**

- 3.1 Wyre BC currently employ a team of 6 professional staff, of which 4 are fully committed to working on a variety of coastal defence related activities, with the majority of this funded from the Department of Environment Food and Rural Affairs (DEFRA) through capital schemes. The authority also operates its own in-house team of 3 operatives to undertake maintenance works.
- 3.2 Fylde BC currently provides the equivalent of 0.5 FTE from a variety of staff within Technical Services to work on coastal defence.

**4. History**



- 4.1 Wyre BC commenced working on a strategy to develop their coastal defence resources eight years ago. This has led to a significant increase in the capacity and skills within their coastal team and a significant improvement in the standard of protection offered against flooding. The team has developed an agreed strategy for coastal defence in the Borough, which has allowed them to commence a significant capital programme of works that is fully financed through DEFRA and the Environment Agency (EA).
- 4.2 Wyre BC have developed a strong and successful track record of delivery of key strategic documents and major capital schemes. These include expertise in the delivery of major capital works through innovative techniques, including early contractor involvement and partnering contracts, which have delivered significant savings in both time and cost. They have also developed key relationships with DEFRA, the EA, and other funding bodies.
- 4.3 Fylde BC are in a similar position to that of Wyre in 1998, where there is a need to meet the coastal defence requirements of the future which will be influenced by deteriorating defences (the majority of the defences are 100 years old and therefore reaching the end of their useful life) and the effects of climate change. Currently Fylde BC employ consultants to inspect their defences and recommend short-term programmes of works that are funded through internal capital and revenue funding.

**5. People**

- 5.1 The two authorities and technical services / engineering teams have similar values and objectives. The coastal activities are currently undertaken under the umbrella of a regional agreement through the North West Coastal Group on which both authorities play an active part. This has led to the joint funding and development of Shoreline Management Plans for the Fylde coast and a joint monitoring strategy, including sand dune management, developed with Blackpool BC.

**6. Staff Key Skills**

- 6.1 Wyre BC currently employs 9 multi disciplinary professional staff working on coastal defence projects including 3 operational staff undertaking maintenance and emergency works. The team structure is appended to this report. The majority of the team members have over 15 years experience in coastal defence.
- 6.2 Fylde BC has limited experience in coastal engineering, and technical guidance is obtained through consultants. However Fylde BC have extensive experience in project management and it is considered that initially the shared service could be operated on a client, consultant basis.

**7. Capability Gaps**

- 7.1 Wyre BC's experience in coastal defence, obtaining funding in these areas, and relationships with key stakeholders can be used to bridge the current gap between Fylde's position and their future aspirations.
- 7.2 A number of options are proposed below.

**8. Current Funding**

- 8.1 Nominally Fylde BC has a budget of £20,000 per annum, although due to greater activity in 2006/07 this budget has been raised to £90,000 for this year only.
- 8.2 Wyre BC currently has a capital budget of over £9 million in 2006/07 and maintenance budget on works of £243,090 per annum. This level of spend is anticipated to continue for the foreseeable future dependent upon DEFRA and EA funding availability.

**9. Options for Shared Services**

Options	Details	Readiness
---------	---------	-----------

Wyre BC to undertake current Fylde BC roles on a client / consultant basis.	Annual inspections and surveys to be undertaken by WBC staff. Potential for maintenance works to be undertaken by WBC operatives.	Readily achievable with the minimum of change to structures. Formal agreement needed to specify scope of works and level of reimbursement.
Wyre BC to act as an advisor on a call-off basis to review and specify consultants works	Wyre BC would provide an overseeing role in the development of strategies, project appraisals and scheme development.	Requirement for some additional resources and funding from Fylde BC. Formal agreement needed to specify scope of works and level of reimbursement.
Dedicated staff resource appointed by Fylde BC, and seconded to Wyre BC, to develop Fylde's coastal defences.	Fylde BC to second a new member of staff into Wyre's team to provide the coastal service at Fylde to the level desired. This resource would be utilised in a number of areas with resources from the Wyre BC team used as necessary up to the level of this post. The post holder will gain extensive experience in a number of coastal areas until such time as a major capital programme is developed at Fylde that can support a team of coastal engineers.	Requirement for additional resources and funding from Fylde BC, together with the recruitment of a new engineer. Formal agreement needed to specify scope of works and level of reimbursement.
Additional staff resources recruited by Wyre BC to undertake additional Fylde BC workload	Wyre BC to recruit a member of staff on a long-term contract to provide the additional resource needed to develop Fylde BC's programme of works.	Requirement for a long-term agreement for the provision of coastal defence support. Additional funding required from Fylde BC. Formal agreement needed to specify scope of works and level of reimbursement.

