



# CABINET

11 December 2019

A meeting of the CABINET will be held on Thursday, 19th December, 2019, 6.00 pm in Committee Room 1, Marmion House, Lichfield Street, Tamworth, B79 7BZ

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## A G E N D A

### NON CONFIDENTIAL

**1 Apologies for Absence**

**2 Minutes of Previous Meeting (Pages 5 - 10)**

**3 Declarations of Interest**

*To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.*

*When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.*

**4 Question Time:**

To answer questions from members of the public pursuant to Executive Procedure Rule No. 13

**5 Matters Referred to the Cabinet in Accordance with the Overview and Scrutiny Procedure Rules**

**6 Provision of Legal Services to Tamworth Borough Council (Pages 11 - 80)**  
*(Report of the Portfolio Holder for Assets and Finance)*

**7 ASB Crime and Policing Act 2014 Public Space Protection Orders (Pages 81 - 100)**  
*(Report of the Portfolio Holder for Regulatory and Community Safety)*

- 8 Joint Waste Service Review** (Pages 101 - 178)  
*(Report of the Portfolio Holder for Culture and Operational Services)*
- 9 Landlord Regulation - Councils Stock retained services** (Pages 179 - 290)  
*(Report of the Portfolio Holder for Housing Services and Communities)*
- 10 Update on Housing Repairs & Investment Contract** (Pages 291 - 302)  
*(Report of the Portfolio Holder for Housing Services and Communities)*

**11 Exclusion of the Press and Public**

To consider excluding the Press and Public from the meeting by passing the following resolution:-

*“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 3 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”*

At the time this agenda is published no representations have been received that this part of the meeting should be open to the public.

- 12 Grants Report Quarter 3 2019-20** (Pages 303 - 360)  
*(Report of the Portfolio Holder for Housing Services and Communities)*

Yours faithfully



**Chief Executive**

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**Access arrangements**

*If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail [democratic-services@tamworth.gov.uk](mailto:democratic-services@tamworth.gov.uk). We can then endeavour to ensure that any particular requirements you may have are catered for.*

**Filming of Meetings**

*The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.*

*The Protocol requires that no members of the public are to be deliberately filmed. Where possible, an area in the meeting room will be set aside for videoing, this is normally from the front of the public gallery. This aims to allow filming to be carried out whilst minimising the risk of the public being accidentally filmed.*

*If a member of the public is particularly concerned about accidental filming, please consider the location of any cameras when selecting a seat.*

### **FAQs**

*For further information about the Council's Committee arrangements please see the FAQ page [here](#)*

To Councillors: D Cook, R Pritchard, J Chesworth, M Cook, S Doyle and J Oates.

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**MINUTES OF A MEETING OF THE  
CABINET  
HELD ON 28th NOVEMBER 2019**

PRESENT: Councillors R Pritchard (Vice-Chair, in the Chair), J Chesworth and S Doyle

The following officers were present: Andrew Barratt (Chief Executive), Stefan Garner (Executive Director Finance), Lynne Pugh (Assistant Director Finance) and Anna Miller (Assistant Director – Growth & Regeneration)

Apologies received from: Councillor(s) D Cook and M Cook

**28 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 7<sup>th</sup> November 2019 were approved and signed as a correct record.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**29 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**30 QUESTION TIME:**

There were no questions from members of the public.

**31 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES**

No items were raised from Scrutiny at this meeting.

**32 QUARTER TWO 2019/20 PERFORMANCE REPORT**

The Report of the Leader of the Council provided Cabinet with a performance update and financial healthcheck. The report had been considered by Corporate Scrutiny Committee at their meeting on 14<sup>th</sup> November 2019.

**RESOLVED** that:

Cabinet endorsed the contents of this report; and

the General Fund budgets be revised to reflect the projected outturn underspend as at period 6 releasing funding of £1.756m to be returned to balances.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

### **33 DRAFT BASE BUDGET FORECASTS 2020/21 TO 2024/25**

The Report of the Leader of the Council was presented which informed Members of the re-priced base budget for 2020/21, base budget forecasts for the period 2020/21 to 2024/25 (the 5 Year Medium Term Planning Period) and the underlying assumptions and which asked Members to consider the future strategy to address the financial trends.

The Executive Director, Finance provided an overview to Cabinet of the key provisions in the report.

**RESOLVED** that:

the technical adjustments and re-priced base budget figures for 2020/21 & indicative budgets to 2024/25 be approved (as attached at Appendix B, C, D, E, F, G & H);

consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;

**consideration be given to the planned changes to Council Tax and Housing Rent for 2020/21, as detailed within the report; and**

**in compliance with the Constitution of the Council, the Leader's Budget Workshop be asked to consider the budget proposals contained within this report.**

*(Moved by Councillor R Pritchard and seconded by Councillor S Doyle)*

### **34 LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21 ONWARDS**

Report of the Portfolio Holder for Assets and Finance to advise members that the Local Council Tax Reduction Scheme for working age customers for 2020/21 should include continued alignment to Applicable Amounts with those of Housing Benefit.

**RESOLVED** That Council considered and endorsed the proposed recommended changes detailed below:

The base scheme goes forward with the following:

That the Local Council Tax Reduction Scheme for working age customers for 2020/21 would continue to be aligned to Applicable Amounts with those of Housing Benefit.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**35 REVIEW OF TEMPORARY RESERVES, RETAINED FUNDS AND PROVISIONS**

The Report of the Portfolio Holder for Assets and Finance to advised Members on the levels of reserves and to sought approval to re-purpose unspent reserves, following the recent review by the Executive Director Finance.

**RESOLVED** That Cabinet:

Approved the transfer of the reserves, as detailed in Appendix A, of £47,873.22 to General Fund Balances and £Nil to Housing Revenue Account Balances (HRA);

Noted the reserves to be spent in 2019/20 and 2020/21 which will otherwise be returned to balances; and

Noted the current levels of reserves remaining.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**36 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2019/20**

The Report of the Portfolio Holder for Assets and Finance on the Mid-year Review of the Treasury Management Strategy Statement and Annual Investment Strategy was presented to Members.

**RESOLVED** That Council be requested to approve the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2019/20.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**37 COUNCIL TAXBASE 2020/21**

The Report of the Portfolio Holder for Assets and Finance on the Council Tax Base for the Borough Council for 2020/21 was presented to Cabinet.

**RESOLVED** That the calculation of the Council Tax Base for the year 2020/21 to be 22,367 (2019/20 – 21,761).

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**38 WRITE OFFS**

The Report of the Portfolio Holder for Assets and Finance was presented to provide Members with details of the amount of debt written off for the period 01 April 2019 to 30 September 2019 and to seek approval to write off irrecoverable debt in line with policy regarding Sundry Income in excess of £10k.

**RESOLVED** That Cabinet:

Endorsed the amount of debt written off for the period of 1st April 2019 to 30 September 2019 – **Appendix A-D**; and

Approved the write off of irrecoverable debt for Sundry Income of £11,956.65 – **Appendix E**.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**39 ADOPTION OF THE PROPOSED LICENSING POLICY 2020-2023**

The Report of the Portfolio Holder for Regulatory and Community Safety was presented to inform Cabinet of the outcome of consultations regarding the review of Tamworth's statement of licensing policy and proposed cumulative impact assessment and to request Cabinet to consider and approve the revised policy and cumulative impact assessment.

**RESOLVED** That Cabinet:

Considered and endorsed the final amended version of Tamworth's Statement of Licensing Policy and the proposed Cumulative Impact Assessment

Referred the revised Statement of Licensing Policy and Cumulative Impact Assessment to Council for approval and adoption

Recommended that an initial review by Tamworth Borough Council Officers, as soon as possible, of the cumulative impact assessment within the guidelines of policy be undertaken.

*(Moved by Councillor S Doyle and seconded by Councillor J Chesworth)*

**40 EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:** That members of the press and public be now excluded from the meeting during consideration of the following item on the



grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

#### **41 GROWTH HUB ADVISOR PROJECT - 2019 TO 2022**

The Report of the Portfolio Holder for Heritage and Growth sought approval from Cabinet to deliver the Southern Staffordshire Growth Hub Advisor Role on behalf of Greater Birmingham and Solihull Local Enterprise Partnership from October 1st 2019 to 30th September 2022

**RESOLVED** That:

Cabinet acknowledged that the total cost of the project was £111,821.90, of which £73,305.53 would be met from European Regional Development fund monies, £19,258.18 from the GBSLEP Development Fund and £19,258.18 from three local authority partners.

Cabinet approved the creation of all relevant internal annual budgets under account code GS0410 (Growth Hub).

Cabinet acknowledged that this is a multi-partner funded project and any balances at each year end should be kept in a retained fund with any underspend at the end of the project being split between the three funding Local Authorities.

£6000 from the Economic Development shared service budget (GS0408) for financial year 19/20, be retained and be used towards the project to cover Tamworth BC and Lichfield DC costs for this financial year and parts of financial year 20/21.

Tamworth Borough Council provided required evidence of officer time, salaries, and operational costs on the project in order to ensure maximum income is received.

*(Moved by Councillor R Pritchard and Councillor S Doyle)*

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Leader

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19 DECEMBER 2019

**REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE****THE ESTABLISHMENT OF A SHARED LEGAL SERVICE FOR THE PROVISION OF  
LEGAL SERVICES TO TAMWORTH BOROUGH COUNCIL****EXEMPT INFORMATION**

None

**PURPOSE**

To seek Cabinet approval for the establishment of a Shared Services Agreement with Lichfield District Council and South Staffordshire District Council.

**RECOMMENDATIONS**

It is recommended that Cabinet:

1. Approves the establishment of a shared legal service with South Staffordshire District Council and Lichfield District Council, with South Staffordshire District Council being the 'Host Authority'.
2. Delegates authority to the Cabinet Member and the Executive Director Organisation to approve the Strategic Partnership Agreement.
3. Request staffing implications associated with this report are considered by Appointments & Staffing Committee
4. Delegates authority to the relevant budget holder to vire the identified budgetary amounts as detailed in Appendix 4.

**EXECUTIVE SUMMARY**

The Council requires reliable access to legal advice that is available when we need it and at a cost that represents value for money. Until February 2019 the Council employed its own in-house solicitor as the Head of Legal and Democratic Services, who, as well as providing advice, also oversaw the instruction of external lawyers including barristers. The Head of Service position has been vacant since February. Since then the Council has obtained legal advice on an interim basis from a range of providers including Staffordshire County Council, and South Staffordshire Council's legal team as well as a range of external lawyers. South Staffordshire is also providing a similar service to Lichfield District Council.

In the meantime the Council has reviewed the way in which it obtains legal advice and how it could do so in the future.

There are a number of ways in which the Council can obtain legal advice. The Council could, for instance, employ its own in-house legal team; allow officers to obtain their own advice as required; procure and retain on a corporate basis its own principal lawyers or panel of lawyers; or collaborate with other Councils to share legal services.

Over the last few months the three councils have been exploring whether a shared legal service for the three partners is the best option. Tamworth and Lichfield are currently without in-house legal support, whilst South Staffordshire has grown its legal team in recent months.

All three councils have similar requirements for legal support and all three incur similar levels of annual spend on law.

This review has also had implications on the staffing structures for Democratic Services, Land Charges/Right to Buy as well as Elections. Details of those changes will be subject to consideration by the Appointments and Staffing Committee but all associated costs for those changes are included in the financial summary at **Appendix 4**.

This report proposes the establishment of a formal shared service with South Staffordshire and Lichfield councils and describes how the partnership will work with particular reference to the way in which key officers can get legal advice quickly and effectively.

## **BACKGROUND**

Throughout the year, the Council regularly seeks legal advice on a range of issues including:

- Planning – development management
- Planning – enforcement
- Planning – trees and conservation protection
- Planning – legal agreements including CIL/S106
- Planning – policy
- Advising Planning Committee both at meetings and in preparation
- Regulatory – including Licensing
- Advice on RIPA
- Property – right to buy/leases/minor disposals and acquisitions
- Local Government Law
- Election Law
- General contracts/procurement/commercial activity
- General advice including data protection and Freedom of Information
- Disrepairs/Warrants to gain access to properties/Probate issues
- Land registry
- Right to Buy and Disrepair Claims

In addition, the Council occasionally requires advice on:

- Complex commercial property
- Complex contract law
- Company law

In recent years, this advice has been provided by the Head of Legal and Democratic Services supplemented by advice from external legal firms and barristers. Since February 2019 when the post became vacant the Council has used the services of the legal team of initially Staffordshire County Council and then South Staffordshire District Council. In addition, legal support/advice has been procured from a range of external providers to support technical committees, planning and property issues, Right to Buy and Disrepair Claims.

A summary of the areas for legal demand is attached at **Appendix 1**.

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## **Options for Obtaining Legal Services**

There are a number of ways in which the Council can obtain legal advice. These include:

- A centralised approach by employing our own in-house Solicitor and Legal Team
- A devolved approach by allowing Heads of Service to retain their own advisors
- A collaborative approach by creating a shared service with other like-minded Councils
- A complete out-sourcing approach either by commissioning another Council to provide our legal services, or
- Procuring and appointing a principal legal advisor or a panel of legal providers from the private sector

These 5 options including their advantages and disadvantages are discussed in the background document at the end of the report (**Appendix 2**).

A number of key objectives were considered important in assessing the different options. These objectives included:

- The ease in which officers can obtain legal advice
- Reliability and quality of advice
- An understanding of the requirements of the Council
- Resilience
- Cost certainty and value for money
- Ease of procurement

### **The Preferred Option**

#### **A Shared Service with South Staffordshire & Lichfield Councils**

The Council has been working with colleagues from South Staffordshire and Lichfield councils to explore the potential for a shared service. This option is preferred for the following reasons:

- It provides efficient access to reliable legal advice
- There is greater cost certainty
- It can provide a team of solicitors that understand local government, in particular district council, with specialisms in law that are in most demand by us
- It allows officers, if they have a preference, to ask that specific external lawyers are instructed
- There are economies of scale that will help reduce the costs of procuring external lawyers
- There is greater resilience in that we are not reliant on one individual solicitor
- There will be a greater oversight in the quality and cost of legal work
- There are greater opportunities for promoting and embedding best practice
- There is increased opportunity to ensure that all officers are able to access good quality, timely legal advice
- There are more prospects to standardise certain processes, (for example the preparation of S106 Agreements, property leases or road closure applications), across three councils thereby reducing the cost to the public purse and improving the customer experience.

The principles of the Shared Service will be based on the following:

- All partners to be equal albeit South Staffordshire Council will be the Host Authority as they already employ a team of solicitors
- The partnership to operate in accordance with a Strategic Partnership Agreement
- Five year initial term but dissolution before end of the term can be either by mutual consent or within 12 months' notice by any party
- The partnership to be governed and monitored by a tri-partite Governance Board comprising a senior officer, 'Lead Client', from each partner. In the first instance, this would be the Executive Director Organisation from this Council
- The partnership to be branded to differentiate it from the Host Authority and to ensure that partners feel that they have equal ownership

- The team to have specific specialisms to complete work in-house including local government, elections, planning, property, regulatory and contract law
- South Staffordshire Council to procure external legal advisors, including barristers, as required by the partnership/clients
- External advice will be sought when the team does not have the expertise or capacity or where there is conflict or where the client requests specific external advisors
- Fixed costs of the team to be shared equally between the three parties
- Variable costs (ie. the costs of external advice) to be met either from a partnership budget equally funded by the partners or from the partner specifically requiring advice
- No partner will pay more because more of their routine work is contracted out rather than being completed in-house
- Work to be managed through a case management system to allow for full transparency
- Caseload to be reviewed regularly to ensure quality and progress
- Expectation that all legal work from all three partners will go through the partnership
- Team will be available to 'clients' by telephone, email and in person at frequent 'surgeries' and for case meetings
- Team expected to be able to 'hot desk' at partner offices and to attend committee meetings as required.

However, as part of this option it is recognised and accepted that South Staffs do not currently have expertise in housing disrepair claims and as such, this work will continue to be provided by Bromsgrove and Redditch. There are currently 10 on-going disrepair cases being dealt with. Further development of this option will require legal technical support from South Staffs to ensure continued value for money from Bromsgrove and Redditch.

### Consultation

There has been ongoing consultation and collaboration with South Staffordshire District Council and Lichfield District Council. Lichfield District Council considered the proposal and approval was granted on 12 November. South Staffs Cabinet also approved the proposal at their meeting on the 28 November.

Members of the Corporate Management Team as well as other officers who regularly require legal advice have also been consulted.

### RESOURCE IMPLICATIONS

The implications associated with this proposal will have an impact on staffing levels within both the Democratic Services and Elections Teams. A summary of those implications is attached at **Appendix 3** and will be required to be considered by Appointments and Staffing Committee should this report be approved.

### FINANCIAL IMPLICATIONS

It is estimated that the Service will have the following annual costs:

Item	£pa
Employees	244,000
Subscriptions	17,100
External Lawyers	90,000
Host Authority direct overheads	3,900
<b>Total</b>	<b>355,000</b>
Income from third parties	(25,000)

Contributions from 3 Councils	(330,000)
<b>Total</b>	<b>(355,000)</b>

The Council's contribution will be £110,000 pa. This can be funded from existing budgets from across a number of different service areas.

It is intended that each Council will contribute £30,000 to fund the costs of external lawyers including barristers.

It is anticipated that this budget will be sufficient to fund the vast majority of legal instructions by the three Councils.

But there will be occasions where a Council will require significant legal input, say to support a Local Plan Inquiry, a major outsourcing contractor or a food prosecution that will cost more than is available in this budget. In consequence, the instructing Council will be asked to fund these additional costs but the Service will support the commissioning of external lawyers.

In addition, it is anticipated, given the current number of housing disrepair matters being dealt with by Bromsgrove and Redditch Council that the annual spend with them will be approximately £5,500 per annum or roughly £392 per file per year.

In terms of the TBC's previous spend and how this proposal will be funded -details are attached at **Appendix 4**. Annual costs have varied because of major projects or cases progressing at the time. Such cases have included, for instance, major planning inquiries/judicial reviews, outsourcing contracts such as leisure management, or joint venture agreements with developers.

## LEGAL/RISK IMPLICATIONS BACKGROUND

### The Partnership Governance

The Shared Service will be governed by a Strategic Partnership Agreement (**Appendix 5 refers**) between the three parties. This Agreement is similar to other shared service agreements and is currently with independent legal advisors (Telford and Wrekin Council) for comment.

The Partnership will have a Governance Board comprising senior officers (the Lead Client) from each council. The Governance Board will oversee the work of the partnership, monitor quality, work load and costs. It will also seek and respond to feedback on the quality of the service from clients in each of the councils.

Service standards that client officers can expect together with operating guidelines have also been scoped (**Appendix 6 refers**).

In addition to legal advice, the Service will also be expected to provide other services including:

- Training for Members and Officers on legal matters including planning, data protection etc
- Best practice advice and legal updates
- Access to subscriptions to case law
- Knowledge transfer so that officers can adapt advice to future similar cases
- A move to standardise our approach to legal and regulatory processes across the three councils. Such processes may include preparation of S106 agreements or road closure

applications.

It is recognised that the team will not be able to undertake all instructions received whether because of capacity, capability, conflict or the requirement from a client for a specific individuals or firm. In consequence, the Service will have protocols for instructing external lawyers – whether that be solicitors or barristers. There will be an expectation, though, that all requests for legal advice are made through the Service such that the best procurement routes can be used, that spend on legal services can be monitored and that the quality of service received can be managed.

It is intended that, if approved, the Shared Service will commence on 1 January 2020.

A copy of the associated risk document is attached at **Appendix 7**.

## **NEXT STEPS**

If Members are supportive of the proposal set out in this report and given the timescales for implementing this arrangement, Members are requested to give delegated authority to the Executive Director Organisation, in consultation with the Portfolio Holder for Assets and Finance to take the necessary practical, financial and legal actions required to enable the arrangement to be put in place effective from 1 January 2020.

## **REPORT AUTHOR**

Anica Goodwin, Executive Director Organisation ext. 225.

## **APPENDICES**

- Appendix 1 – Summary of Legal Demand**
- Appendix 2 - Options Considered**
- Appendix 3 – Summary of Staffing Implications**
- Appendix 4 - Financial Implications**
- Appendix 5 – Draft Shared Service Agreement**
- Appendix 6 – Operating Guidelines**
- Appendix 7 - Risk Assessment**



## Summary of Demand for Legal Services (March 19)

### Department/Process

A summary of the demand capture details the legal advice sought by area:

#### Legal/Monitoring Officer

- Legal/Right To Buy
- Freehold Reversions
- Land Searches
- Constitution
- Elections – general advice
- Member Standards

#### Assistant Director – Organisation

- Employment/TUPE/Contracts
- DPO/ICO Breach
- Complaints/Ombudsman

#### Assistant Director - Finance

- Procurement
- Enforcement Agencies

#### Assistant Director – Operations/Leisure

- TPO's
- Land Disputes
- Evictions (from land – not travellers)
- Contracts
- Procurement
- S106 Agreements
- CIL
- Road Closures
- Insurance Claims

#### Assistant Director – Growth & Regeneration

- Planning Policy
- Development Control Matters:
  - S106 Agreements
  - Enforcement Action
- Planning Appeals
- Judicial Reviews
- Contracts
- General Governance
- Planning Committee
- Environmental Health:
  - Prosecutions
  - Licensing Committee
  - Licensing Policy
  - Taxi Licensing
  - Food
  - Industrial Environmental Protection

### **Assistant Director – Neighbourhoods**

- CCTV – TUPE Advice
- Employment
- Contracts:
  - ASB/Estate Management (20)
  - Internal low level advocacy
- Procurement
- Policy Development (e.g. allocations)
- Case Management support for complex issues

### **Assistant Director – Assets**

#### Property

- Lease Agreements
- Commercial Property Transactions
- Contracts/Procurement
- Land/Property transactions
- Housing Disrepair Claims

### **Assistant Director – Partnerships**

- HMO Breaches:  
CPO, works & default, empty Homes
- Landlords (fit for habitation)
- ASB Prosecutions
- Community Protection Notice
- Contracts & Grants

**Options Considered for the Provision of Legal Services**

There are a number of ways that a Council can obtain legal advice but as part of this work five different models have been selected and their advantages and disadvantages identified and appraised.

The five options are as follows:

1. Employ an in-house Solicitor and/or Legal Team
2. Allow Directors/Assistant Directors/Heads of Service to appoint their own legal advice as they require
3. Develop a shared service with other like-minded Councils or Partners
4. Commission legal advice from another Council
5. Procure and appoint a principal legal provider and/or appoint a panel of legal providers.

Of course these are options that are not mutually exclusive – they can be combined in a multitude of ways but for ease of comparison they have been separated.

