

PUBLIC REALM

Service:	Parking Services	11/12 Gross Expenditure:	£10.972m £12.264m (including contribution to reserves)	11/12 Net Expenditure:	£1.28m surplus
Key Services & Activities:	<p>The service currently has 80.65 FTEs working across contracts (12 FTEs that manage the parking enforcement, CCTV enforcement, abandoned vehicles contracts), parking operations (20 FTEs that work on street maintenance, CPZ development, off street car parks and traffic management orders), business improvement and development (11 FTEs working across policy, project work, complaints and information management) and business processing (30 FTEs working on appeals, PATAS, debt recovery, markets and shop front trading administration. There are also 7 staff providing management/technical/ business support.</p>				
Savings to date - track record & focus:	<p>The service has been reviewed over three phases since 2008 delivering cumulative reduction in staff of 15.65 since 2009/10 and a commitment to a further 14 during 2012/13. Associated cumulative cost reduction is £3.680m which is a 26% reduction on the 2008/9 baseline. The business has significantly contracted through this period for PCN processing with income falling by 17%. Cost reduction lagged behind this trend resulting in an overall deficit position on the budget for 2010/11 but addressed in 2011/12.</p> <p>The service has applied a wide range of lean principles, including improving recovery, channel migration and downsizing and renegotiating contracts to achieve savings to date and is working on implementation of the 2/13 tranche of savings, the service is aiming to consist of 66.65FTE in 12/13</p>				
Costs justification within the existing model of service:	<p>The service performs very well on a range of performance and cost based benchmarks including net cost/revenue per PCN (best in north London, debt recovery. PATAS performance has been turned around in the last two years from top to bottom quartile.</p> <p>There remain some key themes which need to be fully explored which were identified in the joint Parking and F&R review which include the fact that actual income is generally falling (fallen by 16.6% 2008-9 vs</p>				

	<p>2011/12).</p> <p>In addition further considerations should be made to the pros and cons around options for reduced or changed levels of service e.g. reducing CPZ annual reviews, policy on new CPZs, development of Virtual CPZs, opportunities on joint Hackney Homes permits, administration and charges.</p> <p>It is recommended in light of the key processes within the service and it link to legislature requirements such a the TMA and the LLA that a business process engineering analysis should be carried out with a view to assess if any of the processes and workflows can be effectively carried out more quickly.</p>
<p>Advice on existing savings plans (including 12/13 proposals):</p>	<p>Additional savings committed for 12/13 are considered to represent the most significant further stretch in cost reduction - £1.1m .</p> <p>A number of areas were identified for further development in 2012/13 (£1,403k of the £1,986 committed yet to be fully specified and involve major policy or structural change.).</p>
<p>Options for Redesign 1:</p>	<p>Corporate consolidation of front and back office processing functions: The delivery of parking services could be considered within the wider scope for further consolidating front and back office processing functions across the Council, with a segmented approach to simple, intermediate and complex processing.</p> <p>Further consideration of alignment with other services inspections and enforcement duties on conclusion of the Ambassadorial pilot involving the Civil Enforcement Officers .</p> <p>Key areas to consider include car pound operations, appeals processing and Hackney homes permit management.</p> <p>Shared Services and Outsourcing- Outsourcing opportunities are limited (Westminster case Study), and the service has already taken steps to implement and share services with other authorities where relevant. There is scope to do more in a number of limited areas, however evaluation of the cost of the transformation in comparison to the benefits must be given a detailed examinations.</p>

Potential Benefits:	<p>In general type services, it is estimated that consolidation through a multi-skilled workforce for high volume simple and intermediate processing, improved work force and productivity management can save between 10-20% in costs across participating functions. The Parking Service is a more complex and statutory driven service and this would however require the development of a project to assess the local business case which cut across the Corporate Customer Services Strategy and Directorates.</p>
Advice on change management (including risks, dependencies, costs and dis-benefits):	<p>There is evidence to show that shared service projects do not necessarily deliver the scale of benefits that had been hoped for due to inadequate business analysis and modelling, disruption to work flow, cultural barriers and/or the creation of higher cost processing practices.</p>

Service:	Street Scene	11/12 Gross Expenditure:	£17,836,499 [+ £14.65m capital budget]	11/12 Net Expenditure:	TBC
Key Services & Activities:	<p>The service employs a total of 100 FTE staff (including agency) and this is broken down to 40 FTEs in Traffic and Transportation, 44 FTEs in Highways and Engineering, 6 FTEs in Streetscene and 10 FTEs covering 35 school Crossing patrols) . £4.165m is spent on in-house staff, management and service delivery, which is the controllable budget. with the substantive aspect of external works delivery outsourced.</p> <p>The approach to use of agency resources within the service sees sensible, flexible use to mirror availability of internal and external capital along with re-negotiated rates to deliver overall reductions in spend in year. This allows the service to match any peaks and troughs in the capital resource delivered by Streetscene.</p>				
Savings to date - track record & focus:	<p>VFM through the Council's procurement framework has driven delivery over the medium term, with savings limited to around 2.5% per annum. 2010/11 saw significant savings of around 12% of controllable costs due to a major downsize in the Capital programme with cost reductions skewed to staff working on associated programmes. A new suite of street scene contracts established from 1st April will deliver real term savings but no nominal cost reductions due to inflationary pressures.</p>				
Costs justification within the existing model of service delivery:	<p>The procurement system assures competitive costs for managed services and the service's performance position is strong. A full service review is underway which will provide greater transparency on VFM for management costs and a profile of delivery across statutory, local manifesto and discretionary services.</p>				
Advice on existing savings plans (including 12/13 proposals):	<p>Existing savings plans totalling £1.041m up to April 2014 have been developed and are focused on reducing management and staff costs (£400k); transfer of some transportation team costs (£150k) to external funding, reduction in festive lighting (£108k), remote monitoring of street lighting (£153k) and service delivery reductions of £230k across traffic and highway works and reduced maintenance. Proposals represent a reasonable mix of genuine savings and service reduction options.</p>				
Options for Redesign 1:	<p>Statutory and Manifesto Only Model: The service considers that it is already at or close to the ethos of this model and implementation of all the above service reductions will take it well within this model. This requires</p>				