**9.1** Both councils could initiate the proposal at the existing level of service offered by Fylde almost immediately (i.e. Wyre would undertake routine inspections and carry out basic maintenance works up to the value of Fylde BC's existing revenue budget). The preferred option in the medium-term would be to identify additional resources through which capacity could be increased within Wyre to provide the full range of services identified above across both areas. This would, however, be dependent upon those additional resources being generated through Fylde BC.

## 10. Processes

**10.1** The current processes and aspirations of the two authorities are tabulated below:

Processes	Wyre BC	Fylde BC
Capital Schemes	Fully developed programme.	Potential schemes identified, requirement to produce Strategy and scheme appraisals. This is a significant workload.
Annual Inspections	Undertaken In-house	Undertaken by Consultant
Maintenance Work	Dedicated Sea Defence Team	Maintenance works identified annually and undertaken on individual contract basis by an external contractor.

Emergency Response	Dedicated response officer, joint response plan and allocated resources.	None. Activity as part of multi Agency Response Plan.
Key Performance Indicators	Key Performance Indicators for coastal defence, report quarterly.	Potential to adopt and develop Wyre's KPI's
Beach Management	Proposed through foreshore manager.	Foreshore Management fully developed.
Land Drainage	Advice; Undertake work on critical ordinary watercourses for the EA; Emergency Response; In-house maintenance team	Advice only provided

## 11. Governance

11.1 Both councils place coastal defence management as a high priority. There is a history of the two councils working together in these fields, through the North West Coastal Group, and the development of Shoreline Management Plans.

## 12. Limitations

12.1 The major limitations are the availability of funding initially through Fylde BC and then as schemes and strategies are developed through DEFRA and the EA.

## 13. IT

13.1 Similar IT systems are used by both councils. Joint development of Map Zone GIS is an aspiration for both councils.

## 14. Cost

14.1 Initially there will be additional cost implications to develop the proposed strategies. However with agreement and approval from DEFRA this money would be refunded at 100% grant rate. The cost of provision of existing services would be managed to produce best value for money with improved service delivery. There would be a potential initially for a reduction in Wyre's revenue budget by recharging staff time to Fylde BC on a consultancy basis.

## 15. Capability

15.1 Capability to perform the relevant functions has been clearly demonstrated. There is a good track record of programme management and delivery of schemes.

## 16. Project Management

16.1 It is envisaged that the assigned works will be managed on a client basis by Fylde with Wyre acting as a consultant. The preferred proposal is for Fylde BC to identify additional resources to procure the essential staffing capacity for longer-term strategic work. This capacity could be provided directly by Fylde BC or bought-in from Wyre BC.

## 17. KPI's

17.1 There is clear scope to share KPI's and to develop performance measures specific to the assigned work.

**18. Cash**

**18.1** The change and transition for existing activities is fairly straight forward and would be measured against current costs to demonstrate best value. The delivery of Fylde's aspirations would require a commitment for future funding for additional staff resources, the necessary initial studies and to long-term maintenance of capital improvements. If this proposal is supported then a detailed scope of works, programme and costs will be prepared and presented for agreement.

**19. Benefits**

**19.1** There are clear benefits for both councils in sharing expertise in coastal engineering and developing a robust programme of coastal works in the area. Wyre BC are already noted as a centre of excellence for Coastal Management by DEFRA and this development would enhance this reputation. Fylde wish to develop a more forward looking service and the experience offered by Wyre's team will help them achieve this more effectively and efficiently than unilateral development.

**20. Timescales**

**20.1** Agreement in principle to Joint Working and development of scope of works and programme will be sought from the Joint Committee on 26th July 2006

**20.2** The transfer of Fylde's current coastal defence commitments (for inspections and routine maintenance), to be undertaken by Wyre, could be implemented within a short period of time, possibly by 1 January 2007.

**20.3** The development of a more comprehensive arrangement, with Wyre taking responsibility for developing strategies and capital schemes for Fylde, would require more time and in particular a commitment to additional resources by Fylde BC. If such resources can be identified, it is considered that such an arrangement could be in place by April 2007.

**21. Key Risks**

**21.1** Should Fylde not develop their coastal function beyond its current level there is a high probability that failure of existing assets will occur with the potential for flooding and coastal erosion. Many areas will become more vulnerable as the effects of climate change are realised.

**21.2** There is a risk that the schemes developed do not meet current priority scores for EA / DEFRA funding and therefore are delayed or not realised. Alternative funding would then need to be sought.