Option	Advantages	Disadvantages
1. Employ in-house legal team	<ul style="list-style-type: none"> <li>• Advice available within office</li> <li>• Informal advice can be obtained more easily</li> <li>• Can employ legal specialisms relevant to council (eg., planning or regulatory)</li> <li>• Employment costs are known</li> <li>• One central point for requesting legal advice</li> <li>• External legal advice is procured by in-house legal client</li> <li>• Capability for co-ordinated commissioning of legal advice</li> <li>• Ability to have oversight of council's legal spend</li> <li>• Requires little internal promotion</li> <li>• Officers value advice at end of the corridor</li> <li>• Provision of corporate legal support/advice across a range of projects</li> <li>• Knowledge of ongoing issues/history is retained</li> <li>• Additional senior manager resource</li> </ul>	<ul style="list-style-type: none"> <li>• Advice only available when officer is present</li> <li>• Recruitment and retention risk</li> <li>• Will still need to retain external legal advice for complex, transactional advice</li> <li>• Expectation that solicitor will contribute to the corporate management of the organisation</li> <li>• Restricted access to a second opinion</li> <li>• Easier for officers to suspend their own decision making until have checked it with solicitor</li> <li>• Employment costs, overheads and obligations</li> <li>• Limited/no business continuity/resilience</li> <li>• Position works in isolation and therefore post holder could become overworked – impact on work life balance</li> <li>• Full recruitment process would be required</li> <li>• Appointment would potentially be at top of grade</li> <li>• Specialism would probably only be in one or maybe two areas</li> <li>• Workload could be too diverse</li> </ul>
	This is the model that has previously been used by this Council. We have been incurring average annual costs of approximately £170,000 over the	

	<p>last 3 years on external advice in addition to employing a Solicitor.</p> <p>Because the number of in-house solicitors will be limited, advice can sometimes be cursory, and there is still a reliance on external lawyers. Furthermore, there is little resilience should the lawyer be unavailable, and there are few opportunities to develop good practice or secure value for money. The Council was previously unsuccessful with trying to recruit to the vacancy.</p>	
<p>2. Directors/Assistant Directors &amp; Heads of Service appoint own advisors</p>	<ul style="list-style-type: none"> <li>• Responsibility and accountability rests with Directors, Assistant Directors or Heads of Service</li> <li>• Teams retain own budgets</li> <li>• Direct leads can access legal advice from whomsoever and whenever they wish</li> <li>• Requires little internal promotion</li> </ul>	<ul style="list-style-type: none"> <li>• No support provided to commission advice</li> <li>• Less corporate view of legal spend</li> <li>• Less ability to ensure quality of service</li> <li>• Less ability to ensure good providers/good contracts are shared with colleagues</li> <li>• Little prospect of economies of scale</li> <li>• Likely to be more expensive</li> <li>• Little cost certainty</li> <li>• Some heads may over-use advisors; some may choose to under-use</li> <li>• Control/frustration of more junior officers</li> <li>• Inconsistent approach</li> <li>• Learning not shared</li> <li>• Difficult to control spend</li> <li>• HR process to consult potential change to job descriptions – impact on job evaluation score/grade</li> <li>• Risk of procurement challenge as value of contracts increase</li> </ul>
<p>It is difficult to assess the costs of operating this kind of model but it is easier to identify the risks and frustrations that will arise that lead one to conclude that this isn't a sensible proposal to pursue.</p> <p>Whilst Directors, Assistant Directors and Heads of Service might value the ability to commission their own legal advice and have it available as required, there is a real risk that we lose the benefits of a corporate approach to buying legal services.</p> <p>At present we commission external lawyers on either a fixed or hourly rate. Hourly rates for planning solicitors are approximately £130 compared with £55 per hour from another council.</p> <p>The purchasing of legal services will be fragmented and inconsistent. There will be little confidence that we get value for money, we don't use our total legal spend as a lever to generate additional value; as contracts aggregate there is a risk of breaching procurement rules, there is</p>		

	inefficiency in procuring; and there is no opportunity to learn corporately; and there is no client loyalty to the council as a whole.	
3. Shared service with like-minded councils	<ul style="list-style-type: none"> <li>• Immediate access to advisors across a range of specialisms</li> <li>• Solicitors are focused on legal, rather than corporate work</li> <li>• Council can seek external advice as a legal client</li> <li>• Easier commissioning of external contracts via frameworks, existing agreements or tender</li> <li>• Greater negotiating power for external contracts</li> <li>• Resilience in levels of 'in-house' support</li> <li>• Centralised budgets and reporting provides greater corporate oversight</li> <li>• Reduces potential costs as legal advice for one council may also be relevant to others</li> <li>• Some cost certainty</li> <li>• Career progression opportunities</li> <li>• Buying power increased (economies of scale)</li> <li>• Risk management can be shared</li> <li>• Improved standards and consistency</li> <li>• Improved reporting and analytics</li> <li>• Common model for potential expansion</li> <li>• Agreed Service Standards</li> <li>• Shared vision</li> <li>• Less daily demand on Executive Director Organisation's time</li> </ul>	<ul style="list-style-type: none"> <li>• Retention and recruitment challenges</li> <li>• Risk of one partner dominating the relationship</li> <li>• Requires careful contract/partnership management</li> <li>• Conflicts of interest between councils need to be managed</li> <li>• Requires extensive internal communication to ensure compliance with agreement</li> <li>• Will require some transfer of other non-legal budgets</li> <li>• Risk of one partner withdrawing</li> <li>• Needs robust agreement and operating procedures</li> </ul>
	<b>This is the preferred option</b>	
4. Commissioning legal advice from another council	<ul style="list-style-type: none"> <li>• Access readily available albeit at a distance</li> <li>• Some cost certainty</li> <li>• Access to different specialisms</li> <li>• Solicitors are not distracted by corporate management issues</li> <li>• Larger pool of legal advisors provides resilience</li> <li>• Easier access to frameworks, other agreements or other</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of other council withdrawing</li> <li>• Requires careful contract/partnership management</li> <li>• Conflicts of interest between councils need to be managed – trust might be an issue</li> <li>• Requires extensive internal communication to ensure compliance with agreement</li> <li>• Will need top-slicing of budgets</li> </ul>

	<p>procurement exercises if commissioning external advice</p> <ul style="list-style-type: none"> <li>• Share learning – what is produced for one council might be shared</li> <li>• Buying power increased (economies of scale)</li> <li>• Improved standards and consistency</li> <li>• Improved reporting and analytics</li> <li>• Agreed Service Standards</li> </ul>	<ul style="list-style-type: none"> <li>• Needs robust agreement and operating procedures</li> <li>• Officers 'miss' advice at end of corridor</li> <li>• Council not always considered as a priority</li> <li>• Advice no focused on Council – Council will be one of a number of suppliers</li> <li>• Less chance to focus service on issues that matter to the Council</li> </ul>
	<p>We have explored 2 such proposals in recent months from Staffordshire County Council and we are currently in a contract with South Staffordshire District Council.</p> <p>If work is completed in-house then hourly rates are cheaper than using external solicitors (we are currently paying £55 per hour) – but there is no guarantee that our work would be prioritised over the supplying council.</p> <p>Whilst the existing arrangement with South Staffordshire is good enough, it does not exploit the opportunities for transformation of the service and to identify and implement best practice as it is a transactional relationship.</p> <p>Note: This option will continue to be used for Housing Disrepair claims. RTB process currently supported by Birmingham City Council will also be reviewed in light of these proposals with a potential view to transfer over to South Staffordshire.</p>	
<p>5. Commission principal legal provider or establish panel of legal providers</p>	<ul style="list-style-type: none"> <li>• Hourly rates confirmed</li> <li>• Access to quality legal advice</li> <li>• Access to a client partner to ensure request is dealt with by specialist lawyer</li> <li>• Get access to other benefits – training; meeting rooms; legal briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Need to undertake extensive procurement exercise</li> <li>• Contract led – so needs contract manager</li> <li>• Requires extensive internal communication to ensure compliance with agreement</li> <li>• Will need top-slicing of budgets</li> <li>• Likely to be very expensive</li> <li>• Might not be available at times when we need specialist advice – eg., elections</li> <li>• Likely to be needed from a number of partners rather than just one firm in order to cover the breadth of specialisms</li> </ul>
	<p>The initial stage of establishing such a panel would involve an extensive – and costs – procurement exercise requiring a full specification of both routine and one-off requirements. The risk of not doing so properly could lead to significantly higher costs than specifying at the outset.</p> <p>The Council would also need to have an in-house contract manager, possibly a solicitor, to ensure that the work was being undertaken correctly</p>	

	<p>and that charges were appropriate.</p> <p>Although hourly rates will be confirmed, our recent experience of hourly rates for solicitors is £130 - £160 per hour.</p> <p>It is concluded that at this time, the Council does not have a mature enough understanding of its business to prepare the procurement for such a panel.</p>
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Executive Director Organisation

October 2019

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## Summary of Staffing Implication Associated with Shared Legal Service

### Current Structure

The current structure that supports the provision of legal services is shown below at diagram 1. All administrative resources within the team also provide support to the elections process.

Given the post of the Head of Legal and Democratic Services has been vacant since February 2019 temporary staffing arrangements have been in place to offer further resource and line management for the team. Temporary staffing arrangements due to the increase of elections workload is also currently in place. Further the Right to Buy and Land Charges team is under resourced and no succession planning is in place at this time.

The Elections Team who report to the Head of Audit and Governance and Monitoring Officer, currently comprise of 1.8 FTE and is not sufficient to support the on-going requirements of the Electoral Services Commission.

### Staffing Implications

Should Cabinet approve the option to implement the shared legal service, the supporting structure within both the Elections and Democratic teams needs to be strengthened and further resourced. A further detailed report with revised job descriptions will be considered by Appointments and Staffing Committee in the New Year but in summary the changes required within the Democratic Services Team are detailed at Diagram 2.

In term of the Elections team the changes proposed will be that of a new title of Election Manager (from Senior Elections Officer) and that the post of Elections Services Assistant be increased to 37 hours from 30 hours per week. These changes will offer increased resilience, succession planning opportunity as well as improving business continuity within the service. In addition, these proposed changes will provide the necessary additional resources to maintain the high standards required by the Electoral Services Commission so as to prevent damage to the Authority's reputation should the service fail to effectively deliver electoral registration or the election process.

### Financial Implications

All staffing changes as summarised above, will be included in a report to be considered by Appointments and Staffing Committee early in the New Year. However, all costs associated with the proposed changes to both the Elections and Democratic Services teams are detailed at **Appendix 4**

Diagram 1 - Current structure Democratic Services

**Current**

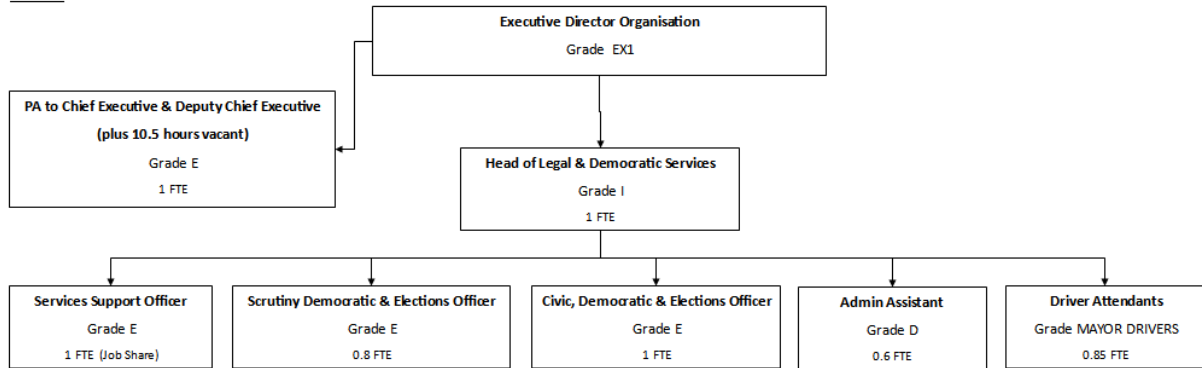
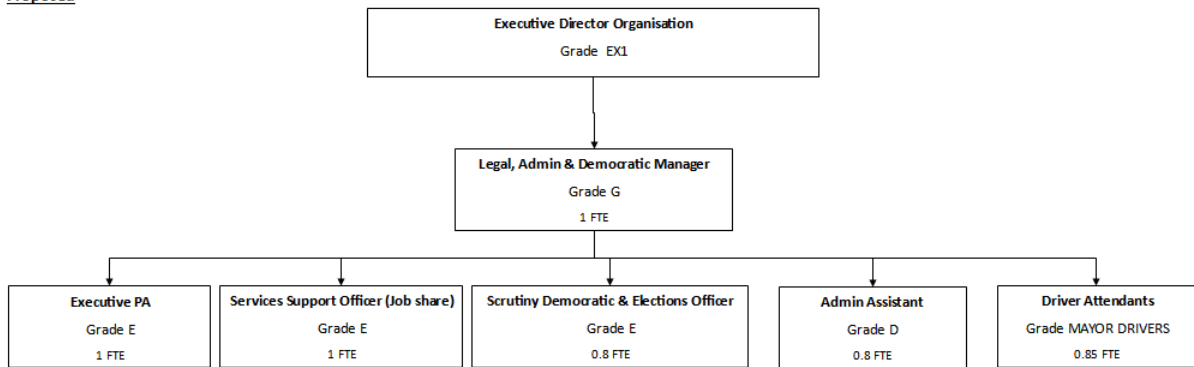


Diagram 2 - Proposed Structure Democratic Services

**Proposed**



## BUDGETS AVAILABLE TO FUND SHARED SERVICE ARRANGEMENT

		<b>2019/20</b>
		<b>Base</b>
		<b>Budget</b>
<b>GC0601</b>	<b>SOLICITOR TO THE COUNCIL</b>	
	Employees	50,280
	Supplies and Services	14,470
	Income	-5,930
	Less amt required for ongoing Housing disrepair work	-5,500
		<u><b>53,320</b></u>
<b>32040</b>	<b>LEGAL FEES</b>	
GG0303	Sundry Income	280
GP1001	Neighbourhood Services	1,000
GR0301	General Fund Housing	8,000
GR0701	Conveyancing & Right to Buy	5,200
GW0205	Licensing Act	4,400
GW0702	Health & Safety (External)	2,300
GY1601	Community Safety	2,400
HR2104	Estate Management	15,000
		<u><b>38,580</b></u>
<b>32050</b>	<b>CONSULTANTS FEES</b>	
HR2101	General Operations	10,000 <i>(£20k in year 1 to retained fund, £10k ongoing)</i>
GS0203	Development Control	18,000
GS0402	Economic Development	10,000
		<u><b>38,000</b></u>
<b>TOTAL AVAILABLE</b>		<u><b>129,900</b></u>
<b>BUDGET REQUIRED</b>		
Additional Cost Salaries Proposals		10,000
Annual Contribution to Shared Service		110,000
		<u><b>120,000</b></u>
Annual Surplus to contribute to Retained Fund		<b>9,900</b>

**NOTE****SPEND 2016/17 - 2018/19**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
60% HEAD OF LEGAL POST	25,226	25,279	25,784

SPEND ON LEGAL/ EXTERNAL SUPPORT/ CONSULTANTS	153,665	185,347	94,541
	<b>178,891</b>	<b>210,626</b>	<b>120,325</b>

DATED... ..

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**LEGAL SHARED SERVICE AGREEMENT**

Between

**South Staffordshire District Council**

And

**Lichfield District Council**

And

**Tamworth Borough Council**

**LEGAL SERVICES**

**SOUTH STAFFORDSHIRE DISTRICT COUNCIL**

**COUNCIL OFFICES**

**WOLVERHAMPTON ROAD**

**CODSALL**

**WV8 1PX**

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Schedule 4 Processing, Personal Data and Data Subjects

Schedule 5 The Governance Arrangements and Terms of Reference

This Agreement is made the            day of

## **BETWEEN**

## **THE PARTIES**

(1)                    SOUTH STAFFORDSHIRE DISTRICT COUNCIL of Wolverhampton Road, Codsall, WV8 1PX (The Host Authority)

(2)                    LICHFIELD DISTRICT COUNCIL of District Council House Frog Lane, Lichfield, Staffordshire. WS13 6YZ (LDC)

(3)                    TAMWORTH BOROUGH COUNCIL of Marmion House, Lichfield Street, Tamworth, Staffordshire B79 7BZL. WV8 1PX (TBC)

Together the “Parties” and each of them a “Party”

## **BACKGROUND**

- 1) In November and December 2019 the Cabinets of the Parties agreed to share Legal Services provision as and when required pursuant to section 113 of the Local Government Act 1972.
- 2) Each of the Parties is a Contracting Authority for the purposes of the Public Contracts Regulations 2015 (“the Regulations”)
- 3) This Agreement sets out how the Parties will collaborate in accordance (as applicable) with the Local Authorities (Goods and Services) Act 1970, s1 of the Localism Act 2011, s93 of the Local Government Act 2003 and s101 and s111 of the Local Government Act 1972;
- 4) The Parties aim to benefit from the economies of scale that will be generated through this collaboration which will contribute to the promotion and improvement of the respective areas;
- 5) This Agreement, amongst other things, sets out and is predicated on the principles of co-operation as contemplated by Regulation 12(7) of the Regulations which the Parties have agreed should apply to the arrangements in this Agreement;
- 6) The rationale for entering into this Agreement is for the Parties to be able to work co-operatively in the public and common interest and in accordance with the principles of co-operation in order to utilise the professional expertise and experience of employees of all parties in the delivery of a shared legal services service in certain areas set out in Schedule 1 (Scope of Services)

- 7) It is intended that staff currently involved in the provision of the Legal Service and employed by the Host Authority continue to be employed by the Host Authority with effect from the Commencement Date.
- 8) The Parties agree that previous arrangements made under section 113 of the Local Government Act 1972 and pursuant to the Local Authorities (Goods and Services) Act 1970 shall cease and be governed by the terms of this Agreement from the Commencement Date.

## AGREEMENT

### 1. DEFINITIONS AND INTERPRETATION

- 1.1. The definitions and rules of interpretation in this clause apply in this Agreement.

<b>Agreement</b>	This Agreement and the Schedules
<b>Assistant Director of Democratic and Regulatory Services</b>	means the Host Authority's Assistant Director of Democratic and Regulatory Services or officer having responsibility for Legal Services at the Host Authority
<b>Client</b>	An officer from any of the Parties who requests the provision of the Services
<b>Client Lead</b>	The senior officer representative for each Party. In the first instance, this shall be the posts of Corporate Director Governance (Host Authority), Executive Director (TBC) and Head of Corporate Services (LDC).
<b>Commencement Date</b>	Means the 1 <sup>st</sup> January 2020
<b>Controller</b>	Shall have the meaning given in the Data Protection Legislation
<b>Data Loss Event</b>	Any event that results, or may result, in unauthorised access to Personal Data held under this agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this agreement, including any Personal Data Breach.
<b>Data Protection Impact Assessment</b>	An assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data.
<b>Data Protection Legislation</b>	(i) the GDPR, the Law Enforcement Directive 2016/680 and any applicable national implementing Laws as amended from time to time (ii) the DPA 2018; (iii) the Privacy and Electronic



	Communications Directive 2002/679 (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 and (iii) all applicable Law about the processing of personal data and privacy.
<b>Data Protection Officer</b>	Shall have the meaning in the Data Protection Legislation.
<b>Data Subject</b>	Shall have the meaning given in the Data Protection Legislation.
<b>Data Subject Access Request</b>	A request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.
<b>DPA 2018</b>	the Data Protection Act 2018
<b>Effective Date</b>	The date(s) on which the Services (or any part of the Services), transfer from the Host Authority to LDC and TBC or a sub-contractor, and a reference to the Effective Date shall be deemed to be the date on which the employees in question transferred or will transfer to the Host Authority or a sub-contractor
<b>Employee Liability Information</b>	The information that a transferor is obliged to notify to a transferee under regulation 11(2) of TUPE
<b>Equipment</b>	Equipment including ICT equipment, vehicles, plant, materials and such other items supplied by the Host Authority and used by Staff in the delivery of Services
<b>Executive</b>	A local authority executive as defined by the Localism Act 2011.
<b>External Lawyers</b>	Any Lawyers/barristers instructed by Clients via the Host Authority to provide the Service other than the Host Authority
<b>External Legal Budget</b>	The budget approved by the Governance Board for instructing External Lawyers and for work carried out in accordance with clauses 21.2 and 21.3.
<b>Force Majeure</b>	An event or circumstance, including (without limitation), any of the following events or circumstances: <ul style="list-style-type: none"> <li>a) acts of God, flood, drought, earthquake or other natural disaster;</li> <li>b) epidemic or pandemic;</li> </ul>

<b>GDPR</b>	<p>c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;</p> <p>d) nuclear, chemical or biological contamination or sonic boom;</p> <p>e) any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;</p> <p>f) collapse of buildings, fire, explosion or accident;</p> <p>g) any labour or trade dispute, strikes, industrial action or lockouts;</p> <p>h) non-performance by suppliers or subcontractors; and</p> <p>i) interruption or failure of utility service.</p> <p>which directly causes any party to be unable to comply with all or a material part of its obligations under this Agreement</p> <p>the General Data Protection Regulation (Regulation (EU) 2016/679).</p>
<b>Governance Board</b>	The management group of the three Parties
<b>Initial Term</b>	The initial term of this Agreement beginning on the Commencement Date and ending on 31 <sup>st</sup> December 2024
<b>Laws</b>	Any statute, statutory instrument, subordinate legislation, standard, law, proclamation, order, resolution, notice, rule of court, bye-law, directive, code of conduct or other instrument or requirement having the force of law within any national or local jurisdiction issued, declared, passed or given effect to in any manner by HM Parliament, the legislation making institutions of the European Union, any court or other judicial forum and Commission of Inquiry, local authority, statutory undertaking or relevant authority or any other body or person having such power
<b>Lawyers</b>	The solicitors employed by the Host Authority
<b>Lead Lawyer</b>	The solicitor employed by the Host Authority designated to oversee work allocations, progress and quality control of work undertaken by the Lawyers and External Lawyers.

<b>Legal Service(s)</b>	The Host Authority's Legal Services which shall include the Services from the Commencement Date
<b>Local Government Pension Scheme</b>	means a Local Government Pension Scheme established pursuant to regulations made by the Secretary of State in exercise of powers under Sections 7 and 12 of the Superannuation Act 1972 as from time to time amended
<b>Members</b>	Councillors of the Parties
<b>Monitoring Officer</b>	The monitoring officer of each Party designated under section 5 of the Local Government and Housing Act 1989
<b>Personal Data</b>	Shall have the meaning given in the Data Protection Legislation.
<b>Personal Data Breach</b>	Shall have the meaning given in the Data Protection Legislation.
<b>Processor</b>	Shall have the meaning given in the Data Protection Legislation.
<b>Relevant Employees</b>	The employees who are the subject of a Relevant Transfer
<b>Relevant Transfer</b>	A relevant transfer for the purposes of TUPE
<b>Service(s)</b>	The provision of Legal Services by the Host Authority as set out in Schedule 1 (Scope of Services) under any relevant legislation including any support services such as human resources, information technology, finance and property which are required by the Host Authority to facilitate the provision of Legal Services
<b>Staff</b>	The Lawyers providing the Services and employed by the Host Authority
<b>Sub-processor</b>	Any third party appointed to process Personal Data on behalf of the Processor related to this agreement
<b>TUPE</b>	The Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>Variation</b>	Has the meaning given to it in clause 9
<b>Working Day</b>	Any day other than a Saturday or Sunday or a public or bank holiday in England

1.2. Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.

- 1.3. The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.
- 1.4. References to clauses and schedules are to the clauses and Schedules of this Agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.5. A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns.
- 1.6. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.7. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.9. A reference to writing or written includes e-mail but excludes fax.
- 1.10. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.11. Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.12. Where there is a conflict between the terms and conditions of this Agreement, and a Schedule, the terms and conditions shall prevail to the extent of the inconsistency.

## **2. COMMENCEMENT AND DURATION**

- 2.1. This Agreement shall commence on the Commencement Date and shall continue for the Initial Term and then until terminated by any party in accordance with clause 11.

### **3. DISCHARGE OF FUNCTIONS**

- 3.1. LDC and TBC empowers the Host Authority to arrange for the discharge of the Legal Services in the manner set out in this Agreement and to the extent permitted by law and the Host Authority delegates to its Assistant Director of Democratic and Regulatory Services, the responsibility of discharging the Services.
- 3.2. The Assistant Director of Democratic and Regulatory Services shall report to the Governance Board and shall have oversight of and ultimate responsibility for the provision of the Services. The Assistant Director of Democratic and Regulatory Services shall provide reporting information to the Governance Board in accordance with its Terms of Reference.
- 3.3. For the avoidance of doubt LDC and TBC does not delegate any decision making to the Host Authority and the Host Authority shall have no authority to make any decisions on behalf of LDC and TBC.

### **4. RELATIONSHIP BETWEEN THE PARTIES**

- 4.1. The Parties acknowledge that this is not a commercial agreement and agree to work together on a non-commercial basis, acting in good faith and in the spirit of mutual trust and co-operation.
- 4.2. No party is authorised to bind any other party or to enter into any obligations on its behalf without written authorisation from the relevant Monitoring Officer.

### **5. PROVISION OF SERVICES**

- 5.1. The Host Authority shall provide the Services for the Initial Term in accordance with the scope of services set out at Schedule 1 (Scope of Services) and in compliance with the service standards set out in Schedule 2 (Service Standards).

- 5.2. The Host Authority shall provide the Services, or shall procure that they are provided in accordance with all relevant Laws and with all reasonable skill, care and diligence and will comply with all reasonable instructions given by LDC and TBC.
- 5.3. The Host Authority shall employ sufficient staff with such qualifications, skill and experience as are necessary for the proper performance of the Services in accordance with this Agreement.
- 5.4. The Host Authority shall be responsible for the provision of all the Equipment required for the provision of the Services except the provision of identification cards and access fobs to Staff for entry and access into LDC and TBC's offices which shall remain the responsibility of LDC and TBC. Lichfield District Council and Tamworth Borough Council agree to pay for the reasonable costs of Equipment and other facilities used at its offices by the Staff for the purposes of providing the Services.

## **6. ACCOMMODATION**

- 6.1. All Parties shall provide appropriate accommodation and facilities for the provision of any of the Services that reasonably requires the visiting of or working at their respective offices by Staff at their own cost. It is agreed that accommodation and facilities provided by each party shall remain in the ownership of the party, which purchased or otherwise acquired it and each Party shall retain responsibility for maintaining, insuring and replacing their accommodation and facilities for the provision of the Services.
- 6.2. All Parties agree that all relevant corporate policies applicable to staff working at their offices will also apply to the Staff working at their offices while providing the Services, including but not limited to, rules, procedures and regulations specific to any particular site upon which the Services are performed or which are used to perform the Services.
- 6.3. For the avoidance of doubt, it is hereby declared that the permission to enter and use any of the party's offices hereby given is not the grant of a tenancy of any part of such offices.

## **7. STAFF TRANSFERS**

- 7.1. The Parties agree that the expiry or termination of this Agreement may constitute a Relevant Transfer and the contracts of employment of any Relevant Employees shall transfer to the

party responsible for the Services (in part or whole), which are transferring on the relevant date. Each party shall comply and the Host Authority shall procure that any replacement contractor shall comply with their obligations under TUPE.