	verification by analysing the entire business against more specific criteria including e.g. commissioning/procurement as a % of total spend, the relative value of what is delivered. The VfM process will be utilised for this purpose.
Potential Benefits:	Proposals are largely about affordability and identifying all opportunities to deliver services more efficiently.
Advice on change management (including risks, dependencies, costs and dis-benefits):	Risks to increased costs for statutory work by scaling back too far on planned programmes needs careful management. The service review has identified a range of options for reducing management costs with varying levels of risk that would need to be managed out and what choices will need to be made around the level or service provided.
Options for Redesign 1:	Seamless Streetscene Management: The Seamless Public Realm Programme began work to identify the scale of savings available through the integration of public realm management; street scene services were within phase 2 of that programme and detailed work was not initiated. The service has taken forward some aspects e.g. development of a unified tree asset management.
Potential Benefits:	The seamless public realm business case requires detailed planning work to enable us to conclude what the scale of duplication and benefits would be, we are aware that the service has already explored a number of avenues which have concluded that sufficient integration of business areas have already been achieved.
Advice on change management (including risks, dependencies, costs and dis-benefits):	The key lessons from SPR are focused on the importance of robust information to develop the business case and stakeholders drive, appetite and belief in the benefits.
Other Options	The service has looked at options for shared services with other boroughs and the North London Strategic Alliance although tentative discussion and plans have not concluded that this will deliver significant savings. There is research on available contracts for some services e.g. the Newham contract for works and consultancy (developed with Hackney, Waltham Forest and Tower Hamlets) although this is currently more expensive than the local Hackney procured service offer.

Service:	Environmental Enforcement & Pollution Control	11/12 Gross Expenditure:	£2.576m	11/12 Net Expenditure:	£2.344m (91%)
Key Services & Activities:	The current service is provided by 41 FTE's across three functions Pollution Control (including noise management), 17 FTEs, Environmental Enforcement (9FTEs) and enforcement compliance and quality which work across both services (14FTEs). The public realm and planning and regulatory services restructure is underway which will align pollution control services and resources to community safety and environmental enforcement to waste strategy. The noise service deals with over 6,800 reactive complaints each year and undertook 440 proactive visits. The enforcement services deals with over 1,300 reactive complaints and took over 6,000 proactive actions and 890 PCNs during 10/11 with most focusing on fly tipping and waste.				
Savings to date - track record & focus:	In the last two years the service has delivered £264k savings and the current restructure will deliver an additional £264k; this is within the context of improving performance and impact. Access to noise management has improved and the service has refocused itself towards the sources of multiple complaints. Rates of compliance with waste regulations for commercial waste collection have increased from 67% to 93%				
Costs justification within the existing model of service delivery:	Improved impact and performance, some rudimentary benchmarking and committed savings to date point to a justification for costs, although full assurance regarding the relationship between inputs, outputs and value, although significantly improved, is not fully clear. This will be taken forward through the restructure which will also focus on the realisation of benefits through the more integrated working across newly aligned services.				
Advice on existing savings plans (including 12/13 proposals):	Existing agreed savings are based on the lowest risk option for delivering immediate savings and are supported.				
Options for Redesign 1:	Value led model for environmental enforcement: This option will use and develop the intelligence on the impact of enforcement actions and re-focus the service to higher value activities which can demonstrate a tangible and sustainable financial benefit (e.g. income from commercial waste agreements, reduced cleansing costs) and downsize investment where this is not				

	compelling. In addition the benefits of low or no cost education and sign posting will also be maximised.
Potential Benefits:	The option will, over time, yield a higher return on investment. The scale of delivery could be calibrated at various levels depending on savings pressures and or the priority of different aspects of the service and their value.
Advice on change management (including risks, dependencies, costs and dis-benefits):	The approach will require a more fully developed approach to the evaluation of impact which should be helped through the transfer of the service to waste strategy. In addition member and resident expectations will require careful management should the value of promoting responsibility and accountability be questioned.
Options for Redesign 1:	Fully integrated ASB and Noise Management Function: This option will build on the transfer of integrated management of the Council's community safety and pollution control services and work towards a fully integrated service which works across tenure. This will build on the developing joint working relationship with Hackney Homes and over time, look to market the service to other social housing providers to realise savings. Fully integrated working could realise savings of up to 25% based on levels of duplication across cases between services and reduced management costs.
Potential Benefits:	Improved access, responsiveness and reduced costs.
Advice on change management (including risks, dependencies, costs and dis-benefits):	Care must be taken to ensure the quality of noise management and other aspects of statutory pollution control are not de-prioritised or crudely merged with ASB case management. The service will also need to identify and market the benefits of an integrated service offer with Hackney Homes.
Other options identified.	Corporate customer services are working to outsource out of hours call handling in the current year which will accommodate noise enquiries, and reduce costs for the noise service. Work is being undertaken to review the effectiveness and impact of environmental enforcement as through the public realm restructure. This will need to focus on wider waste issues and financial pressures. Related initiatives including the Ambassadorial role within parking services are being pursued.