**22. Conclusions**

**22.1** Fylde BC has the need to develop its coastal defence capability in order to strengthen and protect its Borough's coastal assets. This is necessary both to reduce the risk of flooding and coastal erosion and to manage the coastal zone for future development and tourism. The current approach of repair is unsustainable in the long term.

**22.2** Wyre BC has the experience and expertise to assist Fylde BC in meeting this need. However to fully realise this change will require significant additional resources from Fylde BC.

**23.**

**Recommendations**

That the joint committee agrees to arrangements being made for Wyre BC to undertake coastal defence inspection activities on behalf of Fylde BC with immediate effect.

That the remainder of the coastal defence services across the two councils be considered as part of the detailed work proposed in relation to streetscene operations.

<b>IMPLICATIONS</b>	
Finance	Implications for Fylde BC are included within the report.
Legal	Constitutional and procurement issues to be resolved. There could be significant EU procurement issues, particularly for Fylde BC
Community Safety	N/a
Equality and Diversity	N/a
Sustainability	N/a
Health and Safety	N/a
Risk Management	To be developed within scoping document, see main report.
Asset Management	Report details improvements in asset management.

Report Author	Telephone No.	Email	Date
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<b>List of Background Papers:</b>		
Name of Document	Date	Where available for inspection
None		



Meeting	Date	Item No.
Fylde BC and Wyre BC Joint Committee	26 <sup>th</sup> July 2006	6

<p style="text-align: center;"><b>SHARED SERVICE SCOPING DOCUMENT BUSINESS PROCESS RE-ENGINEERING &amp; LEAN SYSTEMS</b></p>
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**Exempt Item**

**1. Purpose of Report**

- 1.1** To update Members on joint working arrangements between Wyre and Fylde Borough Councils in relation to the development of the systems thinking approach to service improvement via a joint bid to NWIN to develop effective leadership skills in systems thinking.

**2. Outcomes**

- 2.1**
1. Develop a sub regional leadership programme based around the management approach adopted by a systems thinking organisation.
  2. To take a lead role in this approach
  3. Attract external funding from NWIN to facilitate the development and roll out of the proposed programme

**3. Recommendation/s**

- 3.1** That Wyre and Fylde Councils pursue negotiations with relevant councils to secure a strong sub-regional partnership bid to North West Improvement Network. (NWIN)

**4. Background**

- 4.1** NWIN was created in April 2005 to “help local authorities to build capacity to deliver transformational change, in conjunction with Manchester University”.

The organisation also wishes to:

- Develop and co-ordinate learning frameworks, activities and networks across the region;

- support sub-regional capacity building to meet identified needs, build partnership working and create learning materials for regional and national use;
- promote recovery, innovation and excellence for individual local authorities and services; and
- help to build an inclusive network of ‘learning authorities’ to encourage the creation, transfer and deployment of knowledge.

These desired outcomes fit in well with Wyre and Fylde’s proposed leadership programme

## 5. Key Issues and Proposals

**5.1** On the back of the success of Wyre Council’s initial implementation of a systems thinking development programme for the council and the advantages of a strong network of council’s employing a similar approach to transforming service delivery, Wyre and Fylde Borough Councils put together a joint bid to obtain external funding to develop a leadership programme which is intended to promote the systems thinking approach to service re-design and management thinking. This bid was submitted to NWIN in April 2006.

NWIN were very positive about the desired outcomes from the proposed programme but were keen to see additional partners from the region involved also.

In recognising the need to develop a wider partnership network Wyre and Fylde Council’s are currently in negotiation with several other council’s notably Blackpool and Rochdale who are keen to develop a management development platform around systems thinking service provision.

In addition, the Greater Manchester ‘E’ Partnership (GMeP) which represents all greater Manchester authorities are interested in the possible utilisation of this management approach. Negotiations are on going but both Wyre and Fylde Council’s are confident of submitting a renewed bid in time for the deadline in October 2006. This will provide a very strong sub-regional representation of council’s and a well-defined approach to the implementation of an effective management development programme.

IMPLICATIONS	
Finance	Potential resource and asset savings
Legal	None arising directly from the report
Community Safety	None arising directly from the report
Equality and Diversity	None arising directly from the report
Sustainability	None arising directly from the report
Health and Safety	None arising directly from the report
Risk Management	None arising directly from the report
Asset Management	None arising directly from the report

Report Author	Telephone No.	Email	Date
Peter Lightbown	01253 887504	plightbown@wyrebc.gov.uk	19/07/06

**List of Background Papers:**

Name of Document	Date	Where available for inspection
None		