- 7.2. LDC and TBC shall be responsible for all remuneration, benefits, entitlements and outgoings in respect of the Relevant Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, National Insurance contributions, pension contributions and otherwise, up to but not including the Commencement Date.
- 7.3. The Host Authority shall be responsible for all remuneration, benefits, entitlements and outgoings in respect of the Relevant Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, National Insurance contributions, pension contributions and otherwise, from the Commencement Date until but not including the Effective Date, such costs will be shared as agreed between the parties or as set out in Schedule 3 (Financial Contributions).
- 7.4. LDC and TBC or a replacement contractor shall be responsible for all remuneration, benefits, entitlements and outgoings in respect of the Relevant Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, National Insurance contributions, pension contributions and otherwise, from the Effective Date.
- 7.5. LDC and TBC shall provide and, where necessary, update the Employee Liability Information for the Relevant Employees to the Host Authority, as required by TUPE prior to the Commencement Date. LDC and TBC shall warrant that such information is as complete and accurate as it is aware or should reasonably be aware as at the date it is disclosed.
- 7.6. The Host Authority shall provide and, where necessary, update the Employee Liability Information for the Relevant Employees to LDC and TBC or a replacement contractor, as required by TUPE prior to the Effective Date. The Host Authority shall warrant that such information is complete and accurate as it is aware or should reasonably be aware as at the date it is disclosed.
- 7.7. LDC and TBC shall indemnify and keep indemnified the Host Authority against any losses, except indirect losses, incurred by the Host Authority in connection with any claim or demand by any Relevant Employees arising out of the employment of any Relevant Employees prior to

the Commencement Date, where and to the extent that such claim or demand arises from the Relevant Employees' employment by LDC and TBC. For the avoidance of doubt, this shall not apply in the event that the Host Authority make any of the Relevant Employees redundant without LDC and TBC's prior written consent.

- 7.8. The Host Authority shall indemnify and keep indemnified LDC and TBC or a replacement contractor against any losses, except indirect losses, incurred by LDC and TBC or a replacement contractor in connection with any claim or demand by any Relevant Employees to the extent that it arises out of the employment of any Relevant Employees from the Commencement Date until the Effective Date.
- 7.9. The parties agree to be jointly liable for any employment liabilities arising from or as a consequence of any proposed changes to terms and conditions of employment or any proposed measures the Host Authority may consider making on or within 12 months of the Commencement Date and shall agree the basis for apportioning the liability should it arise, where such a decision is approved by all Parties, otherwise the party at fault shall bear and be responsible for such liabilities.
- 7.10. The Host Authority shall be liable for and indemnify and keep indemnified LDC and TBC against any employment liabilities arising from or as a consequence of any proposed changes to terms and conditions of employment or any proposed measures the Host Authority may consider making 12 months after the Commencement Date until the Effective Date.
- 7.11. The Host Authority shall immediately on request by LDC and TBC provide details of any measures that the Host Authority envisages it will take in relation to any Relevant Employees, including any proposed changes to terms and conditions of employment within 12 months of the Commencement Date.
- 7.12. LDC and TBC or a replacement contractor shall immediately on request by the Host Authority provide details of any measures that LDC and TBC or a replacement contractor envisages it will take in relation to any Relevant Employees, including any proposed changes to terms and conditions of employment prior to the Effective Date.
- 7.13. The Parties agree that the Relevant Employees will on completion of a Relevant Transfer, retain membership of, or retain a right to join, the Local Government Pension Scheme and that, were permitted by the Local Government Pension Scheme, they will have continuity of



service for the purposes of entitlement to pension under the Local Government Pension Scheme.

## **8. FUNDING**

- 8.1. The Parties agree to make the contributions set out in Schedule 3 (Financial Contributions) for Year 1 2020 for the costs of delivering the Services excluding VAT and the contributions agreed by the Governance Board for any subsequent years
- 8.2. The Parties may agree to vary their percentage contribution for specific items of expenditure by mutual agreement.
- 8.3. The Governance Board will agree annual budgets for the contributions of the Parties and it is anticipated that LDC and TBC shall pay a proportionate part of any reasonable and justifiable employment costs.
- 8.4. The Host Authority shall invoice LDC and TBC for the pro rata proportion of their contribution every quarter in advance and LDC and TBC shall pay the invoice if undisputed within 30 calendar days of receipt.
- 8.5. If the cost of Services for LDC and TBC exceeds the financial contributions paid set out in Schedule 3 in any financial year after the Commencement Date then this will be reported by the Host Authority to the Governance Board who shall consider whether the Parties should pay any additional costs. If a year end adjustment is necessary to align the contributions by the Parties to accord with actual spend and the Governance Board have approved it or there is any unspent money which is to be rolled forward to the next year then the invoices for quarter 4 will be adjusted accordingly.
- 8.6. If any Party considers that the volumes of Services provided in any part or period of the agreement, or anticipated to be required, do not fairly represent the financial contributions set out in Schedule 3 that party shall notify the other Parties. The Parties, through the Governance Board, shall then agree any required adjustments to the financial contributions or to the provision of additional staff and resources as provided by 8.2 if the capacity issues cannot wait until Quarter 4 for adjustment as set out in 8.5. If agreement cannot be reached the dispute

resolution process set out in paragraph 14.1 shall be followed save that the timescale for referring the matter to the Chief Executives of each party will be dictated by the urgency of the issue in dispute and can be referred earlier than the 1 month generally provided for dispute resolutions where the circumstances require an earlier resolution.

- 8.7. The Host Authority shall manage and monitor the volume of Service provision by Legal Services at regular intervals to ensure that all party's service needs are being met in accordance with and proportionally to their financial contributions set out in Schedule 3. Should a conflict or dispute arise in relation to the priority or volume of work undertaken by Legal Services, the Parties, through the Governance Board, shall discuss this and agree any required adjustments to the financial contributions or to the provision of additional staff and resources or the allocation of existing Staff. If agreement cannot be reached the same dispute resolution process and timescales set out in paragraph 14.4 shall apply.

## **9. VARIATION**

- 9.1. Any Party on giving three (3) months written notice may request changes to the Services (whether by way of the removal of a part of the Services, the addition of new services, or increasing or decreasing the Services or specifying the order in which the Services are to be performed or the locations where the Services are to be provided) for any reasons whatsoever. Such a change is hereinafter called a "Variation". A request for such a Variation shall not be unreasonably refused.
- 9.2. The financial impacts of any Variation shall be agreed by the Governance Board and the financial contributions due from the Parties shall be amended accordingly.
- 9.3. Any such Variation shall be documented in writing signed by all parties and shall take the form of an addendum to this Agreement.

## **10. LIABILITIES AND INDEMNITIES**

- 10.1. The Host Authority shall indemnify and keep indemnified the other Parties from and against all losses, claims, proceedings, expenses, actions, demands, costs and any other liability whatsoever arising out of, in respect of or in connection with the provision of the Services or the performance or non-performance of the Host Authority of its obligations under this

agreement and the Parties financial loss arising from any advice given or omitted to be given by the Host Authority or any other loss which is caused by any act or omission of the Host Authority.

10.2. Nothing in this Agreement shall limit or exclude any party's liability for death or personal injury arising from its negligence, bribery or fraud by its employees or agents or for any other loss or damage for which liability may not by law be excluded.

10.3. This clause shall survive the expiry or termination of this Agreement.

## **11. TERMINATION**

11.1. In the event that any Party wishes to terminate this agreement prior to the end of the Initial Term it shall give no less than six (6) months written notice to the other Parties unless otherwise agreed. The Parties shall work together to make any required amendments to the Service and this Agreement to effect the changes required.

## **12. CONSEQUENCES OF TERMINATION**

12.1. Upon the expiry or termination of this Agreement the following provisions shall apply:

12.1.1. The Host Authority shall cease to provide the Services for LDC and TBC;

12.1.2. The Parties will work together to ensure the transfer of any Relevant Employees in accordance with clause 7;

12.1.3. The Host Authority shall submit an invoice for any unbilled contributions outstanding and LDC and TBC shall pay its contribution for the costs of delivering the Services up to the expiry or termination date;

12.1.4. The Host Authority shall provide LDC and TBC with such information and data within its possession that LDC and TBC shall reasonably require for carrying out its own Legal functions, complying with all relevant Data Protection Legislation.

12.2. Upon partial or full termination of this Agreement, the Parties shall discuss and agree which Equipment and any intellectual property rights are to be retained or transferred between them in accordance with the proportion of the Services provided using the Equipment or relates to intellectual property.

12.3. This clause shall survive the expiry or termination of this Agreement.

### **13. INSURANCES**

13.1. The Host Authority shall effect and maintain professional indemnity insurance in respect of any financial loss to TBC and LDC arising from any advice given or omitted to be given by the Host Authority under this agreement. Such insurance shall be at a minimum level of £10,000,000 (£10 million) and shall be maintained by the Host Authority for as long as they may have any liability to TBC or LDC hereunder.

13.2. This clause shall survive the expiry or termination of this Agreement.

### **14. DISPUTE RESOLUTION**

14.1. In the event of a dispute, the matter shall be referred to the relevant Client Lead initially who may then refer the matter to the Governance Board who shall use their reasonable endeavours to resolve by mutual agreement any dispute arising over the operation of the terms of this Agreement. In the event that the matter remains unresolved within one (1) month, the dispute shall be referred to the Chief Executives of each of the Parties for resolution.

14.2. If the Chief Executives are unable to resolve the matter, any Party may serve written notice to terminate the agreement which shall expire 3 months after service.

14.3. Unless otherwise agreed in writing, the Parties shall continue to comply with their undisputed obligations under this Agreement during the course of the dispute resolution process.

### **15. NOTICES**

15.1. Any notice or other communication, which is to be given by any Party to the other, shall be given by letter (sent by hand, post, or by the special or recorded delivery service) or electronic mail. Such notices shall be addressed to the other party in the manner referred to in clause 15.2 below. Provided the notice is not returned as undelivered, the notice shall be deemed to have been given two (2) Working Days after the day on which it was posted, or 4 hours, in the

case of electronic mail or facsimile transmission or sooner where the other party acknowledges receipt of such notice.

- 15.2. For the purposes of clause 15.1 above, the address of each party shall be as set out at the beginning of this Agreement:

For the Host Authority:

Telephone

Email:

And Lichfield District Council

Frog Lane

Lichfield

Staffordshire

WS13 6YZ

Telephone: 01543 308000

Email: Christie.tims@lichfielddc.gov.uk

And Tamworth Borough Council

Telephone:

Email:

Any Party may change its address for service by serving a notice in accordance with this clause.

## **16. FREEDOM OF INFORMATION**

- 16.1. The Parties acknowledge that each is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and shall provide

all necessary assistance and cooperation as reasonably requested by the other party to enable a party to comply with its obligations and any requests for information without charge.

## **17. DATA PROTECTION**

- 17.1. The Parties acknowledge that for the purposes of the Data Protection Legislation, all Parties may take on the roles of Controller or Processor during the provision of the Services, and the Parties shall consider their role under this clause 17 in relation to each separate incidence when Personal Data is to be processed. The only processing that the Processor is authorised to carry out is listed in Schedule 4 and may not be determined by the Processor.
- 17.2. The Processor shall notify the Controller immediately if it considers that any of the Controller's instructions infringe the Data Protection Legislation.
- 17.3. The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Controller, include:
  - 17.3.1. a systematic description of the envisaged processing operations and the purpose of the processing;
  - 17.3.2. an assessment of the necessity and proportionality of the processing operations in relation to the Services;
  - 17.3.3. an assessment of the risks to the rights and freedoms of Data Subjects; and
  - 17.3.4. the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 17.4. The Processor shall, in relation to any Personal Data processed in connection with its obligations under this agreement:
  - 17.4.1. process that Personal Data only in accordance with Schedule 4, unless the Processor is required to do otherwise by law. If it is so required the Processor shall promptly notify the Controller before processing the Personal Data unless prohibited by law;
  - 17.4.2. ensure that it has in place Protective Measures, which have been reviewed and approved by the Controller as appropriate to protect against a Data Loss Event having taken account of the:
    - 17.4.2.1. nature of the data to be protected;
    - 17.4.2.2. harm that might result from a Data Loss Event;
    - 17.4.2.3. state of technological development; and
    - 17.4.2.4. cost of implementing any measures;
  - 17.4.3. ensure that:
    - 17.4.3.1. The Processor's Personnel do not process Personal Data except in

- accordance with this agreement (and in particular Schedule 4);
- 17.4.3.2. it takes all reasonable steps to ensure the reliability and integrity of any of the Processor's Personnel who have access to the Personal Data and ensure that they:
- 17.4.3.2.1. are aware of and comply with the Processor's duties under this clause;
- 17.4.3.2.2. are subject to appropriate confidentiality undertakings with the Processor or any Sub-processor;
- 17.4.3.2.3. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Controller or as otherwise permitted by this agreement; and
- 17.4.3.2.4. have undergone adequate training in the use, care, protection and handling of Personal Data;
- 17.4.4. not transfer Personal Data outside of the EU/Safe Harbour unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:
- 17.4.4.1. the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Controller;
- 17.4.4.2. the Data Subject has enforceable rights and effective legal remedies;
- 17.4.4.3. the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
- 17.4.4.4. the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the processing of the Personal Data;
- 17.4.5. at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the agreement unless the Processor is required by law to retain the Personal Data.
- 17.5. Subject to clause 17.6, the Processor shall notify the Controller immediately if it:
- 17.5.1. receives a Data Subject Access Request (or purported Data Subject Access Request);
- 17.5.2. receives a request to rectify, block or erase any Personal Data;

- 17.5.3. receives any other request, complaint or communication relating to any party's obligations under the Data Protection Legislation;
  - 17.5.4. receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this agreement;
  - 17.5.5. receives a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by law; or
  - 17.5.6. becomes aware of a Data Loss Event.
- 17.6. The Processor's obligation to notify under clause 17.5 shall include the provision of further information to the Controller in phases, as details become available.
- 17.7. Taking into account the nature of the processing, the Processor shall provide the Controller with full assistance in relation to any party's obligations under Data Protection Legislation and any complaint, communication or request made under clause 17.5 (and insofar as possible within the timescales reasonably required by the Controller) including by promptly providing:
- 17.7.1. the Controller with full details and copies of the complaint, communication or request;
  - 17.7.2. such assistance as is reasonably requested by the Controller to enable the Controller to comply with a Data Subject Access Request within the relevant timescales set out in the Data Protection Legislation;
  - 17.7.3. the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
  - 17.7.4. assistance as requested by the Controller following any Data Loss Event;
  - 17.7.5. assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.
- 17.8. The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this clause.
- 17.9. The Processor shall allow for audits of its Data Processing activity by the Controller or the Controller's designated auditor.
- 17.10. The Processor shall designate a Data Protection Officer if required by the Data Protection Legislation.
- 17.11. Before allowing any Sub-processor to process any Personal Data related to this agreement, the Processor must:
- 17.11.1. notify the Controller in writing of the intended Sub-processor and processing;
  - 17.11.2. obtain the written consent of the Controller;



- 17.11.3. enter into a written agreement with the Sub-processor which give effect to the terms set out in this clause 17 such that they apply to the Sub-processor; and
- 17.11.4. provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.
- 17.12. The Processor shall remain fully liable for all acts or omissions of any Sub-processor.
- 17.13. The Processor may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this agreement).
- 17.14. The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Controller may on not less than 30 Working Days' notice to the Processor amend this agreement to ensure that it complies with any guidance issued by the Information Commissioner's Office.

## **18. GOVERNANCE AND MONITORING AND REPORTING**

- 18.1. The Governance of these Shared Services arrangement shall be as set out in Schedule 5 (The Governance Arrangements).
- 18.2. The Governance Board will arrange suitable monitoring arrangements and shall monitor the performance of the Services and. Each Party will establish its own Client Care forum to ensure that the Governance Board understands the opinion of Clients.
- 18.3. the Governance Board shall have the right to require the Assistant Director of Democratic and Regulatory Services to answer any reasonable questions raised by them in relation to the performance of the Services generally and in respect to any specific Service carried out for LDC or TBC under this Agreement.

## **19. AUDIT**

- 19.1. LDC and TBC and its officers or professional consultants shall be entitled to have access at all reasonable times, on giving reasonable notice, to all the financial and administrative records relating to this Agreement and the provision of Services. The Host Authority shall provide such assistance and access to information as may be reasonably required by LDC and TBC to enable them to monitor performance of the obligations contained in this Agreement.

- 19.2. LDC and TBC shall have the power to inspect and examine the Host Authority's performance of the Services at any premises from which the Services or any part of the Services are being performed at any reasonable time provided that LDC and TBC gives reasonable notice to the Host Authority.

## **20. FORCE MAJEURE**

- 20.1. No Party shall be liable to the other party for any delay in or failure to perform its obligations under this Agreement if such delay or failure results from a Force Majeure event, provided it shall have informed the other party in writing.
- 20.2. If the Force Majeure event continues for more than one (1) month any Party may terminate this Agreement by giving three (3) months written notice to the other party. No party shall have any liability to the other for termination of this Agreement due to the Force Majeure event, but any rights and liabilities, which have accrued prior to such termination, shall remain in force.

## **21. CONFLICTS OF INTEREST**

- 21.1. The Parties shall take appropriate steps to ensure that there are no actual or potential conflicts of interest between the pecuniary or personal interests of the Staff, Assistant Director of Democratic and Regulatory Services and the Client Leads and their duties under the provisions of this Agreement. Each party shall disclose to the other Parties full particulars of any such conflict of interest, which may arise and shall take such steps as will in its opinion, avoid, or as the case may be, remove the conflict.
- 21.2. Where LDC and TBC have a vested interest in a matter and the provision of the Service by the Host Authority may prejudice LDC and TBC's interest, LDC and TBC may require the Host Authority to instruct External Lawyers able to meet the Service Standards. In such circumstances the costs of the External Lawyers shall be met from the External Legal Budget (if agreed by the Governance Board) or by the instructing Party in accordance with operating practice. For the avoidance of doubt it has been agreed that any legal advice which is likely to cost more than £25,000 (exc VAT) shall be met by the relevant instructing Party.

- 21.3. Where LDC and TBC have a vested interest in a matter and the provision of the Service by the Host Authority may prejudice LDC and TBC's interest, LDC and TBC may itself instruct a third party to provide the Service required if it does not wish it to be dealt with in accordance with 21.2 above. Where LDC and TBC instructs a third party independently of the Host Authority, LDC and TBC shall meet all the costs of and associated with that instruction and such instruction shall not be considered by any Party to be within the scope of this Agreement or paid for using the External Legal Budget.
- 21.4. Where the provision of the Service may lead to a potential conflict of interest either in relation to the provision of other shared services between the Parties or the discharge of the Monitoring Officer's functions or to any other matter involving all Parties or which may prejudice the other Party, the Parties shall take such steps as is reasonable to avoid, minimise or as the case may be, remove the conflict.

## **22. INTELLECTUAL PROPERTY RIGHTS**

- 22.1. Any intellectual property rights generated by any party in the course of performing its obligations under this Agreement shall be jointly owned and any income generated therefrom will be split between the Parties in accordance with the contributions set out in Schedule 3 or as otherwise agreed.

## **23. GENERAL**

- 23.1. No Party shall assign, sub-contract or in any other way dispose of this Agreement or any part of it without the written approval of the other party or as provided elsewhere in this Agreement.
- 23.2. This Agreement shall be governed by and interpreted in accordance with English law and the Parties submit to the exclusive jurisdiction of the courts of England.
- 23.3. The Agreement may be executed in counterparts, each of which when executed and delivered shall constitute an original but all counterparts together shall constitute one and the same instrument.
- 23.4. If any court of competent jurisdiction holds any provision of the Agreement invalid, illegal or unenforceable for any reason, such provision shall be severed and the remainder of the

provisions of the Agreement shall continue in full force and effect as if the Agreement had been executed with the invalid, illegal or unenforceable provision eliminated.

- 23.5. The failure of any Party to insist upon strict performance of any provision of the Agreement or the failure of any Party to exercise any right or remedy shall not constitute a waiver of that right or remedy and shall not cause a diminution of the obligations established by the Agreement.
- 23.6. No waiver shall be effective unless it is expressly stated to be a waiver and communicated to the other party in writing.
- 23.7. A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.
- 23.8. This Agreement constitutes the entire contract between the Parties relating to the subject matter of the Agreement.

**IN WITNESS** whereof the parties have executed this Agreement the day and year first before written.

Signed on behalf of **SOUTH STAFFORDSHIRE DISTRICT COUNCIL** )

.....  
Authorised Officer

.....  
Name

Signed on behalf of **LICHFIELD DISTRICT COUNCIL** )

.....  
Authorised Officer

.....  
Name

Signed on behalf of **TAMWORTH BOROUGH COUNCIL** )

.....  
Authorised Officer

.....  
Name

## Schedule 1: Scope of Services

- i. Planning - development management
- ii. Planning – enforcement
- iii. Planning – trees and conservation protection
- iv. Planning – legal agreements including CIL/S106
- v. Planning – policy
- vi. Advising planning committee both at meetings and in preparation
- vii. Regulatory – including licensing
- viii. Advice on RIPA
- ix. Property – right to buy / leases / minor disposals & acquisitions
- x. Local Government law
- xi. Election law
- xii. General contracts / procurement / commercial activity
- xiii. General advice including data protection and Freedom of Information
- xiv. Complex commercial property
- xv. Complex contract law
- xvi. Company law

## Schedule 2: Services Standards

### SERVICE STANDARDS

It is anticipated that clients will be able to expect the following:

1. Access to the team via email, telephone and face to face.
2. Advice can be provided either verbally or in writing.
3. All requests, and advice provided, will be recorded.
  
4. A generic telephone number to be provided so that initial contact can be made more easily.
5. An out of hours telephone number to be provided – but only to be used in the most urgent circumstances.
6. A generic email address to be provided such that clients are not reliant on an individual Lawyer reading the email.
7. Email inboxes to be provided with sufficient capacity to accommodate usual business.
8. All Lawyers to use Out-of-office notifications if they are not available.
9. If immediate contact is not made, communications to be acknowledged within one working day.
10. Initial instruction form (request form) to be provided to each partner to enable easier exchange of information when raising issues initially by email.
  
11. Each case to be given a priority status by the client at first contact. Priority definitions to be as follows:
  - a. Urgent – initial contact to be by telephone - acknowledgement to be provided at once, response required urgently (within hours) (for instance, in the cases of enforcement, security, during an election, or immediately before a meeting)
  - b. Immediate – initial contact to be by telephone - acknowledgement to be provided within hours; advice to be provided as soon as reasonably practicable (say within one working day)
  - c. Routine – initial contact to be at surgery or email with a request form completed by the Client - acknowledgement required within one day, and work to be incorporated within work programme and completed within 10 working days unless agreed otherwise by the Client and Lawyer.
  
12. The client to be advised of complexity and hence likely timescales for delivery.
13. The client to be advised frequently of progress of the case.
14. When complete, cases to be formally closed with agreement of client.
  
15. Each instruction to be given a unique case number by Lead Lawyer.
16. Each case to be recorded on Iken case management system.
17. Case book to be reviewed monthly to ensure that all cases are actively managed.
18. Quality standards to be overseen by Lead Lawyer.

19. Client / Lawyer may decide to instruct External Lawyer for any reason. Client has the right to insist on the instruction of an External Lawyer.
20. Host Authority to undertake procurement and commissioning / contracting with external lawyers including barristers.
21. Lawyer to act as client liaison on behalf of client with external lawyers including barristers.
22. Lawyer to oversee and sign-off work of external lawyers including barristers and to authorise the payment of invoices.
  
23. Each partner to be allocated a designated planning lawyer, which will remain consistent whenever practical, to support all planning committees and preparation meetings.
24. Planning officers to provide draft planning committee reports to the Lawyer in advance of the preparation meeting for comment.
25. Service to make available planning training for Members – to be agreed with Planning Officers.
26. Services to standardise and to communicate approach for the completion of regular work streams including s106 agreements and unilateral undertakings etc.
  
27. Lawyers to visit partners frequently to allow for surgeries, case conferences.
28. In the first instance, planning surgeries will be held fortnightly, or as agreed.
29. Planning officers will prepare an agenda of issues / cases to be discussed in advance
30. Visits to other councils to be no less frequent than fortnightly, or as agreed.
  
31. Client Leads to be provided with access to the IKEN case management system.
32. No client will be refused legal support because of budgetary pressures. The Client Leads / Governance Board will be responsible for ensuring that the service is funded appropriately.
33. Each council to establish its own client group to be a conduit for corporate feedback to the partnership / Governance Board.
34. Clients to be consulted by the Lead Client at least quarterly as to client satisfaction.
35. Lead Clients to report to the Governance Board on client feedback and demand.

## QUALITY CONTROL

The Parties shall ensure that the following Quality Control is in place:

- **Case Management** - that a suitable electronic case management system (CMS) will be used for all Instructions.
- **Time Recording** - that all time worked on Instructions will be recorded using the CMS.
- **Client Lead Access** - that access to the CMS will be provided to the Client Lead, save where a conflict situation arises or confidentiality/data protection restrictions apply.
- **Right Lawyer** - that the right level lawyer with the right specialisms will work on the Instructions and in the absence of this or capacity issues consideration will be given to use of external legal representation.
- **Service Standards** - the Service Standards set out will be met.



- **File Checking** - regular file checking will take place on all files to ensure that the Service Standards are met – where files are inactive consideration will be given to whether the file should be closed.
- **Peer File Checking** - peer file checking will be carried out by the lead lawyer on a number of files on a monthly basis to ensure that the Service Standards are being met and that the quality of advice is good and that conflicts have been considered and addressed.

Legal draft

**Schedule 3: Financial Contributions**

Legal draft

## Schedule 4: Processing, Personal Data and Data Subjects

### Processing by the Parties

#### Part 1

1. **Scope**
2. **Nature**
3. **Purpose of the processing**
4. **Duration of the processing**

#### Part 2 Types of personal data

Categories of data subject

## Schedule 5 The Governance Arrangements and Terms of Reference

### The Governance Arrangements

This Agreement and the delivery of the Services will be overseen by a Governance Board of the Parties' Client Leads. The Governance Board will meet monthly to ensure that the Agreement is working and to keep an oversight of the Case Management and to monitor costs and budgets of the Shared Legal Services.

The operations of the Governance Board shall be as transparent as possible and the Agenda and minutes of the Governance Board meetings shall be circulated to the Parties' Leadership Teams.

Legal draft

## Terms of Reference

The Parties shall adhere to the Terms of Reference set out below

### APPENDIX B

#### Terms of Reference for Governance Board on Shared Legal Service

##### **The officers sitting on the Governance Board**

In line with the Shared Service Agreement the Governance Board is comprised of the client leads for the 3 authorities. These are currently:

- South Staffordshire Council – Corporate Director Governance
- Lichfield District Council – Monitoring Officer
- Tamworth Borough Council – Executive Director & Deputy Chief Executive

##### **The role of the Governance Board**

To oversee the operation of the partnership and ensure that it operates in accordance with the agreed principles of the service set out below.

- All partners to be equal albeit South Staffordshire Council will be the Host Authority.
- The partnership to be informed by a Strategic Partnership Agreement
- 5 year initial term. Dissolution before end of the term can be by mutual consent.
- The partnership to be governed and monitored by a tri-partite Governance Board comprising a senior officer, 'Lead Client' from each partner
- The partnership to be branded to differentiate it from the Host Authority and to ensure that partners feel that they have equal ownership
- South Staffordshire Council to be the Host Authority because they already employ a team of solicitors
- South Staffordshire Council to continue employment of the team of solicitors and legal support
- The team to have specific specialisms to complete work in-house including local government, elections, planning, property, regulatory and contract law
- South Staffordshire Council to procure external legal advisors as required by the partnership. External advice will be sought when the team does not have the expertise or capacity or where there is conflict
- Fixed costs of the team to be shared equally between the three parties
- Variable costs (i.e. the costs of external advice) to be met either from a partnership budget equally funded by the partners or from the partner specifically requiring advice.
- No partner will pay more because more of their routine work is contracted out rather than being completed in-house
- Lead Lawyer to ensure that work is allocated appropriately to the team
- Work to be managed through a case management system to allow for full transparency
- Caseload to be reviewed regularly to ensure quality and progress
- Expectation that all legal work from all 3 partners will go through partnership

- Team will be available to 'clients' by telephone, email and in person at frequent 'surgeries' and for case meetings
- Team expected to be able to 'hot desk' at partner offices.
- Team to attend committee meetings as required.

### **Budgets**

Budgets, instructions and invoices will be monitored by the Governance Board at its regular meetings.

Business Plans will be shaped and shared by the Governance Board.

Governance Board will also monitor the levels of external work sent out and how this is procured.

### **Performance**

The Governance Board will consider the performance dashboard to monitor the levels of performance of the shared service arrangements.

### **Staffing**

The Governance Board will keep oversight of the levels of staffing and representatives from all 3 partners will be involved in the recruitment of new lawyers servicing the partnership.

The Governance Board will also ensure that best practice is shared across the 3 authorities.

### **Caseloads**

The Governance Board will keep oversight of caseload and costs to ensure that the contributions made by each partner are broadly equitable. But it is recognised that in some years, one partner may benefit more than the others.

### **Frequency of meeting**

The Board will meet monthly for the first year to ensure that the Partnership is being established correctly, to keep an oversight of the quality of case management, and to monitor costs and budgets.

### **Service standards**

The Governance Board will ensure that the case book is being managed in accordance with the quality standards. The Governance Board will also seek client feedback for the purposes of continuous improvement.

The Governance Board will also ensure that Clients are interacting with the Service in a positive manner.

**Secretariat**

Lead lawyer to provide secretariat support to the Governance Board and ensure that the notes of each board and shared with the client leads for each authority.

Legal draft

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**Shared Legal Service  
Operating Guidelines**

**1. The Shared Service Strategic Partnership Agreement**

The SPA will be based upon similar shared service agreements in existence and the first draft has been received for comment.

**2. Governance**

The Partnership will be overseen by a Governance Board of the three Client Leads. The draft terms of reference are attached at Appendix A.

It is expected in the first instance the Board will meet monthly to ensure that the Partnership is being established correctly, to keep an oversight of the quality of case management, and to monitor costs and budgets.

But for the purposes of the smooth operation the following definitions have been agreed when discussing the service.

- Host Authority – South Staffordshire District Council
- Partner Authorities – all 3 Councils
- Client Lead - lead senior officer from each council
- Client - instructing officer
- Lead Lawyer – the lawyer in charge of allocating work and quality control
- Lawyer - lawyer doing the work
- External Lawyer - external solicitor/barrister
- Governance Board – the management group of the 3 client leads
- External Clients - Parishes etc who may use the service
- Third Party Cost Payers – third parties that pay the councils' costs for completion of legal work, e.g. s106, property, unilateral undertakings etc

**3. The team and their specialisms**

In the first instance the team, their qualifications and specialisms, and the hours dedicated to the partnership, per week, will be as follows:

- David Pattison – Solicitor general / local government / elections (2 hours)
- Lorraine Fowkes – Solicitor - general /local government (3.7 hours)
- Manjit Dhillon – Solicitor – planning (37 hours (over 4 days))
- Rachel Maddocks – Solicitor - regulatory services / litigation (37 hours) and Lead Lawyer
- Sophie Sherratt – Solicitor – planning / property (37 hours (over 4 days))
- Heather Dean – Solicitor – governance/contract/procurement (22.2 hours (over 3 days))
- R Hill – Trainee Legal Executive – (22.2 hours)
- E Green – admin support (no hours charged but available to support)

Work undertaken by the in-house team will be allocated and overseen by the lead lawyer. It is anticipated that the in-house team will be given the work that is commensurate with their capacity, conflicts and competency,

#### **4. The Fixed Costs**

It is anticipated that each council will meet a third of the costs that are fixed.

#### **5. Variable Costs**

It is recognised that the team will neither have, and nor should it, the capacity or the expertise, to complete all instructions from clients. On occasions the team may also have conflicts which make them unable to act.

In consequence, other legal providers including barristers, will need to be instructed.

This means that in any one given year, the service provided directly by the team might not be equally divided to the three partners – and more individual council's work might be privately instructed.

But we also recognise that councils will occasionally wish to instruct external solicitors on issues that are more complex and more extensive than is usual so we need to consider how such instructions are funded.

We need to ensure that the partnership is equitable but also that the costs apportioned to each council reflect the approximate value of work instructed.

Each council will make a contribution, initially, of £30,000 each per annum to fund private instruction.

***At the year-end there will be a formal review of how these funds have been used to ensure equity and that the costs broadly reflect demand, and to revise the required sum for future years.***

Budgets, instructions and invoices will be monitored by the Governance Board at its regular meetings.

#### **6. Overheads**

Other than those agreed to be incorporated within the 'fixed costs', there will be no additional overheads allocated to the partnership.

Each council will pick up its own overheads for the provision of the Client Leads and accommodation for the team.

#### **7. Income**

The partnership team will complete work where a third party pays. Such work will include the preparation of s106 agreements, unilateral undertakings and property transactions.

Any income generated by such work will be applied to the partnership budget and will reduce the contributions required from each partner.

In recent years, the council has generated around £7000, payable directly to it which has reduced the net cost of the service. It has also instructed external solicitors to complete works that was previously outsourced will be undertaken by the team.

The likely level of income for this type of work is estimated to be c£30,000 pa.

The partnership, if capacity and expertise allows, may also provide advice to selected public and voluntary sector clients. Such clients may include parish councils, other councils, and housing associations.

This work will be charged with a view to generating a surplus.

Again any such income will be used to offset partners' contributions.

## **8. Contributions from each council**

It is anticipated that the contribution per council, after fee income, will be approximately £110,000 pa.

This will be reviewed frequently with a formal review completed annually.

## **9. Service Standards**

It is anticipated that clients will be able to expect the following:

1. Access to the team via email, telephone and face to face.
2. Advice can be provided either verbally or in writing.
3. All requests, and advice provided, will be recorded.
  
4. A generic telephone number to be provided so that initial contact can be made more easily.
5. An out of hours telephone number to be provided – but only to be used in the most urgent circumstances.
6. A generic email address to be provided such that clients are not reliant on an individual Lawyer reading the email.
7. Email inboxes to be provided with sufficient capacity to accommodate usual business.
8. All Lawyers to use Out-of-office notifications if they are not available.
9. If immediate contact is not made, communications to be acknowledged within one working day.
10. Initial instruction form (request form) to be provided to each partner to enable easier exchange of information when raising issues initially by email.
  
11. Each case to be given a priority status by the client at first contact. Priority definitions to be as follows:
  - a. Urgent – initial contact to be by telephone - acknowledgement to be provided at once, response required urgently (within hours) (for instance, in the cases of enforcement, security, during an election, or immediately before a meeting)

- b. Immediate – initial contact to be by telephone - acknowledgement to be provided within hours; advice to be provided as soon as reasonably practicable (say within one working day)
  - c. Routine – initial contact to be at surgery or email with a request form completed by the Client - acknowledgement required within one day, and work to be incorporated within work programme and completed within 10 working days unless agreed otherwise by the Client and Lawyer.
12. The client to be advised of complexity and hence likely timescales for delivery.
  13. The client to be advised frequently of progress of the case.
  14. When complete, cases to be formally closed with agreement of client.
  15. Each instruction to be given a unique case number by Lead Lawyer.
  16. Each case to be recorded on Iken case management system.
  17. Case book to be reviewed monthly to ensure that all cases are actively managed.
  18. Quality standards to be overseen by Lead Lawyer.
  19. Client / Lawyer may decide to instruct External Lawyer for any reason. Client has the right to insist on the instruction of an External Lawyer.
  20. Host Authority to undertake procurement and commissioning / contracting with external lawyers including barristers.
  21. Lawyer to act as client liaison on behalf of client with external lawyers including barristers.
  22. Lawyer to oversee and sign-off work of external lawyers including barristers and to authorise the payment of invoices.
  23. Each partner to be allocated a designated planning lawyer, which will remain consistent whenever practical, to support all planning committees and preparation meetings.
  24. Planning officers to provide draft planning committee reports to the Lawyer in advance of the preparation meeting for comment.
  25. Service to make available planning training for Members – to be agreed with Planning Officers.
  26. Services to standardise and to communicate approach for the completion of regular work streams including s106 agreements and unilateral undertakings etc.
  27. Lawyers to visit partners frequently to allow for surgeries, case conferences.
  28. In the first instance, planning surgeries will be held fortnightly, or as agreed.
  29. Planning officers will prepare an agenda of issues / cases to be discussed in advance
  30. Visits to other councils to be no less frequent than fortnightly, or as agreed.
  31. Client Leads to be provided with access to the IKEN case management system.
  32. No client will be refused legal support because of budgetary pressures. The Client Leads / Governance Board will be responsible for ensuring that the service is funded appropriately.
  33. Each council to establish its own client group to be a conduit for corporate feedback to the partnership / Governance Board.
  34. Clients to be consulted by the Lead Client at least quarterly as to client satisfaction.

35. Lead Clients to report to the Governance Board on client feedback and demand.

## 10. Expectations of Clients

The partnership will expect the following from Clients, and this will be monitored by the Lead Client:

1. Instructions to the team to come from specified postholders based on seniority or responsibility.
2. Clients to consider the priority of their case sensibly.
3. Clients to provide clear and meaningful instructions to lawyers
4. Officers to inform the partnership immediately if they receive correspondence or other communication from solicitors.
5. Clients to respond positively to requests for information / evidence / key documents from lawyers.

## 11. Other Services

It is expected that the partnership will provide other services including:

- Training sessions and materials for Members and officers on legal matters including planning; data protection; freedom of information; etc
- Best practice advice and legal updates
- Access to subscriptions to law cases
- Knowledge transfer – advising the Client in such a way that they retain the knowledge that they can carry out their function without needing to seek advice in similar situations in future.
- Standardisation of approach to legal / regulatory services

## 12. Quality Control and Escalations

Fundamental to the shared service arrangement is the provision of a quality and value for money service. The service will ensure the following:

### Quality

- **Case Management** - that a suitable electronic case management system (CMS) will be used for all matters on which the service works
- **Time Recording** - that all time worked on matters for the service will be recorded using the CMS
- **Client Lead Access** - that access to the CMS will be provided to the client lead, save where a conflict situation arises or confidentiality/data protection restrictions apply
- **Right Lawyer** - that the right level lawyer with the right specialisms will work on the file and in the absence of this consideration will be given to use of external legal representation
- **Service Standards** - the service standards will be met
- **File Checking** - regular file checking will take place on all files to ensure that the service standards are met – where files are inactive consideration will be given to whether the file should be closed

- **Peer File Checking** - peer file checking will be carried out by the lead lawyer on a number of files on a monthly basis to ensure that the service standards are being met and that the quality of advice is good and that conflicts have been met and addressed.

In the future the aim of the service is to seek Lexcel accreditation within a three year period – see link [here](#).

### **Escalations**

In the event that any issues are raised the lead lawyer will seek to escalate the issue with the Client lead and the Governance Board.

In the event that there is a potential issue of a conflict between the parties this should be raised immediately with the lead lawyer and the client lead will seek to agree a resolution to the issues through informal mediation between the parties before the matter comes to a legal instruction to the service.

### **13. Retaining other legal providers**

The following process will be adopted when procuring external advice:

1. Instruction scoped between client and lawyer.
2. Client may request that an External Lawyer is instructed. The client has the right to ask and the Lawyer has the right to question the reason why in order to ensure that the correct instruction is issued.
3. If no specific instruction, then, assessment completed by Lead Lawyer as to whether work can be completed in-house
4. If external advice is required potential solicitors /barristers and procurement routes discussed between Client and Lawyer.
5. Decision to procure – note not instruct, in accordance with the procurement principles below.
6. The team to identify and adopt suitable frameworks so that procurement processes are straightforward and that team can lead on appointment. Of course, it is recognised that clients may have preferred advisors and the team will support such appointments.
7. In-house lawyer prepares instruction to external – and hands over client / solicitor relationship to client to follow
8. Lawyer continues to monitor progress, support client and receives and authorises invoices unless alternative arrangements are made.
9. Lawyer signs off case when completed.

Any request for legal advice, including the instruction of barristers, must go through the partnership.

This is important because the Partnership has access to procurement frameworks and agreements that represent better value for money than an individual client could secure (for example, we now have access to a contract that is significantly cheaper than the fees that we have previously agreed for barristers' advice).

### **The principles of retaining external advisors**

To ensure that the team has the ability to operate effectively but that there is appropriate oversight by the Governance Board to ensure probity and equity the following delegated levels are proposed. These levels are for procurement decisions only, not on whether legal advice should be obtained.

The delegation levels reflect South Staffs council's procurement rules:

Less than £5,000	team can instruct without further approval from Governance Board; to be funded from partnership budget but spend and equity to be monitored by the Governance Board.
£5,000 - £25,000	approval to come from Governance Board. Decision to be made whether to fund from partnership funds or by Client.
£25,000+	partnership to be advised. Work to be funded by Client. Team to help instruct and supervise. Individual council's procurement rules to be observed.

Lead lawyer will need to ensure that there is not a split of agreements to avoid these trigger levels and to avoid procurement challenge.

## 14. Managing Conflicts

The partnership must manage any potential conflict situations. This is important not only in relation to complying with the Solicitors Regulation Authority Rules - which can be seen [here](#) but also to ensure that there is no perception of a conflict or of a favouring of the partners to the service.

The key principles are these:

- **Systems** - The service will at all times have effective systems and controls in place to able it to identify and assess potential conflicts of interests;
- **Training** - All officers working for the service will have regular training on identifying and addressing conflicts of interests
- **Where conflict cannot be addressed** - In the event that there is a conflict that cannot be addressed the service will provide options to the client lead for potential external representation to be funded by the service eg through a framework agreement.
- **Conflicts that can potentially be resolved** - If there is a conflict, or a significant risk of a conflict, between two or more of the partners to the service the service will not act for either or both of them **unless the matter falls within the scope of the limited exceptions set out below**. In deciding whether to act in these limited circumstances, the overriding consideration will be the best interests of each of the clients concerned and, in particular, whether the benefits to the clients of the service acting for all or both of the clients outweigh the risks.
  - where there is a client conflict and the clients have a **substantially common interest** in relation to a matter or a particular aspect of it, the service will only act if:
    - (a) the lead lawyer has explained the relevant issues and risks to the clients and she/he has a reasonable belief that they understand those issues and risks;
    - (b) all the clients have given informed consent in writing to the lead lawyer acting;

- (c) the lead lawyer is satisfied that it is reasonable to act for all the clients and that it is in their best interests; and
  - (d) the lead lawyer is satisfied that the benefits to the clients of you doing so outweigh the risks;
- **Competing interests** - where there is a client conflict and the clients are **competing for the same objective**, the service will only act if:
    - (a) the lead lawyer has explained the relevant issues and risks to the clients and has a reasonable belief that they understand those issues and risks;
    - (b) the clients have confirmed in writing that they want the service to act, in the knowledge that the service acts, or may act, for one or more other clients who are competing for the same objective;
    - (c) there is no other client conflict in relation to that matter;
    - (d) unless the clients specifically agree, **no individual acts for, or is responsible for the supervision of work done for, more than one of the clients in that matter**; and
    - (e) the **lead lawyer** is satisfied that it is reasonable for the service to act for all the clients and that the benefits to the clients of the service acting outweigh the risks.
  - **Direct Conflict** - If there is a direct conflict between the parties (where parties are in litigation with each other) we will not act for either partner. We would seek to ensure that there was external legal representation to cover the issue. We will however seek to minimise the risks of such direct conflict where at all possible.

## 15. Confidentiality Expectations

The in-house team will follow the solicitors' code of practice on client confidentiality but we will incorporate a sentiment in the partnership agreement that covers the confidentiality expectation on non-solicitors operating on the Governance Board.

We wish to encourage full and frank discussion; that we are open and transparent, but we can only achieve this if we are confident that material is not inappropriately disclosed.

But we will need to ensure that the operations of the Governance Board is as transparent as possible so the minutes of the Governance Board will be circulated to the respective Leadership Teams.

## 16. Expectations on Partners

### Collaboration

With effect from the commencement date the original partner authorities shall collaborate in the establishment and subsequent operation of the Agreement.

From the Operational Start Date all parties shall provide the necessary support to the Shared Service in accordance with the provisions of the Agreement.

Nothing in the Agreement shall have the effect of requiring any Partner Authority to act in breach of their statutory functions or duties.

### Finance



Each Partner Authority shall retain and administer capital and revenue budgets in connection with the Shared Service as provided in their respective areas; and arrange for attendance at any financial meetings as reasonably required.

### **Monitoring and Review**

*The Host Authority will issue both other partners with monthly invoices detailing case load.*

The Shared Service shall carry out quarterly and annual reviews of the operation of this Agreement and the provision of the Shared Service and shall promptly report the findings of these reviews to their respective authorities.

The annual and quarterly reviews of the Shared Service shall include the identification of performance measures and outputs which show:

- How far the aims of the Partnership are being achieved in delivering the Shared Service;
- How far it has explored opportunities to redesign the service to better meet the needs of user;
- An analysis of legal spend identifying any relevant trends;
- The extent to which outputs including timescales and milestones for the Shared Service are being met; and
- The extent to which agreed outcomes for the Shared Service are being fulfilled and targets met.

Annually the Partnership shall carry out a review of how the provision of the Shared Service through this Agreement compares with other possible methods of delivery of the Shared service, both in general and with specific regard to value for money and efficiencies.

### **Resources**

The Partner Authorities each agree to provide human, financial and other resources as required and sufficient to deliver the Shared Service for the duration of this Agreement.

### **Support Services**

Each Partner shall provide support services to the Shared Service to include:

- Client Lead - The name of a designated Director or senior officer within each authority as to whom can be contacted in case of an emergency, dispute or urgent clarification on a matter may be required. It is expected that this will be Anica Goodwin on behalf of this authority.
- A nominated administrator (or whatever title) to act as the administrative liaison point for meetings, correspondence, invoicing, etc. It is expected that this will be Tracey Pointon for this authority.
- Appropriate accommodation and facilities for the provision of hot-desking for the use by the Partnership for mobile working.
- Provide a bookable confidential work space with access to internet and a land line for solicitors to make use for surgeries or 'drop in' sessions.

- Access to necessary ICT support and system to ensure secure access to files, servers, etc.
- Access to meeting rooms as required.

Each partner shall meet its own costs of these obligations.

### **Complaints and the Local Government Ombudsman**

Any complaints in respect of the Shared Service shall be dealt with in accordance with the principle that it will be handled by the Partner Authority that was responsible for the administration of the task, act or omission complained about. In the event that South Staffs was responsible then the complaint shall be dealt with by South Staffs.

In the event of a complaint to the Local Government Ombudsman involving activities in respect of the Shared Service, the Partner Authorities shall give the Local Government Ombudsman every assistance in the investigation of the complaint, including co-operating fully and promptly in every way required by the Local Government Ombudsman during the course of that investigation.

### **Scrutiny and Audit Committees**

Scrutiny remains the responsibility of each Partner.

The relevant committee of each Partner Authority charged with audit shall have the right to inspect any documents relating to this Agreement and to require the Lead Client to answer any questions raised by them.

### **Audit**

Each Partner shall keep separate accounts with respect to the Shared Service Agreement and these shall be open to inspection by the Governance Board.

The Host Authority shall undertake an internal audit review of the Shared Service early in the first year of service. A decision shall be made by the Partnership in respect of the timing of subsequent audits.

### **Risk Management**

Each partner shall support the Shared Service Agreement in terms of its approach to risk management by providing indicative assessment of legal risks.

### **General**

Each Partner shall:

- Establish and maintain a client forum to enable and encourage client feedback
- Each partner shall ensure that the officers use the partnership without agreement by the Client Lead
- Ensure that strong trust and the vision for the shared legal services is promoted both within partner organisations and between external partners by building and support effective relationships
- Seek to adopt and share best practice

- Make use of benchmarking data to improve and/or transform so that VfM is evidenced
- Agree a Shared Service Communication Plan that:
  - o ensures effective engagement with users and members is maintained and supports the outcomes of the Agreement
  - o clearly communicates the shared vision for change as well as the expected outcomes
  - o uses common language between all parties to support the agenda for change
- Identify trends and training needs
- Ensure that any changes to constitution /council policies are communicated to the team
- Ensure that the team get sight of proposals – forward plan / draft cabinet reports etc - at an early stage
- Share and discuss forward plans with the team so that any potential legal issues can be addressed before they emerge.

## **Governance Board (Shared Legal Service)**

### **Terms of Reference**

#### **The officers sitting on the Governance Board**

In line with the Shared Service Agreement the Governance Board is comprised of the client leads for the 3 authorities. These are currently:

- South Staffordshire Council – Corporate Director Governance
- Lichfield District Council – Monitoring Officer
- Tamworth Borough Council – Executive Director Organisation & Deputy Chief Executive

#### **The role of the Governance Board**

To oversee the operation of the partnership and ensure that it operates in accordance with the agreed principles of the service set out below.

- All partners to be equal albeit South Staffordshire Council will be the Host Authority.
- The partnership to be informed by a Strategic Partnership Agreement
- 5 year initial term. Dissolution before end of the term can be by mutual consent.
- The partnership to be governed and monitored by a tri-partite Governance Board comprising a senior officer, 'Lead Client' from each partner
- The partnership to be branded to differentiate it from the Host Authority and to ensure that partners feel that they have equal ownership
- South Staffordshire Council to be the Host Authority because they already employ a team of solicitors
- South Staffordshire Council to continue employment of the team of solicitors and legal support
- The team to have specific specialisms to complete work in-house including local government, elections, planning, property, regulatory and contract law
- South Staffordshire Council to procure external legal advisors as required by the partnership
  - External advice will be sought when the team does not have the expertise or capacity or where there is conflict
- Fixed costs of the team to be shared equally between the three parties
- Variable costs (i.e. the costs of external advice) to be met either from a partnership budget equally funded by the partners or from the partner specifically requiring advice.
- No partner will pay more because more of their routine work is contracted out rather than being completed in-house
- Lead Lawyer to ensure that work is allocated appropriately to the team
- Work to be managed through a case management system to allow for full transparency

- Caseload to be reviewed regularly to ensure quality and progress
- Expectation that all legal work from all 3 partners will go through partnership
- Team will be available to 'clients' by telephone, email and in person at frequent 'surgeries' and for case meetings
- Team expected to be able to 'hot desk' at partner offices.
- Team to attend committee meetings as required.

### **Budgets**

Budgets, instructions and invoices will be monitored by the Governance Board at its regular meetings.

Business Plans will be shaped and shared by the Governance Board.

Governance Board will also monitor the levels of external work sent out and how this is procured.

### **Performance**

The Governance Board will consider the performance dashboard to monitor the levels of performance of the shared service arrangements.

### **Staffing**

The Governance Board will keep oversight of the levels of staffing and representatives from all 3 partners will be involved in the recruitment of new lawyers servicing the partnership.

The Governance Board will also ensure that best practice is shared across the 3 authorities.

### **Caseloads**

The Governance Board will keep oversight of caseload and costs to ensure that the contributions made by each partner are broadly equitable. But it is recognised that in some years, one partner may benefit more than the others.

### **Frequency of meeting**

The Board will meet monthly for the first year to ensure that the Partnership is being established correctly, to keep an oversight of the quality of case management, and to monitor costs and budgets.

### **Service standards**

The Governance Board will ensure that the case book is being managed in accordance with the quality standards. The Governance Board will also seek client feedback for the purposes of continuous improvement.

### **Secretariat**

Lead lawyer to provide secretariat support to the Governance Board and ensure that the notes of each board and shared with the client leads for each authority.

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## Shared Legal Service Risk Management

Risk Description	Mitigation
No commitment from partners (Low)	Both other parties are demonstrating commitment to the idea of a shared service and are investing both officer and member time
Procurement challenge (Low)	Legal advice confirms that we are permitted to develop such a partnership
A partner subsidises the other's legal work (Medium)	The Governance Board will keep oversight of caseload and costs to ensure that the contributions made by each partner are broadly equitable. But it is recognised that in some years, one partner may benefit more than the others.
Recruitment Issues (Low)	The team is a full complement presently having recently added two solicitors
Staffing Issues (Low)	The team will be managed in accordance with the Host Authority's processes and policies
Client Dissatisfaction (Medium)	The Governance Board will ensure that the case book is being managed in accordance with the quality standards. The Governance Board will also seek client feedback for the purposes of continuous improvement
Dispute between partners (Medium)	The relationship between the partners is currently good but of course this cannot be guaranteed in the years ahead. In consequence the partnership will have a formal shared service agreement (for which we will have sought independent legal advice)
Poor conflict management (Low)	The management of conflicts will be in accordance with the process outlined
Team is given workload beyond its capacity (Low)	The Lead Lawyer will oversee the workload of the team and individual lawyers. The Governance Board will provide additional oversight to ensure that workload is appropriate
Bad advice given (Low)	The team will observe their professional standards but the Host Authority will maintain Professional Indemnity Insurance
Individual council officers do not use the service (Medium)	There will be an expectation that all legal work is first discussed with the service. It does not prevent a client requesting a particular solicitor or barrister but procurement and instruction must be through the team
Cost increase (Medium)	The fixed costs are unlikely to increase significantly but costs might increase because we require more advice. The service is not budgeted to provide for more complex requirements such as for a major project so legal costs must still be incorporated into the budgets of major

	initiatives
Team is unable to cope with workload/urgent instructions (Medium)	Lead Lawyer to take responsibility for managing work programme and ensuring that all instructions are dealt with according to their priority – Urgent/Immediate/Routine
Council incurs additional costs on dissolution of the shared service (Medium)	The Strategic Partnership Agreement describes how, if in the event of dissolution of the shared service, redundancy or pension costs will be shared amongst the partners apportioned according to the duration of the shared service
One party wishes to leave (Low)	The SPA will allow for a party to give 12 months' notice to withdraw from the arrangement. This will allow the other parties to make alternative arrangements



THURSDAY, 19 DECEMBER 2019

**REPORT OF THE PORTFOLIO HOLDER FOR REGULATORY & COMMUNITY SAFETY****ASB CRIME AND POLICING ACT 2014 PUBLIC SPACE PROTECTION ORDERS****EXEMPT INFORMATION****PURPOSE**

To consider proposals for additional Public Space Protection Orders (PSPOs) in Tamworth

**RECOMMENDATIONS**

It is recommended that Cabinet:

1. Approve the progression to public consultation and submission to the Infrastructure Safety and Growth Scrutiny Committee, thereafter for a PSPO at:
  - Access Road to Dosthill Hall, Dosthill Park to be renewed and updated
2. Reject, pending further monitoring and evidence, that the proposals for suggested PSPO (Gating Order) at:
  - Carisbrooke, Glascote

However Cabinet is asked to consider the evidence associated to each case prior to determining each area.

**EXECUTIVE SUMMARY**

Processes for the consideration of Public Space Protection Orders, implemented under the Anti-Social Behaviour, Crime and Policing Act 2014, were approved at Cabinet on 18 June 2015.

The following conditions must be met before making the order:

- Activities carried out in a public place within the local authority's area have a detrimental effect on the quality of life of those living in the locality **OR**
- It is likely that activities will be carried out in a public place within the area that will have such an effect

The effect or likely effect of the activities:

- Is, or is likely to be, of a persistent or continuing nature **OR**
- Is, or is likely to be, such as to make the activities unreasonable and justifies the restrictions imposed by the order

As per the process agreed, each area has been considered and all evidence gathered, including police report and resident's impact statements.

### **Access road to Dosthill Hall, Dosthill Park**

A PSPO was introduced at this location in 2015. The terms of the PSPO are included as Appendix 1.

The PSPO has since expired and Cabinet, supported by the IS&G Scrutiny committee in October 2019 and the Police, feel that this PSPO has substantially contributed to the reduction in ASB at this location have recommended renewal further to public consultation.

### **Evidence**

In 2015 the original PSPO was introduced due to a substantive amount of historical evidence from the Police with regards to vehicle gatherings, noise nuisance and littering affecting nearby residents and users of the Dorcas Centre.

Police have reported that the introduction of the PSPO effectively ceased all complaints at this location and fully support the re-introduction to prevent the likelihood of the recurrence of the anti-social activities within the parking area and nuisance to the community.

Whilst the Borough Wide Nuisance Vehicle PSPO does cover some of the prohibitions included in the Dosthill PSPO (and can be used to address any wider issues in surrounding roads) a specific PSPO addresses the more local concerns of nuisance with prescribed timings and ensure legitimate users of the Dorcas Centre are not affected in any way.

There are no reports of wider concerns that would suggest increasing the boundary areas into the park at this time.

### **Recommendation**

That the PSPO is re-considered for the access road to Dosthill Road opposite the Dorcas Centre to run concurrently with the Borough wide PSPO and that 28 day further public consultation period is commenced as per the process.

All the terms of the PSPO will remain as per Appendix 1 with a recommendation that the order remains in force for 3 years. This will allow for further monitoring and review by the Tamworth Community Safety Partnership. A PSPO can be reviewed and amended at any time on a case by case basis.

The order will allow the Police and Council delegated officers to move offenders along and/or issue Fixed Penalty Notices. Signage is already in place and clearly indicates the requirement of the PSPO.

A new public consultation will gauge on-going support for this commencing Friday 20<sup>th</sup> December available on the Council website <https://www.tamworth.gov.uk/public-space-protection-orders>

The results of the new consultation and move to implementation will be discussed at Infrastructure Safety and Growth Scrutiny Committee on 28 January 2020. Where there are no substantial objections, the Committee will be asked to support delegation to the Portfolio Holder for Regulatory and Community for sign off of the public notice for implementation of the PSPO as per the Anti-social Behaviour, Crime and Policing Act (Publication of Public Spaces Protection Orders) Regulations 2014.

The earliest implementation date is 1st February 2020, after which time any person wishing to challenge has six weeks to appeal to the High Court.

### **Staffordshire Pathway between Silver Link Road Cycle Path (access to subway) and Carisbrooke, Glascote**

Gating or closure of the alleyway due to anti-social behaviour (Map – Appendix 2) is now a consideration as a PSPO.

#### **Evidence**

Twelve residents of Carisbrooke petitioned the Council to ask for a gate to prevent access from Silver Link Road to Carisbrooke describing anti-social behaviour, including used condoms, sanitary products, drug paraphernalia, beer cans and stolen garden lights.

In accordance with the petitions policy local ward Councillors were advised and the Police and other Council colleagues have been consulted with regard to the request for a PSPO and the effect on the locality caused by the reported issues. The area has been monitored over the past few months.

Police have no recorded calls in relation to ASB for over two years in this area or during the summer period and following patrols by Community Wardens, no other evidence has been found.

Street Scene have received calls for service to cut back bushes and overgrown areas along the path, but report no extensive or concerning littering issues with regard to the reported concerns.

Recommendations in this report are supported by Ward Councillors at this time who have been updated.

Staffordshire County Council do not support the permanent closure of the path which provides pedestrian access to the subway road crossing and access to the Glascote Heath Primary school.

#### **Recommendation**

Whilst it could be determined that the residents perception is that they are very vulnerable, it is considered the issues here are consistent with the many public

footpaths and alleyways throughout housing estates and adjacent to dwellings in the Borough, which are regularly cleansed, maintained and patrolled.

The restriction of the pathway is considered to restrict the everyday access for the wider members of the public to the estate.

A PSPO gating a footpath will give ongoing maintenance liability to the Borough Council and at this time the recommendation is that the implementation of such an order appears to be disproportionate to the issues presented.

Signage could be considered as an alternative to gating to prevent access between specified hours, however this may give rise to increased expectation from the community and is not considered proportionate given the lack of evidence.

It is acknowledged, however, that the residents do have concerns and they should be encouraged to report all activities which they consider to be anti-social behaviour to Staffordshire Police on 101 or to the Council Neighbourhoods team as they occur to allow for further review at a later date as necessary.

A letter will be sent to the residents outlining the next step and advising of reporting lines.

Residents may also wish to consider using the Neighbourhood Watch services and advice available through OWL – the online watch link – [www.owl.co.uk](http://www.owl.co.uk)

## **OPTIONS CONSIDERED**

All options are included in the report

## **RESOURCE IMPLICATIONS**

No increase resource or financial implications at this time

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Ensures PSPO at Dosthill remains valid and compliant  
Ensures that the request for PSPO at Carisbrooke has been considered under the test criteria of the legislation

## **EQUALITIES IMPLICATIONS**

Equality impact assessments for both requests are attached as Appendix 3 and 4.

## **SUSTAINABILITY IMPLICATIONS**

All PSPOs are now monitored to ensure proportionality

Requests to review or to create new PSOs will be considered as per process.

## **BACKGROUND INFORMATION**

A Public Space Protection Orders (PSPO) is a measure to stop individuals or groups committing ASB in public places. The local authority will identify the area that is to be covered by the order – known as the ‘restricted area’.

The PSPO can:

- Prohibit specified things being done in the area
- Require specified things to be done in the area

The prohibitions or requirements can be framed so that they:

- Apply to all persons, or only persons in specified categories, or to all persons except those in specified categories
- Apply at all times, or only at specified times, or at all times except those specified
- Apply in all circumstances, or only in specified circumstances, or in all circumstances except those specified

The process is outlined in the Cabinet report of 18 June 2015.

If after consideration, areas are to be subject to a PSPO, Cabinet is to agree a statutory 28 day consultation (as outlined under the PSPO Guidelines 2014), the results of which will be discussed at Scrutiny for sign off and implementation.

## **REPORT AUTHOR**

Jo Sands, Assistant Director Partnerships

## **LIST OF BACKGROUND PAPERS**

## **APPENDICES**

Appendix 1 – Updated proposed PSPO Dosthill Park  
Appendix 2 – Carisbrooke pathway  
Appendix 3 – Dosthill EIA  
Appendix 4 – Carisbrooke EIA

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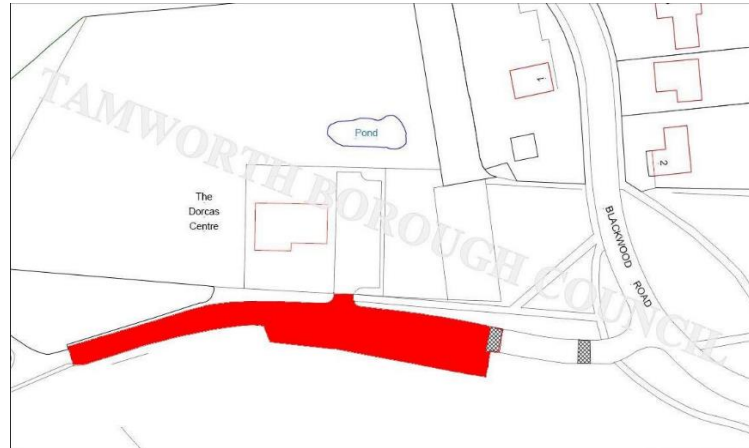
# TAMWORTH COMMUNITY SAFETY PARTNERSHIP

## PUBLIC SPACE PROTECTION ORDER

### Section 59 Anti-Social Behaviour Crime and Policing Act 2014

- 1) Following representations from members of the public and in relation to evidence that has been gathered and reviewed, the Tamworth Community Safety Partnership (lead agency Tamworth Borough Council), intends to apply a Public Spaces Protection Order on the area defined below:

#### Access Road to Dosthill Hall, Dosthill Park, Blackwood Road, Tamworth, B77 1LJ



- 2) Under the terms and restrictions of the Public Spaces Protection Order the following is **PROHIBITED**:
- The playing of music emitting from any vehicle or by means of portable amplified device between the hours of 20:00 and 06:00 Monday – Sunday except without the express permission of Tamworth Borough Council
  - Congregating and loitering in groups around (or in) one or more vehicles and engaging in behaviour which is likely to cause noise, harassment, alarm or distress between the hours of 20:00 and 06:00 Monday-Sunday
  - Barbeques or littering
  - 'Doughnutting', racing or other vehicle nuisance
  - The drinking of alcohol in the area defined and breach on failure to comply with a request by an authorised officer to cease drinking or surrender alcohol

**Parking of vehicles is permitted at all times by legitimate users of the play facility, Dorcas Centre, private residents and their visitors subject to compliance with conditions at 2(a) above**

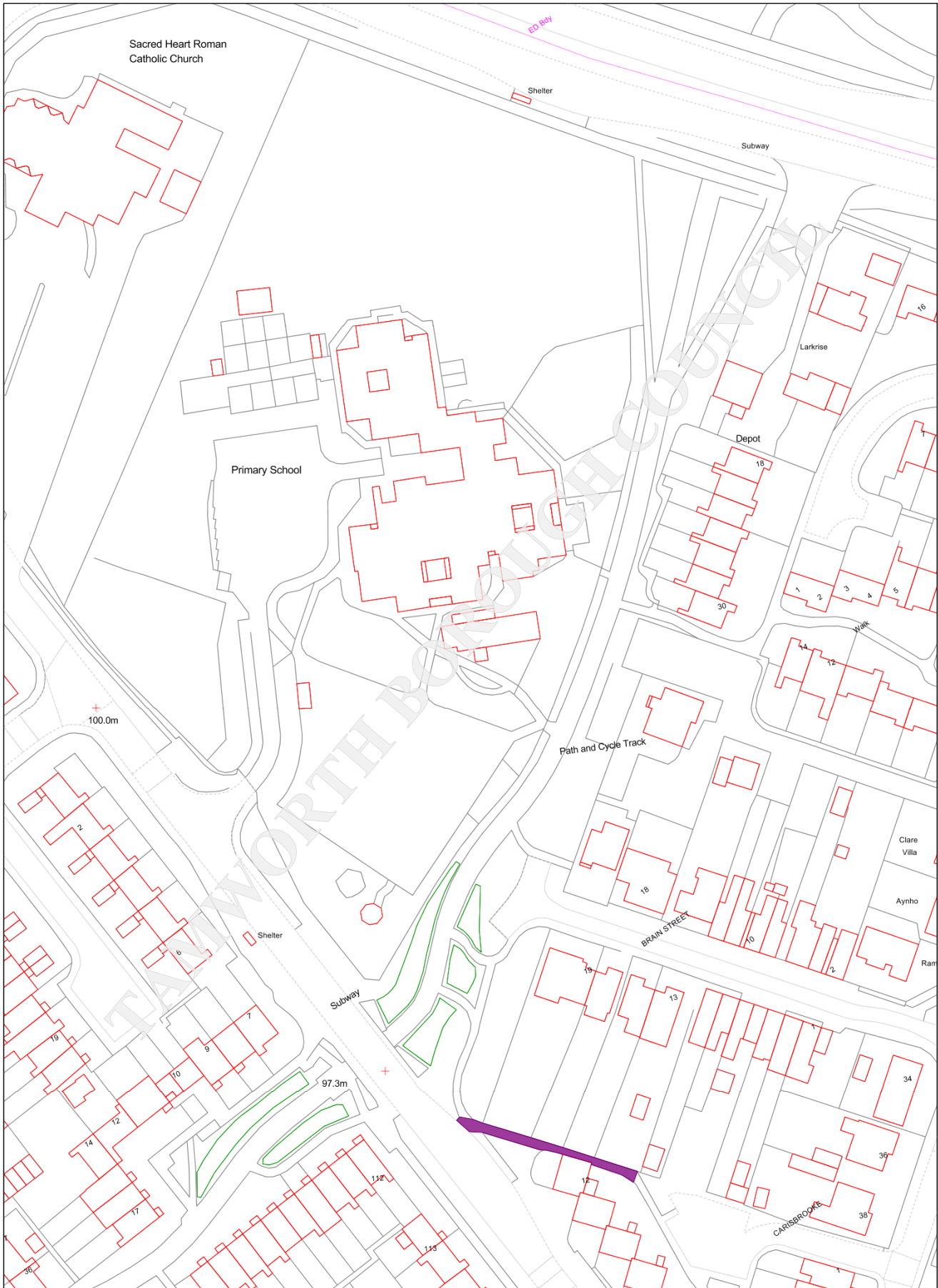
- 3) If any local resident or member of the public is found to be committing the acts that are prohibited above, the following sanctions may be applied:
- The issue of a £100 Fixed Penalty Notice payable within 28 days and/or
  - Prosecution for breach of an Order and a maximum penalty fine not exceeding level 3 on the standard scale (currently £1,000)
- 4) **It is the intention that this Public Spaces Protection Order will renew from 1<sup>st</sup> November 2019 and will expire on 31<sup>st</sup> October 2022. (Previous Order 1<sup>st</sup> December 2015 – 30<sup>th</sup> November 2018)**
- 5) If any interested person desires to question the validity of this Order on the grounds that the Council had no power to make it or that any requirement of the Act has not be complied with in relation to this Order, he or she may apply to the High Court within six weeks from the date on which this order is made.

Signed..... Date.....

Councillor S Doyle  
Portfolio Holder for Regulatory and Community Safety

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 Ordnance Survey 100018267

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Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Refusal of request for Public Space Protection Order – Access Road to Dosthill Hall, Dosthill	
Date Conducted	29 November 2019	
Name of Lead Officer and Service Area	Jo Sands, Assistant Director Partnerships	
Commissioning Team (if applicable)		
Director Responsible for project/service area	Rob Barnes	
Who are the main stakeholders	Residents of Tamworth and users of the Dorcas Centre	
Describe what consultation has been undertaken. Who was involved and what was the outcome	Police – evidence of criminality and calls Ward Councillors – evidence of issues and support Community Wardens – reports of ASB, littering Street Scene – cleansing frequency and issue All evidence from Summer 2019	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)		
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	<input type="checkbox"/>
	A function, service or project	X
What kind of assessment is it? Indicate with an 'x' which applies	New	X
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

## Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

Tamworth Police have requested consideration for the re-introduction of the PSPO in Dosthill.

Who will be affected and how?

Users of the parking space who must abide by restrictions in place  
Residents and users of the Dorcas Centre who can benefit from the restrictions in place

Are there any other functions, policies or services linked to this impact assessment?

Yes            X                            No                           

If you answered 'Yes', please indicate what they are?

Staffordshire Police

## Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation )
Age	X	<input type="checkbox"/>	Restrictions may most apply to young people who gather and socialise
Disability	<input type="checkbox"/>	X	
Gender Reassignment	<input type="checkbox"/>	X	
Marriage & Civil Partnership	<input type="checkbox"/>	X	
Pregnancy & Maternity	<input type="checkbox"/>	X	
Race	<input type="checkbox"/>	X	
Religion or belief	<input type="checkbox"/>	X	
Sexual orientation	<input type="checkbox"/>	X	
Sex	<input type="checkbox"/>	X	
Gypsy/Travelling Community	X	<input type="checkbox"/>	Clear restrictions in place for use of the parking area
Those with Caring/Dependent	<input type="checkbox"/>	X	

responsibilities			
Those having an offending past	<input type="checkbox"/>	X	
Children	X	<input type="checkbox"/>	<b>Positive impact to ensure ASB is minimised at this location</b>
Vulnerable Adults	X	<input type="checkbox"/>	<b>Positive impact to ensure ASB is minimised at this location</b>
Families	X	<input type="checkbox"/>	<b>Positive impact to ensure ASB is minimised at this location</b>
Those who are homeless	<input type="checkbox"/>	X	
Those on low income	<input type="checkbox"/>	X	
Those with Drug or Alcohol problems	<input type="checkbox"/>	X	
Those with Mental Health issues	<input type="checkbox"/>	X	
Those with Physical Health issues	<input type="checkbox"/>	X	
Other (Please Detail)	X	<input type="checkbox"/>	

#### **Part 4 – Risk Assessment**

**From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications**

Impact Area	Details of the Impact	Action to reduce risk
<i>Eg: Families</i>	<i>Families no longer supported which may lead to a reduced standard of living &amp; subsequent health issues</i>	<i>Signposting to other services. Look to external funding opportunities.</i>
Young People	Perception that the gathering of young people is anti-social and restricts their ability to socialise and enjoy life	Clear signage and restrictions at certain time but does not detract from the ability to park and use the Dorcas Centre in a manner described
Travellers	Restricts ability to use the space to stay whilst travelling	Order gives clear instructions and as to the requirements in the area and advice can be given as necessary

**Part 5 - Action Plan and Review**

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

**If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why**

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
	<b>Outcomes and Actions entered onto Covalent</b>			

Date of Review (If applicable) .....

# Community Impact Assessment

Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Refusal of request for Public Space Protection Order – gate restriction, footpath from Silver Link Road to Carisbrooke	
Date Conducted	29 November 2019	
Name of Lead Officer and Service Area	Jo Sands, Assistant Director Partnerships	
Commissioning Team (if applicable)		
Director Responsible for project/service area	Rob Barnes	
Who are the main stakeholders	Residents of Tamworth and householders in Carisbrooke	
Describe what consultation has been undertaken. Who was involved and what was the outcome	Police – evidence of criminality and calls Ward Councillors – evidence of issues and support Community Wardens – reports of ASB, littering Street Scene – cleansing frequency and issue All evidence from Summer 2019	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)		
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	<input type="checkbox"/>
	A function, service or project	X
What kind of assessment is it? Indicate with an 'x' which applies	New	X
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End	<input type="checkbox"/>

## Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

Residents have placed a request for a gate to be placed across a footpath accessing their cul-de-sac due to anti-social behaviour and due to their vulnerability and that or their properties

Who will be affected and how?

Evidence has indicated that a

Are there any other functions, policies or services linked to this impact assessment?

Yes  No

If you answered 'Yes', please indicate what they are?

Staffordshire Police

## Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation )
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Refusal may have an impact on the declared concerns of the residents who indicate vulnerability.
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Where a gate is in place across a public access path this may directly discriminate those with disability
Gender Reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Marriage & Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Pregnancy & Maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Restricted access to walkways through existing estate can affect routes
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	



Sex	<input type="checkbox"/>	X	
Gypsy/Travelling Community	<input type="checkbox"/>	X	
Those with Caring/Dependent responsibilities	<input type="checkbox"/>	X	
Those having an offending past	<input type="checkbox"/>	X	
Children	X	<input type="checkbox"/>	<b>Closure of the this path may require children to walk along a main road to access a subway and school route endangering safety</b>
Vulnerable Adults	X	<input type="checkbox"/>	<b>Stated perception of vulnerability may affect their well being if gate access denied</b>
Families	X	<input type="checkbox"/>	<b>Safer walking route affected if closure is to take place</b>
Those who are homeless	<input type="checkbox"/>	X	
Those on low income	<input type="checkbox"/>	X	
Those with Drug or Alcohol problems	<input type="checkbox"/>	X	
Those with Mental Health issues	<input type="checkbox"/>	X	
Those with Physical Health issues	<input type="checkbox"/>	X	
Other (Please Detail)	<input type="checkbox"/>	X	In some areas, the gates give a negative perception of the local area

#### Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications

Impact Area	Details of the Impact	Action to reduce risk
<i>Eg: Families</i>	<i>Families no longer supported which may lead to a reduced standard of living &amp; subsequent health issues</i>	<i>Signposting to other services. Look to external funding opportunities.</i>
Wider community	There is a need to provide alternative routes when highways are gated and these can sometimes be longer in distance, and extend journey times for users in some cases.	Maintain access at this point with reviews as necessary
Residents	Perception on ongoing vulnerability and concern	Ensure that the residents are aware of reporting routes for anti-social behaviour through the Police and Council

		Ongoing monitoring in place to address issues as they are reported
Residents	Continued rubbish and overgrown state of pathways	Streetscene aware of concerns and included in cleansing and maintenance routes

**Part 5 - Action Plan and Review**

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

**If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why**

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
	<b>Outcomes and Actions entered onto Covalent</b>			

Date of Review (If applicable) .....

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19 DECEMBER 2019

**REPORT OF THE PORTFOLIO HOLDER FOR CULTURE AND OPERATIONAL SERVICES****JOINT WASTE SERVICE REVIEW****EXEMPT INFORMATION**

None

**PURPOSE**

To receive and consider the outcome of the Joint Waste Service Review

**RECOMMENDATIONS**

It is recommended that Cabinet:

1. Approve the approach taken during the fundamental review of the Joint Waste Service and its key findings.
2. Approve the proposal to continue providing the Joint Waste Service using the current in house arrangements and delay any decision on the future provision of the service until the implications of the Government's Resources and Waste Strategy are fully known.
3. Approve the proposals to undertake an appraisal of options for the future disposal of dry recyclate and identify measures to address the issue of over reliance on agency staff.

**EXECUTIVE SUMMARY**

The purpose of the review was to help inform the future approach of the Councils towards delivering better and more cost efficient services. Specifically the Councils wanted to understand the current performance in terms of operational and financial performance compared with councils that operate using a similar or alternative model. In consequence the expectation was that the review would produce a clear and reasoned recommendation as to the most advantageous model for the service in the future.

The review was undertaken against the back drop of the Government's Resources and Waste Strategy which was out for consultation earlier in the year. The Strategy sets out a plan for improving resource productivity and eliminating avoidable waste of all kinds. One particular theme of the consultation was concerned with having consistent collections and recycling in order to improve the quantity and quality of municipal waste recycled in England. There were a number of proposals in the consultation which if adopted will change how Councils deliver waste services to their residents and businesses. The consultations were issued after the review commenced and it is unlikely that DEFRA will make further announcements on any changes until at least the middle of 2020. Therefore a lot of uncertainty exists not only for local authorities but for the whole of the waste industry and this has had an impact on the review and the recommendations that could be made at the current time.

The key elements of the review included Service Delivery Benchmarking, SWOT Analysis, Service Delivery Options Assessment and Service Change Options. An assessment/observation of bin collection operations was also undertaken to assess productivity and compliance with health and safety standards.

The Councils identified four Service Delivery Options to be considered by the review: In-house, Local Authority Trading Company (LATC), Local Authority Trading Company Joint Venture (LATC JV) and Outsourcing. The criteria used to assess the options were flexibility, control and cost.

The Service Change Options that were chosen for assessment reflected the proposals contained in the Government's Strategy to improve the consistency of collections and recycling and included the introduction of food waste collections, reductions in residual bin capacity and twin stream recycling (mixed dry and paper/cardboard).

The consultants appointed to undertake the review have recently finished the work and published their report which is attached as **Appendix A**.

The benchmarking exercise ascertained that the performance of the existing service is rated as good when compared against similar authorities using both similar and alternative delivery models. The cost of the service was also one of the lowest amongst the benchmarked authorities. However the exercise highlighted that the service was over reliant on agency staff particularly because of difficulties in retaining and recruiting HGV drivers.

Analysis of the Service Delivery Options against the criteria ascertained that the LATC option was ranked in first place. The gap in scoring to the second and third ranked options which were the existing In house service and the LATC (JV) respectively was marginal and therefore the exercise didn't produce a clear cut result. In contrast there was a significant gap in the scores to the fourth ranked option which was Outsourcing.

The assessment of the Service Change Options concluded that there will be a considerable cost pressure for the Councils if they have to change the service in response to the proposals contained in the Government's Strategy. Whilst the Government have given a commitment that Councils will not have to fund any new burdens, no detail has been published to date regarding the level of financial support that may be provided.

As the existing service was deemed to be efficient, the review didn't identify any significant savings that could be made in its delivery. In fact the service will face a number of cost pressures over the next few years irrespective of whether the proposals in the Government's Waste Strategy have to be adopted. The pressures will result from new housing developments, higher gate fees for the cost of disposing of dry recyclate when the current contract expires in 2022 and resolving the difficulties in attracting and retaining HGV drivers.

With the uncertainty surrounding the Government's Waste Strategy proposals, plus there being no clear winner from the Service Delivery Options assessment, it is considered prudent to continue delivering the service using the current in house arrangements for the short to medium term. The long term direction of the service can then be determined once the full implications of the Strategy are known.

In the meantime the main priorities for the service are to undertake an options appraisal for the future disposal of dry recycle and to address the over reliance on agency staff.

Lichfield District Council's Cabinet considered this matter in December and accepted the recommendations made.

## OPTIONS CONSIDERED

The Councils identified four Service Delivery Options to be considered by the review: In-house, Local Authority Trading Company (LATC), Local Authority Trading Company Joint Venture (LATC JV) and Outsourcing. The criteria used to assess the options were flexibility, control and cost.

The Service Change Options that were chosen for assessment reflected the proposals contained in the Government's Strategy to improve the consistency of collections and recycling and included the introduction of food waste collections, reductions in residual bin capacity and twin stream recycling (mixed dry and paper/cardboard).

## RESOURCE IMPLICATIONS

There are no immediate cost implications associated with continuing to provide the Joint Waste Service using the in house arrangements. However there are a number of cost pressures which are likely to affect the Service over the next few years. These cost pressures which are detailed in the table below would apply to all the Service Delivery Options assessed in the review and therefore they would not affect the overall ranking.

Budget Pressures	2020/21 Budgets				
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Pensions	25	37	50	51	56
Salaries/Wages	(59)	(61)	(62)	(62)	(14)
Fuel	35	36	37	38	52
Replacement Bins	50	50	50	50	50
Recycling Disposal Costs	86	86	86	85	98
Property Growth	(38)	88	132	132	132
Increase in HGV Drivers Pay	233	237	242	247	251
Pressure on End of Recycling Contract March 2022	-	-	620	651	684
Recycling Credits	(158)	(61)	37	37	(28)
Recycling Income-Bring Site	52	52	52	52	52
Additional Green Bin Income	(188)	(188)	(188)	(188)	(188)
Minor Changes	49	53	64	64	96
<b>Total</b>	<b>87</b>	<b>329</b>	<b>1,120</b>	<b>1,157</b>	<b>1,241</b>
Tamworth Share @ 41.17%	36	135	461	476	511

It should be noted that the above forecast includes the following assumed cost relating to drivers pay.

Issue	Tamworth Share	Lichfield Share	Total for JWS
Increase in salary for HGV drivers from 2020/21 to improve recruitment and retention and thus reduce the reliance on agency. The figures are based on increasing the salary band from E to F and are net of savings on agency staff.	£97K	£136K	£233K
However, the cost could be reduced as shown if the number of drivers per crew is reduced from two to one.	£57K	£79K	£136K

The Joint Waste Service also has two reserves which will help to mitigate the impact of some of the cost pressures on both Councils in the short term. There is a balance of £510k in the Property Growth Reserve and £282k in the Dry Recycling Reserve. However it is not recommended practice to use reserves to offset ongoing costs such as increased driver pay because this only masks the impact. Therefore the impact of these cost pressures will need to be reflected through policy changes within the next stage of the budget process.

	Tamworth	Lichfield	Total
Property Growth Reserve	(274)	(236)	(510)
Dry Recycling Reserve	(120)	(162)	(282)

There is insufficient information available at this time to predict the likely impact of adopting the proposals contained in the Government's Resources and Waste Strategy. This makes it very difficult to model the medium and long term finances for the Joint Waste Service.

Lichfield has identified £354k of additional overheads that will be incurred in supporting the delivery of the Joint Waste Service in 2020/21. These are currently allocated to Lichfield's MTFs and not the Service's budget. Tamworth are also reviewing the overheads that it incurs in supporting the Service. The two Councils are due to hold further meetings with the aim of reaching agreement on the overheads which should be allocated to the Joint Waste budget.

## LEGAL/RISK IMPLICATIONS BACKGROUND

	Risk Description	Mitigation	Severity
A	Delays in finalising the outcome of the Government's Resources and Waste Strategy. This will make it difficult for the Councils to plan for the future provision of the Joint Waste Service especially as the vehicle and disposal contracts are due to expire in 2022.	<ul style="list-style-type: none"> <li>Keep up to date with developments</li> <li>Lobby DEFRA either individually or through JWMB and LARAC.</li> <li>Continue to delay any decision on how the service is provided until the outcome of the Government's Strategy is known.</li> <li>Negotiate contract extensions</li> </ul>	Yellow/Red



B	The Councils fail to reach agreement on the allocation of overheads to the Joint Waste budget	<ul style="list-style-type: none"> <li>• Sharing of justification for overheads.</li> <li>• Further negotiations</li> <li>• External mediation</li> </ul>	Yellow
C	The review of the disposal outlets for dry recycle does not identify a suitable option.	<ul style="list-style-type: none"> <li>• Consider handing back responsibility for disposal to the County Council.</li> </ul>	Yellow
D	The service fails to reduce its reliance on agency staff	<ul style="list-style-type: none"> <li>• Further review of the measures.</li> </ul>	Yellow

There are no legal implications directly arising from this report.

### **EQUALITIES IMPLICATIONS**

There are no equality, diversity and human right implications associated with the review

### **SUSTAINABILITY IMPLICATIONS**

The provision of the Joint Waste Service directly contributes to ensuring the Council meets its statutory obligation with regard to recycling, and directly contributes to promoting clean and healthy environment.

### **BACKGROUND INFORMATION**

The review and its findings were considered by the Joint Waste Committee on 5th November 2019 and the Infrastructure, Safety & Growth Scrutiny Committee on 22<sup>nd</sup> October 2019 and they both endorsed the recommendations made in this report.

A fundamental review of the Joint Waste Service commenced in April 2019. A brief was prepared and proposals sought from suitably qualified organisations to help inform the future approach of the Councils towards delivering better and more cost efficient waste collection services.

Three tenders were received in response to the brief and following their evaluation a contract was awarded to Frith Resource Management Ltd.

A Project Board with terms of reference was established and has met on a regular basis. There was also representation on the Project Team from Finance and Customer Services who along with the Consultants were able to provide the necessary external challenge during the review.

Key milestones and deadlines were drawn up for the review which is due for completion by December 2019 when both Councils Cabinets will consider the findings.

The project has subsequently been expanded to include a review of Lichfield's trade waste services. The purpose of this review is to ascertain whether there are opportunities for the trade services to expand by competing directly with private operators in order to increase market share and deliver a surplus. The findings of this review together with the business case for expanding the service will be presented in a further report.

In addition to the Service Delivery Benchmarking, SWOT Analysis, Service Delivery Options Assessment and Service Change Options the consultants were asked to undertake an assessment/observation of bin collection operations to assess productivity and compliance with health and safety standards.

A workshop which involved elected members was held in June to review the collection observations and benchmarking, identify and agree service options for modelling and identify and agree the evaluation criteria for options.

The benchmarking part of the review examined a number of factors including recycling rates, collection productivity, missed collections, use of resource and cost. The overall performance was rated as good with the main explanation for any variation between existing performance and benchmarking findings being due to different demographics and service delivery methods.

The cost of waste collection for Lichfield and Tamworth is one of the lowest overall and the lowest in-house benchmarked service at just under £48/household. The cost is approximately £10 less per household than the average across the 11 authorities that provided data. However the financial appraisal identified that some of Lichfield's overheads are not currently being accounted for in the Joint Waste budget. In addition the overheads for Lichfield's trade services need to be reviewed to make sure they are being apportioned correctly to the different services. These matters are subject to discussions between Tamworth and Lichfield and could result in a higher figure being declared as the "true" cost of delivering the service to each household.

The operational staffing arrangements for the benchmarked authorities varies quite significantly. Lichfield and Tamworth use on average, 29 agency staff members a week which makes up approximately 27% of the workforce. In comparison the benchmarked authorities reported that they only fill 0% -5% of their posts using agency staff. The Joint Waste Service requires a lot of agency staff because of a relatively high sickness rate and difficulties in recruiting and retaining staff, particularly LGV Category 2 drivers due to a national shortage of suitable candidates. An over reliance on agency staff is not good practice as such a high turnover can result in service delivery problems such as an increase in the number of missed bins because of a lack of round knowledge. In addition all new agency staff have to be recruited, inducted and trained which puts pressure on the Supervisors and Managers. This impact needs to be minimised because the Service was found to have a lean management structure.

The observations of the collection practices ascertained that the service is well managed with high productivity levels and good compliance with safety standards. In particular bin collection productivity has increased by around 12% since improvements were introduced following the earlier fast review. However operational efficiency is constrained by the unfavourable location of both the depot and some of the disposal outlets plus the high number of long bin pull outs on estates which have restricted vehicular access.

The four Service Delivery Options considered by the review are those most widely used by local authorities to deliver waste services. Traditionally it used to be a straight choice between in house or outsourcing. Nowadays alternative delivery models such as Local Authority Trading Companies and Joint Ventures are becoming more popular as Councils try to find innovative ways to mitigate funding pressures and other risks.

The criteria and weighting used to assess the Service Delivery Options were agreed at the June workshop as follows:

- Flexibility to change (25%)
- Service control (25%)
- Cost (50%)

The flexibility and control criteria were split into sub criteria using the outcome from the SWOT analysis and weighted according to their relative level of importance. A bespoke Excel model was developed to compare the current in-house costs with the same service delivered through the other three options.

The assessment of the Service Delivery Options in accordance with the criteria and weighting produced the following results and ranking:

- 1 LATC – 83.2%
- 2 In House – 81.4%
- 3 LATC JV -79.8%

There was little difference between the first three options scores which could easily change with amendments to the assumptions made on the model input data.

The consultants have concluded from the results that they do not consider it appropriate to recommend the outsourcing of the service in the short to medium term. They were also unable to give a firm recommendation on the other service delivery models because of the proximity of the evaluation scores. They did determine that if the Councils want the lowest cost service with the potential to make a profit then the LATC (JV) should be investigated further. Conversely, should the Councils wish to retain the current level of flexibility and control, they recommended that the service should stay in house or be provided through a Lichfield and Tamworth specific LATC.

Analysis of the Service Change Options ascertained that substantial financial investment would be needed if the Councils are mandated to implement the proposals contained in the Government' Waste Strategy. In particular the introduction of weekly food waste collections would have the greatest financial impact on the Councils.

In addition to the potential challenges contained in the Strategy the service will eventually have to deploy additional collection infrastructure to cope with demand from all the new housing developments that are planned to be built in both districts over the next ten years.

Recommendations were made by the consultants on tackling workforce issues including the over reliance on agency staff due to the shortage of LGV Category 2 drivers. These included paying a competitive wage to drivers and then mitigating the impact on the budget by reducing the number of drivers on each crew from two to one.

The contract that the Service has with Biffa Waste Ltd for the disposal of dry recyclate is due to expire in 2022. The gate fee paid to the company under the terms of the contract is very favourable compared to the current market conditions. Gate fees have continued to rise considerably ever since China imposed a ban on imports of certain materials at the start of 2018. Post 2022 it is inevitable that the Service will have to pay a substantial increase in the gate face, possibly double the current rate. Difficulties may also be faced in securing a contractor as demand for material has fallen since the ban, especially when it is collected in a single bin which is the methodology adopted by the Service. An options appraisal for the future disposal of dry recyclate needs to be carried out as soon as possible.

## **REPORT AUTHOR**

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## **LIST OF BACKGROUND PAPERS**

## **APPENDICES**

Fit for the Future Review, Frith Resourcing Report

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**Joint Waste Service Review of Household  
waste Collection - Lichfield District Council**

8-October 2019

**Disclaimer:**

*Frith Resource Management Ltd (FRM) is an independent waste and resource management consultancy providing advice in accordance with the project brief. FRM has taken all reasonable care and diligence in the preparation of this report to ensure that all facts and analysis presented are as accurate as possible within the scope of the project. However, no guarantee is provided in respect of the information presented, and FRM is not responsible for decisions or actions taken on the basis of the content of this report.*

## Executive Summary

Frith Resource Management (FRM) has been engaged to undertake a waste services review for Lichfield District Council. The review of waste collection services forms part of Lichfield's Fit for the Future programme. Lichfield District Council and Tamworth Borough Council (the Councils) deliver in-house joint waste collection services across both local authority areas.

This report summarises an evaluation of waste collection services delivery options for the Councils, and then assesses potential waste collection changes against the current service. This report complements the Round Review report issued by FRM in May 2019, and summarises the appraisal of the different service delivery options and service change options that emerged through the Service Benchmarking report issued by FRM in June.

The current shared waste service provides an alternate weekly residual and co-mingled recycling domestic collection, a charged garden collection and limited commercial (trade) waste collections. Lichfield District Council is the service provider and employs all staff, owns or leases all vehicles, and provides the depot. Lichfield District Council manages the waste collection services on behalf of both Councils. Most service levels are the same for both Councils including garden waste collection.

Observations during accompanied visits on residual and dry recycle collection rounds suggest that the service is managed well, with crews operating safely and efficiently. Productivity is good, but is limited by the location of the depot and tipping points, which place further constraints on the capacity of the service to deal with housing growth within the current collection rounds.

### Service delivery options

The Councils wish to determine the suitable way to deliver sustainable waste collection services. Service delivery options include:

- In-house
- Outsourced
- Local Authority Trading Company (Teckal-exempt) – Lichfield & Tamworth operated (LATC (single))
- Local Authority Trading Company (Teckal-exempt) – joint venture with private sector partner (LATC (JV))

It was agreed at a Workshop in June with the Council's project team that the evaluation for service delivery options should be:

- Cost (50%)
- Flexibility to change (25%)
- Service control (25%)

Flexibility and control are evaluated and scored with consideration to a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. This analysis shows that the Councils might have least flexibility and control over outsourced services based on these criteria, and greatest flexibility and control if the services are delivered through a LATC (single), closely followed by in-house delivery.

A bespoke Excel model has been developed to compare the current in-house costs with the same service delivered through either a LATC (single), LATC (JV) or an outsourced contract. The full service costs have been assessed according to the following headings:

- Staffing – including crew, supervision and agency costs
- Premises – relating to the depot
- Vehicles – lease, maintenance, fuel, purchase costs
- Overheads – including supplies and services
- Procurement costs – for outsourced and LATC set up
- Gate fees – for recycle, garden waste
- Income – from recycle, recycling credits, garden waste subscriptions, recharge to Tamworth

The in-house costs have been taken from the current budget out-turn figures for 2018/19. Some adjustments have been made for overheads not currently accounted for by the JWS budget and cross-subsidies to Lichfield’s trade waste service. These adjustments are being reviewed by the JWS finance team and may be subject to change.

The net costs for the JWS<sup>1</sup> after income are calculated as:

- True in-house costs                      £2,372,000
- Outsourced service                        £2,316,000
- Delivery by LATC (single)                £2,328,000
- Delivery by LATC (JV)                    £2,169,000

The cost, flexibility and control evaluation model scored and ranks the four service delivery options as:

Evaluation		In-house (true costs)	LATC (single)	LATC (JV)	Outsourced
<i>Criteria</i>	<i>Weighting</i>				
Cost	50%	45.7%	46.6%	50.0%	46.8%
Flexibility to adapt to future service changes	25%	15.6%	19.5%	15.6%	12.7%
Control	25%	20.1%	17.1%	14.1%	11.1%
<b>Total</b>		<b>81.4%</b>	<b>83.2%</b>	<b>79.8%</b>	<b>70.7%</b>
<b>Rank</b>		<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>

LATC (single) ranks ahead of in-house service with true costs, followed by LATC (JV) with outsourced the lowest scoring. The scores above could easily change with amendments to the assumptions made on the model input data. The LATC (JV) option has the lowest cost. It should be noted that the true costs for in-house all other LATC options are within 10% of each other, which is considered close to the others given some uncertainty in the modelling assumptions.

<sup>1</sup> Excluding Tamworth recharge



The in-house (true costs) and LATC (single) incur a cost of c.£90k for use of the existing depot (based on current arrangements), with LATC (JV) and outsourced options assumed to have a new depot at a cost of £150k per annum. The current depot arrangements does not include any rental charge to the JWS from Lichfield, so could be considered to be an artificial position. If depot costs for the in-house and LATC (single) options are increased to match the £150k per annum assumption used for outsourcing and LATC (JV) delivery, the scoring and the ranking is as follows:

Evaluation		In-house (true costs)	LATC (single)	LATC (JV)	Outsourced
<i>Criteria</i>	<i>Weighting</i>				
Cost	50%	44.6%	45.4%	50.0%	46.8%
Flexibility to adapt to future service changes	25%	15.6%	19.5%	15.6%	12.7%
Control	25%	20.1%	17.1%	14.1%	11.1%
<b>Total</b>		<b>80.3%</b>	<b>82.1%</b>	<b>79.8%</b>	<b>70.7%</b>
<b>Rank</b>		<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>

The implication of the depot costs does not affect the overall ranking of service delivery options against the criteria. The scores for in-house and both LATC options are very close but the LATC (single) remains the highest ranking option. Allowing £150k/yr rental cost for the depot increases the costs of the in-house and LATC (single) options by c.£60k, making costings for in-house, LATC (single) and outsourced to within 2% of each other. LATC (JV) has the lowest cost under both scenarios (but notably where depot costs are equalised), while outsourced has a lower cost than in-house and LATC (single) where depot costs are equalised, but these service delivery options do not score so well against others for flexibility and control.

The Baseline (in-house true costs) has been assessed to consider the financial implications of the following service change options. The financial implications should be very similar for other service delivery options (LATC (single), LATC (JV), outsourced).

### Service change options

The service change options considered are expected to increase the current cost to the JWS. Such changes are likely to be driven by legislation and national policy, and it is understood that local authorities would be compensated for additional costs should service changes be mandated through Extended Producer Responsibility (EPR).

Four service change options have been modelled using the Kerbside Analysis Tool (KAT):

- Service efficiencies
  - *Alternative depot location*
    - At present, 7 vehicles are required to operate the dry recycling collection service and 7 to operate the residual waste collection service. Modelling a reduction in drive time showed that incrementally one-fifth of vehicle could be saved for every 5 minutes saved on the drive time to and from the depot for the dry recycling. For the residual waste, however, changing the drive time has no material impact on the number of vehicles required to

operate the service as the number of vehicles is largely driven by the number of households required to collect from amount of waste collected on the rounds.

- The Council could consider increasing the annual charge for the subscription-based garden waste service. However, although there would be an increase in the income from the subscribed households, this could have the effect of reducing the number of households subscribing to the service which would reduce the income from the service
- Whilst relocating the depot to a more central location is unlikely to reduce the number of vehicles currently required, it will provide more capacity for collection for projected housing growth, and extend the date when additional waste collection vehicles are required.
- It is noted that current depot is unlikely to have space needed for food waste collection vehicles from 2023 as required by the national Resources and Waste Strategy. Consequently, for future waste collection requirements, a site search and viability assessment should be carried out for a more central depot.
- *Waste minimisation (education & awareness), and reduced residual waste tonnages*
  - Education and awareness of households is most unlikely to reduce residual waste vehicle numbers, but it will provide capacity for household growth and the need for more RCVs. The Councils should consider a budget and personnel for waste education and awareness.
- *Implications of the national Resource and Waste Strategy*
  - Deposit Return Scheme (DRS): for a medium projection, there would be a decrease of approximately 2,400 tonnes of dry recyclables, but 7 vehicles would still be required, although there would be greater capacity for housing growth.
  - Other implications of the national Resource and Waste Strategy are covered by the service change options below.
- Service Change Option A – weekly food waste collections
  - Weekly food waste collections. There is no reduction in residual waste collection vehicles expected<sup>2</sup>, and the need for at least 8 food waste collection vehicles, crews (driver and loader), kitchen and out-door caddies, and caddy liners. The kerbside recycling rate is calculated to increase from 45% to 53%.
- Service Change Option B – weekly food waste collections, reduced residual waste capacity
  - Reduced capacity residual collection (180litre residual bin collected fortnightly). When compared with Option A, there appears to be no further decrease in the number of vehicles required to collect residual waste, however, there is a slight increase in the amount of food waste vehicles required (from 7.1 to 7.7 vehicles, but still at least 8 vehicles). The recycling rate is calculated to increase to 55%. If residual waste collection is reduced to 3 weekly in the same bins as present, it could be c.£100k per annum less than the fortnightly collection with a smaller bin, but there is no flexibility in the vehicles to

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<sup>2</sup> The KAT modelling estimates that a saving of one residual vehicle could be achieved. However, the Councils believe this will be operationally challenging. Therefore 7 vehicles are costed in this assessment for all options.

allow for growth. However, the process of switching to a three-weekly residual collection can be a difficult transition for householders when compared to reducing the bin size.

- Service Change Option C – weekly food waste collections, reduced residual waste capacity, twin-stream dry recycling
  - Twin-stream dry recycling (4-weekly, alternate fortnightly), fibre collected in separate bin. It is calculated that 9 food waste vehicles would be required. Six vehicles would be required to collect the paper and card recycling, and 7 would be required to collect the remaining co-mingled fraction. Overall, however a total of at least 26 vehicles are required to operate the service. This is an increase of 8 from the current service.

Waste collection services cost increases for service change Options A, B and C are calculated as follows:

Annual Collection Costs	Difference from Baseline		
	Option A	Option B	Option C
Vehicle operating costs (labour, vehicle standing, vehicle running and fuel)	£496,000	£523,000	£583,000
Vehicle capital costs	£105,000	£105,000	£118,000
Container Costs	£89,000	£89,000	£308,000
Overheads (supervision)	£60,000	£63,000	£70,000
Cost of liners (annual)	£398,000	£398,000	£398,000
<b>Difference to adjusted Baseline</b>	<b>£1,148,000</b>	<b>£1,177,000</b>	<b>£1,477,000</b>

These costs include £398,000 for the provision of food caddy liners by the Council to households. There is the potential to save this cost.

The additional collection costs to the JWS for service change Options A, B and C can be summarised as:

Cost item	Difference from Baseline		
	Option A	Option B	Option C
Annualised recycling collection cost	£0	£0	£218,000
Annualised organics (garden waste) collection cost	£0	£0	£0
Annualised food waste collection costs	£749,000	£779,000	£861,000
Annual cost of providing food caddy liners	£398,000	£398,000	£398,000
Annualised residual collection costs	£0	£0	£0
<b>Total gross collection cost difference</b>	<b>£1,148,000</b>	<b>£1,177,000</b>	<b>£1,477,000</b>
Kerbside recycling rate <sup>3</sup>	53%	55%	56%

The introduction of a separate food waste collection service, using the modelled assumptions, is estimated to cost Lichfield at least c.£750,000 per year more than the current service, excluding the cost of caddy liner provision. Implementing the Option C two-stream collection service will incur an

<sup>3</sup> Note that this is not the total Local Authority Recycling rate which also includes the performance of Bring Banks, the HWRCs and other collection activity, but is purely the performance of the main collection systems from households

additional recycling collection cost of approximately £218,000. It is assumed that the vehicles and staff will be shared across the two recycling streams. If separate vehicles were required to collect the two-stream dry recycling, the collection cost for Option C would be considerably higher.

To understand the annual whole system cost implications of service change options, the potential income revenue and gate fee costs need to be compared to the Baseline:

	Revenue assumption			
	(£/t)	Option A	Option B	Option C
Gate fees and income, comprising:		£127,000	£164,500	-£225,000
<i>Dry Recycling<sup>4</sup>, of which:</i>		£0	£16,500	-£394,000
<i>Paper: Mixed papers domestic</i>	-£21.33			-£151,000
<i>Non-corrugated card</i>	-£50.76			-£97,000
<i>Co-mingled DMR<sup>5</sup></i>	£18.00		£16,500	-£146,000 <sup>6</sup>
<i>Garden Waste Composting</i>	£21.06	£0	£0	£0
<i>Food Waste Treatment<sup>7</sup></i>	£26.00	£127,000	£148,000	£169,000
Revenue from garden waste subscription <sup>8</sup>		£0	£0	£0
Recycling Credits (dry)	-£53.24	£0	-£49,000	-£49,000
Recycling Credits (organic)	-£51.58	-£252,000	-£293,000	-£334,000
<b>Net Cost (difference to Baseline)</b>		<b>-£125,000</b>	<b>-£178,000</b>	<b>-£609,000</b>

All options are expected to generate net income compared to the Baseline, due to the value of the recycling credit and recycle income. Option C is expected to generate the highest net income compared to the current service. This saving is largely dependent on the JWS securing market prices for fibre that are similar to industry published averages (c.£21/tonne for paper, c.£50/tonne for cardboard). It can also be seen from these figures that the additional recycling credits more than offset the gate fees for food waste; the same applies to additional dry recycling.

A comparison of the whole system costs for delivering the service changes in Options A, B and C are summarised as:

	Option A	Option B	Option C
Collection Cost difference	£1,148,000	£1,177,000	£1,477,000
Net Cost difference	-£125,000	-£178,000	-£609,000
<b>Whole System Cost difference</b>	<b>£1,023,000</b>	<b>£999,000</b>	<b>£868,000</b>

These figures include the additional cost of collection as well as the net income associated with recycling credits, recycling revenue, and gate fees. These results show that when the cost of treatment and

<sup>4</sup> Average Let's Recycle Material Price (Jan-May 2019) minus 10% to account for smaller buying power

<sup>5</sup> WRAP (2018) MRF Gate Fee Report

<sup>6</sup> This is not a revenue. Note that there is still a cost of sending the co-mingled DMR to be recycling. However, as there is less DMR on the basis of separating the paper and card, JWS will save approximately £146,000.

<sup>7</sup> WRAP (2018) MRF Gate Fee Report

<sup>8</sup> Assumed no change to garden waste service or subscription throughout

potential income is taken into account, although Option C has the highest increase in collection costs, it results in the lowest increase from the current service. This is driven by an income of c.£250,000 for the separately collected paper and card fraction, and recycling credits for food waste. It is recommended that further research is undertaken to ensure similar gate fees could be secured should the JWS consider a two-stream dry recycling system.

Notable sensitivities include to the above costs include:

- Recycling credits

<b>Whole System (without recycling credits) Difference</b>			
	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>
Difference from Baseline	£1,275,000	£1,358,000	£1,231,000

- MRF gate fee / recycling income; variance from current

	<b>Income per tonne (£/t)</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>
Gate Fees and income, comprising		£127,000	£181,000	-£248,000
<i>Dry Recycling<sup>9</sup>, of which:</i>		£0	£33,000	-£415,000
<i>Paper: Mixed papers domestic</i>	<b>-£10.67</b>			-£76,000
<i>Non-corrugated card</i>	<b>-£25.38</b>			-£48,000
<i>Co-mingled DMR<sup>10</sup></i>	<b>£36.00</b>		£33,000	-£291,000
<i>Garden Waste Composting</i>	£21.06	£0	£0	£0
<i>Food Waste Treatment<sup>11</sup></i>	£26.00	£127,000	£148,000	£167,000
Revenue from garden waste subscription <sup>12</sup>		£0	£0	£0
Recycling Credits (dry)	-£53.24	£0	-£49,000	-£49,000
Recycling Credits (organic)	-£51.58	-£252,000	-£293,000	-£334,000
<b>Net Cost</b>		<b>-£125,000</b>	<b>-£161,000</b>	<b>-£630,000</b>
<b>Annual gross collection costs</b>		£1,148,000	£1,177,000	£1,477,000
<b>Whole System Cost</b>		<b>£1,023,000</b>	<b>£1,016,000</b>	<b>£847,000</b>

- Moving from 2 drivers + 1 loader, to 1 driver + 2 loaders. It is calculated that there would be an annual £44,700 cost saving by changing to 1 driver and 2 loaders. There would be an additional cost saving if drivers were currently paid industry rates.

The whole system cost variance for service change options is summarised as:

<sup>9</sup> Average Let's Recycle Material Price (Jan-May 2019) minus 10% to account for smaller buying power

<sup>10</sup> WRAP (2018) MRF Gate Fee Report

<sup>11</sup> WRAP (2018) MRF Gate Fee Report

<sup>12</sup> Assumed no change to garden waste service or subscription throughout

Difference from Baseline	Option A (Current service + food)	Option B (Current service + food + restricted residual)	Option C (A4WC + food, +restricted residual)
<b>Annual gross collection costs</b>	<b>£749,000</b>	<b>£779,000</b>	<b>£1,079,000</b>
<b>Annual cost of food caddy liners</b>	£398,000	£398,000	£398,000
<b>Gate Fees for recycling</b>	£0	£20,000	-£426,000
<b>Garden Waste Treatment</b>	£0	£0	£0
<b>Garden waste Income</b>	£0	£0	£0
<b>Food Waste Treatment</b>	£127,000	£148,000	£169,000
<b>Recycling Credits (dry)</b>	£0	-£49,000	-£49,000
<b>Recycling Credits (organic)</b>	-£252,000	-£293,000	-£334,000
<b>Whole System Cost (difference from Baseline)</b>	<b>£1,023,000</b>	<b>£999,000</b>	<b>£868,000</b>

Whole System Cost – Sensitivities			
No recycling credits	£1,274,000	£1,341,000	£1,251,000
MRF gate fee sensitivity	£1,023,000	£1,016,000	£847,000

Option C has the lowest whole system cost of all the alternative collection options. Although there is an increase in gross collection costs, the material revenue gained from a separate paper and card system and recycling credits offsets this to become the most cost-effective option (although still at increased cost compared to the Baseline). Material income revenue of £248,000 is assumed based on the high proportion of paper and card found within JWS current recycling composition.

Sensitivity analysis has shown that the JWS could incur significant cost increases should the recycling credits be withdrawn, or the MRF gate fees continue to rise. However, Option C still has the lowest whole system costs of the service change options considered once these have been taken into account.

## Next steps

It is not considered appropriate, based on the cost and factors of flexibility and control that are important to the Councils, to recommend outsourcing the services in the short to medium term. If the Councils wish for the lowest cost services with the potential to make a profit, then the LATC (JV) should be investigated further, i.e. through an approach to the Norse Group in which they are asked to provide a detailed cost estimate for delivery of the services. The Council can then make a decision on a LATC (JV) when they have a costed proposal. However, should the Councils wish to retain the current level of flexibility and control, particularly with the uncertainty over the implementation of the national Resource and Waste Strategy, then the service should remain in-house or through the setting up of a Lichfield and Tamworth specific LATC. Given the proximity of the evaluation scores, it is not appropriate to make a firm recommendation on the service delivery model.

The potential cost implications of setting up a local authority trading company, meeting the requirements set out below. It is noted that some of these items may not be mandatory.

Year	Item	Cost
2020	LATC agreement, set up costs	c.£100-£150k, depending on the level of external advice sought
	New depot	To be determined
2022	Reducing garden waste collections over winter months	To be determined
2023	Weekly food waste collection	c£760k

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# 1 Introduction

Frith Resource Management (FRM) has been engaged to undertake a waste services review for Lichfield District Council. Lichfield District Council and Tamworth Borough Council (the Councils) deliver in-house joint waste services (JWS) across both local authority areas.

This report complements the Round Review report issued by FRM in May 2019 as part of this project, and summarises the appraisal of the different service delivery options and service change options that emerged through the Service Benchmarking report issued by FRM in June.

## 1.1 Background

The review of waste collection services forms part of Lichfield's Fit for the Future programme, which is a comprehensive, corporate, cross departmental transformation programme with the following objectives:

- To embed a culture of change and continuous improvement within the organisation so that it is better placed to play its future role;
- To support the delivery of the outcomes described within the Strategic Plan 2016-20 and prepare for the 2020-2024 Strategic Plan;
- To improve the customer experience of dealing with the Council whether that be digitally or through more traditional contact routes;
- To move the Council towards becoming a more self-sufficient and sustainable organisation; and
- To nurture and support the Council's ambition to be more commercial in everything that it does.

The current shared waste service with Tamworth provides an alternate weekly residual and co-mingled recycling domestic collection, a charged garden collection and limited commercial (trade) waste collections. Lichfield District Council is the service provider and employs all staff and owns or leases all vehicles. Lichfield District Council manages the waste collection services on behalf of both Councils. Most service levels are the same for both Councils including garden waste collection.

## 1.2 Options appraisal objective

Local authorities in England have been exploring the most suitable ways to deliver sustainable waste collection services. The service delivery options are:

- In-house
- Outsourced
- Local Authority Trading Company (Teckal-exempt) – Lichfield & Tamworth operated (LATC (single))
- Local Authority Trading Company (Teckal-exempt) – joint venture with private sector partner (LATC (JV))

Some local authorities which had outsourced services have brought them back in-house, and some local authorities with in-sourced services have set up a LATC (single) or LATC (JV), or have outsourced the services, so all the options above have been demonstrated as being successful.

FRM's proposal to the Councils for the service delivery options appraisal was to:

- Review the waste collection services (Round Review report);
- Benchmark the Councils wastes collection services against similar authorities with LATC (single), LATC (JV), and outsourced (Service Benchmarking report);
- Workshop service delivery options evaluation criteria and service change options with the Councils Officers and Members;
- Evaluate service delivery options;
- Cost the service change options for the highest scoring service delivery option; and
- Report and present to Councils.

FRM's proposal for the evaluation of the four service delivery options was to include a strengths, weaknesses, opportunities, and threats (SWOT) analysis. FRM prepared a draft SWOT analysis for the service delivery options evaluation criteria and service change options Workshop on 7<sup>th</sup> June. It was agreed at this Workshop that the evaluation for service delivery options should be:

- Cost (50%)
- Flexibility to change (25%)
- Service control (25%)

The current waste collection service has been assessed to consider the financial implications of the following service change options:

- Service efficiencies
  - Alternative depot location;
  - Vehicle acquisition and maintenance, extended vehicle life; and
  - Waste minimisation (education & awareness), and reduced residual waste tonnages.
- Service change A
  - Weekly food waste collections.
- Service change B – as A but also
  - Reduced capacity residual collection (180litre residual bin/ fortnightly).
- Service change C - as B but also
  - Twin-stream dry recycling (4-weekly, alternate fortnightly), fibre collected in separate bin.

### 1.3 Report structure

Following this introduction, this report contains the following Chapters:

- Chapter 2: Collection Round Observations – summary of the observations from FRM's on-vehicle review of the residual and recyclables collection rounds;
- Chapter 3: Service Delivery Benchmarking - the summary conclusions from the Service Benchmarking report;

- Chapter 4: Service Delivery Options SWOT Analysis - a summary of the SWOT analysis of the different service delivery options and a discussion of the key issues arising;
- Chapter 5: Service Delivery Options Assessment - a description of the cost model and a comparison of the service delivery options with regards to the evaluation criteria;
- Chapter 6: Service Change Options - details of the cost implication associated with the service change options; and
- Chapter 7: Conclusions - a discussion around the key findings from the assessment.

## 2 Collection Round Observations

### 2.1 Introduction

On 16th and 17th April, Tim Byrne (B.Sc. (Wastes Management), MCIWM, ISWA IWM) undertook a review of the residual and recyclable waste collection rounds for Lichfield District Council and Tamworth Borough Council (the Councils). Tim has been both a driver and collector in the past and has c.25 years in the sector and has an expert knowledge of waste collection activities and vehicles. He is now a consultant working with Frith Resource Management (FRM).

Tim accompanied a residual waste collection crew on 16th April and a dry recyclables collection crew on 17th April, for collection from Tamworth. The objectives of the independent review were to assess the infrastructure and design of the rounds and whether they could be improved, together with the productivity and activities of the crews.

### 2.2 General observations

The Joint Waste Services management team manages the joint service well. If more sustainable solutions could be found for a better sited depot than Burntwood and improvements to the location of the waste transfer station infrastructure for the residual waste and dry recyclate, the overall operational element of the service will become more efficient for collection from Tamworth. This could be reduced by having two depots, one in Lichfield and one in Tamworth. The additional cost for the provision and operation of two depots against the cost reduction in vehicles and round time should be assessed. If this demonstrates that two depots provide cost advantages, then a site search should be carried out.

The Councils do not have control over the tipping location for residual waste as this is directed by Staffordshire County Council. However, irrespective that the Councils should be paid a “tipping away” payment for out of District travel costs by Staffordshire County Council, the Councils should consider a transfer station for residual waste, and potentially for dry recyclate as there is not an alternative MRF near Lichfield and Tamworth. This could be linked to the depot search.

The national Resources and Waste Strategy for England requires food waste collection by the end of 2023. We would comment that there could be sufficient space to park nine/ten 7.5 tonne food waste collection trucks at the Burntwood depot. However, space is limited, and the management team has commented that there is currently insufficient car parking space for staff at the site, something that will be further exacerbated through additional vehicles and associated staff.

Many bins were presented within the property boundary and the crews had to spend time wheeling them to the collection vehicle, often a distance of 60-80m. It is the standard requirement of outsourced waste collection contracts that the bins should be collected at the property boundary, and returned to the property boundary. This would provide more round capacity for new properties in the future. We would recommend that this practice should be employed by the Councils.

It was observed that the Tamworth residual waste bins were full indicating that there is potential for improvement in waste recycling in Tamworth. Also there were quite a number of recyclables containers cross contaminated with residual waste and the crews had to yellow-tag them to tell the resident that, he/she had put the wrong type of materials into the container. Educating the public and then enforcing bin requirement would save collection time and cost and would provide capacity in waste collection vehicles for future housing.

Further recommendations include improvement of driver communications with two-way radios, rolling out a programme of Continued Professional Development for drivers to motivate and retain staff, and recruiting loaders with a career path to becoming drivers to reduce the reliance on agency staff.

## 3 Service Delivery Benchmarking

### 3.1 Introduction

The first task of the service delivery options assessment was to benchmark the Councils' waste collection services against other authorities for delivery and performance prior to modelling service delivery options. This was done by identifying local authorities in England which provide joint waste services through three alternative delivery models: in-house, Local Authority Trading Company (LATC) (Teckal-exempt), or outsourced, and then contacting the authorities to complete a benchmarking questionnaire.

The completed benchmarking questionnaires were assessed and the overall conclusions of the benchmarking were:

- Lichfield & Tamworth JWS operation and financial performance is good when measured against similar sized authorities using a similar delivery model.
- Lichfield & Tamworth JWS operation and financial performance is good when measured against similar sized authorities using alternative delivery models.
- The main explanations for any differences between the Councils' existing performance and benchmarking findings are different demographics, service delivery methods and performance.

### 3.2 Benchmarking conclusions

The following issues were benchmarked:

#### *Waste arisings*

Lichfield and Tamworth are currently producing more residual waste and dry recycling than the average but slightly less garden waste. Considering the service delivery arrangements, there is insufficient data to confirm whether the delivery option (in-house, LATC or outsourced) has a direct impact on waste arisings per household, which are clearly also a bearing of the socio-demographics of the area in question. However, the authorities in this sample operating an in-house service do have slightly higher residual waste arisings, but also higher dry recycling arisings, indicating higher total waste arisings.

The type of dry recycling collection service (i.e. co-mingled, two-stream, kerbside sort) does not appear to have a direct impact on the amount of dry recycling collected per household.

#### *Recycling rate*

Lichfield and Tamworth's household waste recycling rates are just below the average in the benchmark group, based on 2018/19 data. In parallel to carrying out the benchmarking, FRM assessed waste recycling in Lichfield and Tamworth against other waste collection authorities (WCA) in England in 2017/18. The national analysis demonstrates that the Councils both performed well against others offering a similar dry recycling collection, whilst not collecting food. Most of the benchmark group (except South Staffordshire and Cannock Chase) have some form of food waste collection, so are excluded from the national data in the chart below. It should be noted that Lichfield's recycling rate has since fallen by c.2 percentage points based on current (2018/19) data, understood to be due to the introduction of charges for garden waste collection in 2018.

It is notable from the national analysis that all of the top performers in terms of recycling rate based on the analysis applied were delivered by outsourced service providers. The benchmarking demonstrates a

more mixed picture, however, with both higher and lower recycling performance via outsourced providers.

#### *Collection performance*

The number of bins collected per vehicle per round was not able to be provided by all benchmarking participants, due to the availability of data. The figures provided range from 674 households on the rural dry recycling kerbside sort rounds in West Devon to 1,406 for the mainly urban co-mingled dry recycling rounds in Lichfield and Tamworth. A good waste collection service typically collects from 1,200 households per vehicle for an 8.5 hour working day. The equates to 1,425 households per vehicle for a 9.5 hour working day which is being provided on the Councils urban round.

All but one of the eleven benchmarked authorities work on task and finish operation. There is insufficient data to confirm whether in-house delivery achieves greater service performance than outsourcing.

#### *Missed collections*

Scant information was provided on the question of missed collection, and that which was forthcoming varied significantly. Outsourced contracts are generally considered to be good if missed collections are less than 100 per 100,000 properties. The Councils have a performance of 89 missed collections per 100,000 properties and the service should therefore be considered relatively good.

#### *Resources*

##### Vehicles

All the authorities<sup>13</sup> in the benchmark group purchase their RCVs, while Lichfield and Tamworth's joint service contract hires vehicles. The operational life of RCVs varies between 7 and 9 years. Lichfield and Tamworth currently have a 6 year lease to coincide with the expiry date of the recyclables processing contract. The Councils may make cost savings in future by purchasing vehicles and retaining them for an 8 year life.

##### Staffing

The staffing arrangements for the benchmarked authorities varies quite significantly. Lichfield and Tamworth used, on average, 29 agency staff members a month. According to information regarding staff age profiles, Lichfield and Tamworth have a total of 72 permanent staff; this means that agency staff make up approximately 27% of total workforce. Benchmarked authorities reported to use 0% - 5%. An assessment should be made whether increasing permanent staff pay to recruit staff and reducing agency staff will save the Councils money.

The Councils have a lean staffing structure for the management of the waste collection services and communication with the public.

##### Service cost

The benchmarked authorities were asked to provide their waste collection service cost per household excluding any income from recycle, garden waste subscriptions, recycling credits or trade waste. Much

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<sup>13</sup> No information provided by Daventry (LATC Norse)



clarification was undertaken on the cost figures provided, however there may be some nuances that have not been able to be separated from the costs provided.

The cost of waste collection for Lichfield and Tamworth is one of the lowest overall and the lowest in-house benchmarked authority at just under £48/household; Cannock Chase has the lowest cost at approximately £44/household. Lichfield and Tamworth's joint service cost is approximately £10 less per household than the average across the 11 authorities (including Lichfield and Tamworth) that have provided cost data, at £58/household.

#### Trade waste

The approach to trade waste services varies across the benchmark group, with some of the authorities providing a trade waste service, while others do not. The income varies significantly between the authorities; the majority being under £0.5m, but South Cambridgeshire & Cambridge City generate substantial income of £3.8m.

#### Recyclate price management

Many of the benchmark authorities have some slight variation of a 50:50 shared benefit arrangement between themselves and a contractor with regard to recyclate income. Lichfield & Tamworth, South Staffordshire and Cannock Chase have contracts with Biffa for the management of dry recyclables. A fixed gate fee is paid (subject to CPI).

#### Apportionment of service costs (for joint services)

For Tamworth and Lichfield, the apportionment of service costs is typically shared according to the property count in each district. For 2018/19 the split was Lichfield 57% and Tamworth 43%. The same apportionment is applied for back-office management. For LATC and outsourced services, service costs tend to be apportioned between the authorities based on service provision.

#### Potential for other joint services

The majority of the benchmarked authorities acknowledged the natural synergies which can exist between waste collection and street cleansing servicing areas of similar demographic; particularly around management, operations and administrations. Where authorities did not see options for joint services, this was often due to barriers or constraints regarding district boundaries or differing demographics.

## 4 SWOT Analysis

### 4.1 Initial SWOT analysis

FRM undertook a strengths, weaknesses, opportunities and strengths (SWOT) analysis for the June 2019 Workshop. The SWOT analysis sought to identify items, and then allocate them to *more important*, *important* and *less important* categories for the evaluation of in-house, LATC (single), LATC (JV) and outsourced service delivery options. The initial SWOT analysis then sought to rank the four service delivery options. The objective of the SWOT was to evaluate service delivery options, excluding costs. Service provision costs were excluded from the SWOT analysis. The items identified for the SWOT and their categorisation was as follows:

Table 1: SWOT analysis item categorisation

<b>More important</b>
• Direct control
• Flexibility for service/ legislative change
• Cost control
• Opportunities for service change cost savings/ income
• All risks, including financial and service risk with Councils
• Competitive costing
• Funding for recruitment and career development, driver pay rates
<b>Important</b>
• Trust of the public
• Direct line management
• Procurement time and cost
• Costs transparent to the Council
• No exit limitations and costs
• Flexibility for property growth
• Lower cost for borrowing capital
• Commercial waste services development
• Opportunity to integrate other services e.g. street cleansing
• Recruitment and retention of staff, HGV 2 driver pay rates
• Buying power for service change and new infrastructure
• LGPS requirements for labour
• Provision of staff for service management
• Knowledge to innovate
• Funding for public awareness and education
• Funding for new depot and transfer station
• Potential for service provision with other authorities
• Mobilisation for service change
• Provision of maintenance of plant and equipment
<b>Less important</b>
• Risk of company bankruptcy
• Responsiveness to public
• Union management
• Lack of direct service expertise
• Lack of service health & safety experience and resources
• Member (political) influence and control
• Potential profit margin

The categorisation of the items in the SWOT is subjective. Further detail on the SWOT analysis for each service delivery option is presented in Appendix A.

The SWOT analysis was briefly discussed at the Workshop on 7<sup>th</sup> June and it was agreed to evaluate the four service delivery options on:

- Cost (50%)
- Flexibility to change (25%)
- Service control (25%)

## 5 Service Delivery Options Assessment

### 5.1 Introduction

Following on from the SWOT analysis and Workshop, the four service delivery options have been evaluated bespoke Excel model according to the following criteria:

- Cost (50%)
- Flexibility to change (25%)
- Service control (25%)

### 5.2 Service flexibility and control

In order to assess the different aspects relating to service flexibility and control, we have identified sub-headings of each. In co-operation with the Council, each item has been weighted according to its relative level of importance: a weighting of 5 for the most important sub-criteria, a weighting of 1 for less important sub-criteria. Flexibility for service change and legislative change were weighted as the most important under the 'flexibility' criterion; service control and cost control were weighted as the most important under the 'control' criterion.

Each service delivery option has been scored according to how well it achieves each sub-criteria item: a score of 4 where the option performs well, a score of 1 where it performs least well relative to the other options.

The weightings and scores are summarised in Table 2. For each sub-criterion the score is multiplied by the weighting, then each weighted score is summed to give total weighted scores for flexibility and control. The weighted scores for each option are compared to the maximum possible score, and multiplied by the % criteria weighting (25% for each (see Section 5.1 above)) to give percentage evaluation scores for flexibility and control. These evaluation scores are then combined with the cost criterion to give the overall performance of each service delivery option.

Table 2: Flexibility and control analysis

<b>Flexibility</b>	<b>Weighting</b>	<b>In-house</b>	<b>LATC (Single)</b>	<b>LATC (JV)</b>	<b>Outsourced</b>
Service change	5	4	4	2	1
Legislative change	5	4	3	2	1
Personnel recruitment	3	1	3	3	4
Personnel employment	3	1	2	3	4
Capital investment	3	2	3	3	1
Competitive pricing	3	1	2	3	4
Property growth	1	1	2	3	4
Commercial services development	3	1	4	3	2
Other service integration	3	3	4	2	1
Authority partnership	3	4	3	2	1
<b>Total flexibility score</b>	<b>128</b>	<b>80</b>	<b>100</b>	<b>80</b>	<b>65</b>
<b>Percentage flexibility</b>		<b>15.6%</b>	<b>19.5%</b>	<b>15.6%</b>	<b>12.7%</b>
<b>Control</b>	<b>Weighting</b>	<b>In-house</b>	<b>LATC (Single)</b>	<b>LATC (JV)</b>	<b>Outsourced</b>
Service control	5	4	3	2	1
Cost control	5	4	3	2	1
Personnel management	3	4	3	2	1
Transparency	3	4	3	2	1
Financial risks	3	1	2	3	4
Service provision risks	3	1	2	3	4
Commercial services control	1	4	3	2	1
<b>Total control score</b>	<b>92</b>	<b>74</b>	<b>63</b>	<b>52</b>	<b>41</b>
<b>Percentage Control</b>		<b>20.1%</b>	<b>17.1%</b>	<b>14.1%</b>	<b>11.1%</b>
<b>Percentage Flexibility and Control</b>		<b>35.7%</b>	<b>36.7%</b>	<b>29.8%</b>	<b>23.8%</b>

The analysis shows that the Councils might have least flexibility and control over outsourced services based on these criteria, and greatest flexibility and control if the services are delivered through a LATC (single), closely followed by in-house delivery. The Councils have the greatest flexibility if the LATC (single) option is chosen and greatest control over in-house services. A LATC (JV) service gives flexibility on a par with in-house, but with notably lower levels of control.

### 5.3 Cost assessment

#### 5.3.1 Model description

A bespoke Excel model has been developed to compare the current in-house costs with the same service delivered through either a LATC (single), LATC (JV) or an outsourced contract. The full service costs have been assessed according to the following headings:

- Staffing – including crew, supervision and agency costs
- Premises – relating to the depot

- Vehicles – lease, maintenance, fuel, purchase costs
- Overheads – including supplies and services
- Procurement costs – for outsourced and LATC set up
- Gate fees – for recycle, garden waste
- Income – from recycle, recycling credits, garden waste subscriptions, recharge to Tamworth

The model has been set up to include the total service cost, i.e. those costs incurred by the Council, and those costs incurred by the contractor or trading company. The cost assessment of each of the service delivery options has been undertaken on the combined total costs for that option.

### 5.3.2 Input data and assumptions

The in-house costs have been taken from the current budget out-turn figures for 2018/19. Some adjustments have been made in agreement with Lichfield’s finance officer for the JWS to identify cross-subsidies to Lichfield’s trade waste service and other overheads not currently accounted for by the JWS budget but levied by Lichfield. It should be noted that these adjustments are currently being reviewed by the finance teams within the Councils and are subject to change. These are presented as the ‘true’ in-house costs below:

- Depot costs – addition of £39k for depot usage
- Tamworth depot central support – removal of £68k allocated to JWS for Tamworth’s depot overheads that is not actually used by the JWS
- Other overheads - £407k not currently allocated to JWS
- Trade waste subsidy – removal of £54k cross-subsidy to the JWS (detailed within the trade waste service review report)

Modelling assumptions for the outsourced and LATC options are set out in Appendix B. Key points relating to each cost heading are:

<b>Cost heading</b>	<b>Comment for outsourced and LATC costs</b>
<b>Staffing and salaries</b>	<ul style="list-style-type: none"> <li>– Council staffing based on reduction in office / managerial staff</li> <li>– Contractor / LATC staffing based on reduction in team leaders per vehicle, 9.25h working day</li> <li>– Contractor / LATC salaries based on assumed market rates</li> <li>– NIC and superannuation 20% of contractor / LATC staff costs, 30% of Council staff costs</li> <li>– Agency staff costs reduced to 10% (outsourced and LATC (JV)) / 20% (LATC (single)) of contractor salaries – currently 40% of total staff salaries</li> </ul>
<b>Vehicles</b>	<ul style="list-style-type: none"> <li>– Same number of vehicles as present</li> <li>– Purchase of new vehicles depreciated over 8 year lifespan</li> <li>– Council borrowing rate 3% for LATC (single), contractor borrowing rate 6% for outsourced and LATC (JV)</li> </ul>
<b>Depot costs</b>	<ul style="list-style-type: none"> <li>– Same costs as ‘true’ in-house costs for LATC (single)</li> <li>– New depot at £150k per annum for outsourced and LATC (JV)</li> </ul>

<b>Overheads</b>	<ul style="list-style-type: none"> <li>- Similar to 'true' in-house costs, but with the removal of other overheads not currently allocated and JWS cross-subsidy</li> <li>- Addition of staffing overheads at 5% of contractor / LATC salaries</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>- £250k council costs for procurement of outsourced contract, annualised over 8-year period</li> <li>- £150k Council cost for set up of LATC, annualised over 8-year period</li> <li>- Depends on extent of external resource</li> </ul>
<b>Gate fees</b>	<ul style="list-style-type: none"> <li>- Based on current gate fees and tonnage information provided</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>- Mainly as for in-house (true cost), but figures adjusted to reflect current prices</li> </ul>

5.3.3 Model output

The results of the cost assessment are presented in Table 3, summarised as the net cost of the JWS<sup>14</sup> follows:

- True in-house costs                    £2,372,000
- Outsourced service                    £2,316,000
- Delivery by LATC (single)            £2,328,000
- Delivery by LATC (JV)                £2,169,000

The key differences between the options are in terms of the staffing / salary costs where outsourced and LATC (JV) are lower than the LATC (single) by c.£350k, and lower than the true in-house costs by c.£250k. This is primarily due to the lower agency staffing costs and reduced NIC and superannuation costs. The balance of staffing and management overheads is different when other options are compared to the true in-house costs.

Vehicle costs are notably higher for the outsourced and LATC options. These costs have been worked up based on the current vehicle fleet being purchased and maintained by the contractor or LATC, over a vehicle life of 8 years. It is clear that the current lease costs are competitive, and there may not be any benefit in purchasing. We have made initial enquiries of the potential lease hire costs for vehicles over an 8 year period<sup>15</sup>. While they are quite competitive, they should be treated with caution as the costs depend on the specification of the vehicles, the terms of the lease and would be subject to competitive tendering by the Councils.

The premises costs are much higher for the outsourced and LATC (JV) options, on the basis that a LATC (single) could use the current depot under the same in-house arrangement. An outsourced contract or LATC (JV) is likely to either require an alternative depot or be charged a reasonable rent by the Council to use the current depot. This unknown cost has been dealt with by comparing the options on the same

<sup>14</sup> Excludes recharge to Tamworth

<sup>15</sup> 26t RCV - Mercedes Econic / Dennis body / Split or trade lift, £840 per week  
18t RCV - Dennis chassis / Dennis body / Twin pack Split lift, £812 per week  
7.5t Food waste vehicle - Isuzu with a Terberg Plastic body, £525 per week

depot costs, by assuming these are equal for each option – this adjustment is presented in the last two lines of Table 3 for comparison purposes only.



Table 3: Summary of service delivery option costs

Council costs						
Contractor / LATC costs						
NOTE: costs are for JWS with Tamworth Does not include costs not attributable to the JWS, Excludes trade waste costs / income	In-house (current)	In-house (at 'true' cost to Lichfield)	Outsourced	LATC (single)	LATC (JV)	Comments
	2018/19 from out-turn		Total service costs, including cost to the Councils			
<b>Staffing</b>	<b>£2,618,490</b>	<b>£2,618,490</b>	<b>£2,379,300</b>	<b>£2,727,954</b>	<b>£2,349,074</b>	Note that calc of staff salary costs differ from budget figures
Staff salaries - council	£1,536,953	£1,536,953	£194,149	£170,872	£170,872	
Staff salaries - contractor / LATC			£1,636,300	£1,790,050	£1,636,300	
NIC & superannuation - Council	£458,841	£458,841	£57,961	£51,012	£51,012	
NIC & superannuation - contractor / LATC			£327,260	£358,010	£327,260	
Agency staff costs	£619,841	£619,841	£163,630	£358,010	£163,630	In-house calculates at 40% of staff salaries, outsourced and LATC (JV) assume 10%, LATC (single) 20% of contractor salaries
Other	£2,855	£2,855				
<b>Premises</b>	<b>£51,864</b>	<b>£90,664</b>	<b>£150,000</b>	<b>£90,664</b>	<b>£150,000</b>	
Depot costs	£50,280	£89,080	£150,000	£89,080	£150,000	In-house includes operating and income, no capital charges
Depot CCTV	£1,584	£1,584		£1,584		
<b>Vehicles</b>	<b>£1,243,278</b>	<b>£1,243,278</b>	<b>£1,413,621</b>	<b>£1,350,451</b>	<b>£1,413,621</b>	
Maintenance / running cost	£27,708	£27,708	£300,000	£300,000	£300,000	Assume same number of vehicles as present
Fuel	£401,599	£401,599	£401,599	£401,599	£401,599	Assume fuel costs will be same as at present
MOT & Licences / standing costs	£1,355	£1,355	£164,500	£164,500	£164,500	Note not all current vehicles have MOT & licences - see 'budget'
Contract hire	£800,716	£800,716				
Other transport	£11,900	£11,900				
Annualised vehicle (capital) cost			£547,522	£484,352	£547,522	
<b>Overheads</b>	<b>£785,867</b>	<b>£1,070,627</b>	<b>£796,815</b>	<b>£804,503</b>	<b>£796,815</b>	Assume same Council overheads apply (excl depreciation & staffing)
Supplies & services	£385,347	£385,347	£400,000	£400,000	£400,000	Gate fees stripped out, see below
Third party payments	£13,990	£13,990	£15,000	£15,000	£15,000	Bank charges and shared service agreement
Central support	£318,580	£318,580	£300,000	£300,000	£300,000	
Tamworth depot central support	£67,950					Removal of this item to be discussed
Staffing management overheads (contractor LATC)			£81,815	£89,503	£81,815	
Other overheads not currently allocated to JWS		£407,190				
Adjustment for trade service		-£54,480				Costs incurred in Lichfield's delivery of trade waste service
<b>Total contractor / LATC costs</b>			<b>£4,172,626</b>	<b>£4,346,023</b>	<b>£4,172,626</b>	
<b>Profit margin retained by contractor / LATC</b>			<b>£208,631</b>	<b>£0</b>	<b>£104,316</b>	
<b>Procurement</b>	<b>£0</b>	<b>£0</b>	<b>£31,250</b>	<b>£18,750</b>	<b>£18,750</b>	
Procurement & mobilisation	£0	£0	£31,250	£18,750	£18,750	Per year, spread across outsourced contract period for comparison
<b>Gate fees</b>	<b>£943,739</b>	<b>£943,739</b>	<b>£927,901</b>	<b>£927,901</b>	<b>£927,901</b>	Based on current gate fees
Dry recyclate	£694,814	£694,814	£678,193	£678,193	£678,193	Excludes trade waste
Garden waste	£248,925	£248,925	£249,708	£249,708	£249,708	
<b>Income</b>	<b>£4,457,489</b>	<b>£4,601,236</b>	<b>£4,598,613</b>	<b>£4,598,613</b>	<b>£4,598,613</b>	
Garden waste subscriptions	£1,495,179	£1,495,179	£1,495,179	£1,495,179	£1,495,179	
Recyclate income	£330,689	£330,689	£341,712	£341,712	£341,712	Recyclate income all to council, contractor won't take risk
Recycling credits	£1,619,913	£1,619,913	£1,606,267	£1,606,267	£1,606,267	
Bulky waste	£67,603	£67,603	£67,603	£67,603	£67,603	
Insurance claims	£8,584	£8,584	£8,584	£8,584	£8,584	
Four Ashes	£60,000	£60,000	£60,000	£60,000	£60,000	Tipping away payments
Stolen bins	£1,320	£1,320	£1,320	£1,320	£1,320	
Other	£11,151	£11,151	£11,151	£11,151	£11,151	Not defined
<b>Total JWS to Lichfield (excl Tamworth recharge)</b>	<b>£2,048,799</b>	<b>£2,372,359</b>	<b>£2,315,703</b>	<b>£2,328,407</b>	<b>£2,168,661</b>	
<b>Total direct Council cost (excl Tamworth recharge)</b>	<b>£2,048,799</b>	<b>£2,372,359</b>	<b>£2,107,072</b>	<b>£2,328,407</b>	<b>£2,064,345</b>	
<b>Total contractor /LATC cost (for service)</b>			<b>£4,381,258</b>	<b>£4,346,023</b>	<b>£4,276,942</b>	
<i>Adjustment to 'equalise' depot costs to same as Outsourced option</i>	<i>£98,136</i>	<i>£59,336</i>		<i>£59,336</i>		Given that the 'Premises Costs' above for inhouse and LATC(single) do not include rent / capital charges, this assumes that the depot 'rental' costs for inhouse and LATC(single) are the same as for outsourced and LATC (JV), based on a reasonable estimate of commercial prices

## 5.4 Results and Ranking

The outputs from the SWOT analysis and service delivery options cost model have been combined with the evaluation criteria:

- Cost (50%)
- Flexibility to change (25%)
- Service control (25%)

to score and rank the in-house, LATC (single), LATC (JV) and outsourced service delivery options. In-house without true cost allocation was not included in the ranking. The output from the service delivery evaluation model is as follows:

Table 4: Service delivery options scores

Scoring		In-house (current)	In-house (true costs)	LATC (single)	LATC (JV)	Outsourced	Max score / Min price
<i>Criteria</i>	<i>Weighting</i>						
Cost	50%	£2,048,799	£2,372,359	£2,328,407	£2,168,661	£2,315,703	£2,168,661
Flexibility to adapt to changes	25%		80	100	80	65	128
Control	25%		74	63	52	41	92

Table 5: Service delivery options evaluation results

Evaluation		In-house (true costs)	LATC (single)	LATC (JV)	Outsourced
<i>Criteria</i>	<i>Weighting</i>				
Cost	50%	45.7%	46.6%	50.0%	46.8%
Flexibility to adapt to future service changes	25%	15.6%	19.5%	15.6%	12.7%
Control	25%	20.1%	17.1%	14.1%	11.1%
<b>Total</b>		<b>81.4%</b>	<b>83.2%</b>	<b>79.8%</b>	<b>70.7%</b>
<b>Rank</b>		<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>

There is little difference in the total evaluation scores for the in-house service with true costs and the LATC (single). LATC (single) ranks ahead of in-house service with true costs, but the scores above could easily change with amendments to the assumptions made on the model input data. The LATC (JV) option has the lowest cost. It should be noted that the true costs for in-house all other LATC options are within 10% of each other, which is considered close to the others given the uncertainty of the modelling assumptions.

The in-house (true costs) and LATC (single) incur a cost of c.£90k for use of the existing depot (based on current arrangements), with LATC (JV) and outsourced options assumed to have a new depot at a cost of

£150k per annum. The current depot arrangements does not include any rental charge to the JWS from Lichfield, so could be considered to be an artificial position. If depot costs for the in-house and LATC (single) options are increased to match the £150k per annum assumption used for outsourcing and LATC (JV) delivery, the scoring and the ranking is as follows:

Table 6: Service delivery option scores – equal depot costs

Scoring		In-house (true costs)	LATC (single)	LATC (JV)	Outsourced	Max score / Min price
<i>Criteria</i>	<i>Weighting</i>					
Cost	50%	£2,431,695	£2,387,743	£2,168,661	£2,315,703	£2,168,661
Flexibility to adapt to future service changes	25%	80	100	80	65	128
Control	25%	74	63	52	41	92

Table 7: Service delivery options evaluation results – equal depot costs

Evaluation		In-house (true costs)	LATC (single)	LATC (JV)	Outsourced
<i>Criteria</i>	<i>Weighting</i>				
Cost	50%	44.6%	45.4%	50.0%	46.8%
Flexibility to adapt to future service changes	25%	15.6%	19.5%	15.6%	12.7%
Control	25%	20.1%	17.1%	14.1%	11.1%
<b>Total</b>		<b>80.3%</b>	<b>82.1%</b>	<b>79.8%</b>	<b>70.7%</b>
<b>Rank</b>		<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>

The implication of the depot costs does not affect the overall ranking of LATC (single) as the highest scoring option, but it affect the rankings of the service delivery options against the criteria. The scores for in-house and both LATC options are very close. It increases the costs of the in-house and LATC (single) options by c.£60k, making costings for in-house, LATC (single) and outsourced to within 2% of each other. LATC (JV) has the lowest cost under both scenarios (but notably where depot costs are equalised), while outsourced has a lower cost than in-house and LATC (single) where depot costs are equalised, but these service delivery options do not score so well against others for flexibility and control.

## 5.5 Conclusions

The outsourced option is ranked last in the evaluation. Given the uncertainty of the application of the national Resource & Waste Strategy and the low ranking, we would not recommend that the Councils outsource the waste collection services based on the above analysis.

The LATC (single) scores highest with and without the depot costs being equalised, although in-house true cost scores within 2-3% (less than £50k) of LATC (single). If the lowest cost option is preferred, then consideration should be given to a LATC (JV).

There could be management advantages to Lichfield trade waste services in setting up a LATC. However, Tamworth's trade waste services were sold to the private sector and agreement would need to be reached between Lichfield and Tamworth Councils if trade waste services are provided through a LATC.

## 6 Service Change Options

### 6.1 Introduction

This chapter presents the findings from the service change options modelling which assessed the comparative costs and anticipated performance of the following household waste collection systems. Four options were proposed for modelling, in addition to the Baseline service. These are shown in Table 8. Changes from the Baseline (current service) are highlighted in **blue and bold**.

Table 8: Outline of service change options

Scenario	Collection	Frequency	Capacity (l)
<b>Baseline</b>	Residual	Fortnightly	240l wheeled bin
	Dry (Commingled)	Fortnightly	240l wheeled bin
<i>Adjusted to assume vehicle purchase</i>	Food waste	<i>No separate food collection</i>	
	Garden waste (charged)	Fortnightly	240l wheeled bin
<b>Service efficiencies</b>	Residual	Fortnightly	240l wheeled bin
	Dry (Commingled)	Fortnightly	240l wheeled bin
	Food waste	<i>No separate food collection</i>	
	Garden waste (charged)	Fortnightly	240l wheeled bin
	The collection service configuration will remain the same, however, the following service efficiencies are assessed <sup>16</sup> : <ul style="list-style-type: none"> <li>- A depot in Tamworth (reducing collection time)</li> <li>- Waste minimisation and education</li> </ul>		
<b>Service Change A</b>	Residual	Fortnightly	240l wheeled bin
	Dry (Commingled)	Fortnightly	240l wheeled bin
	<b>Food waste</b>	<b>Weekly</b>	<b>Kitchen caddy and 23l bin</b>
	Garden waste (charged)	Fortnightly	240l wheeled bin
<b>Service Change B</b>	<b>Residual</b>	Fortnightly	<b>180l wheeled bin</b>
	Dry (Commingled)	Fortnightly	240l wheeled bin
	<b>Food waste</b>	<b>Weekly</b>	<b>Kitchen caddy and 23l bin</b>
	Garden waste (charged)	Fortnightly	240l wheeled bin
<b>Service Change C</b>	<b>Residual</b>	Fortnightly	<b>180l wheeled bin</b>
	<b>Dry (Twin Stream)</b>	<b>Alternate 4-weekly</b>	<b>240l wheeled bin (paper and card)</b>
			<b>240l wheeled bin (Plastic, glass, metals)</b>
	<b>Food waste</b>	<b>Weekly</b>	<b>Kitchen caddy and 23l bin</b>
Garden waste (charged)	Fortnightly	240l wheeled bin	

<sup>16</sup> Initially it was agreed that the assessment would include vehicle acquisition (rather than lease hire) over a period of 8 years. Due to the modelling capabilities within KAT, this has not been appropriate, as summarised in Section 6.3.1.

## 6.2 Methodology

The Kerbside Analysis Tool (KAT) was used to provide a comparative assessment of cost and operational requirements for the Baseline (current) service and three proposed alternative collection scenarios agreed with the Council.

The three alternative collection scenarios and key assumptions were agreed with the Council in the June Workshop prior to modelling. A KAT data request proforma was originally completed by Council Officers to provide operational detail and costs to facilitate initial modelling of the current service. Further clarifications were provided by officers on request.

Key information gathered via the KAT proforma, included:

- Number and type of vehicles
- Length of working day (averaged for task and finish)
- Number of crew / driver contribution to loading
- Average time taken to drive to key points (e.g. from depot to start of round, from end of round to tip)
- Round size
- Participation and set out (usually an estimate)
- Contamination rate
- Capital costs
- Financing costs
- Driver / loader salary
- Standing costs
- Running costs
- Overheads (management / depot)

### What is KAT?

The Kerbside Analysis Tool (KAT) is an Excel-based tool developed by the Waste & Resources Action Programme (WRAP) for the purposes of developing indicative and comparative costs between alternate collection systems. It is a peer reviewed model and the industry standard tool for collection systems.

FRM staff have developed >200 KAT models for some 75 different local authorities to provide comparative costs and performance of alternative collection systems. These have included all of the configurations within this project (options A, B and C set out in Table 8). KAT alone, however, requires further detail to be added to provide 'whole system costs' and to present costs in a format that are appropriate, for example, to align to budgets. FRM have therefore also applied KAT results a more comprehensive costing spreadsheet for these purposes.

The Baseline model is designed to reflect the current service operation, at time of analysis, and are therefore a modelled representation of the service. All cost elements are **annualised**, including existing bins, vehicles etc., with costs presented for a single year that cannot be projected forwards. This approach allows a 'like for like' comparison against alternative collection systems but would not be reflective of the differential capital investment required to install a new system straight away. For the purposes of evaluation, the number of vehicles required to operate a service is presented to one

decimal place, i.e. 5.5 vehicles, to show where subtle changes have been reported. In reality, this would require 6 vehicles. It has also been assumed for the KAT modelling that 2 drivers and 1 loader will operate the residual, recycling and garden systems, based on the 9.25 working day.

The model results for alternative scenarios, where local data is more limited, remain a good comparative indicator of the direction and magnitude of cost and performance change anticipated through service changes, and are based on industry experience or other guidance / models as appropriate. In order to calculate actual costs of an alternative system that takes account of existing infrastructure and vehicles a more bespoke analysis should be undertaken including practical aspects of service implementation (e.g. swapping bins for different elements of the service, transferring/ selling redundant vehicles etc.).

Please note that the costs identified by KAT for each scenario are annualised as noted above and the recycling rates outlined within this section are 'kerbside recycling rates' of the core<sup>17</sup> kerbside service rather than the total recycling rate of the Council<sup>18</sup>. KAT provides results for the current and alternative collection systems for a single year. As discussed, this allows for a 'like for like' comparison but cannot be used to project forwards. The focus of this section is on the collection of the household waste, however the costs of managing the collected waste (e.g. recycling costs / revenues and disposal costs) is reflected in the net 'total system' modelling included in Section 6.5 of this report. The implications of these costs and revenue can alter the least cost / most expensive options overall.

### 6.3 Service Change Options – Assessment of collection costs

The key assumptions for each of the alternative options are outlined in Appendix C. The options which have been agreed incorporate potential service changes highlighted within the recently published National Resources and Waste Strategy. Some of these changes have recently been consulted on, which include mandatory separate food waste collections and consistent recycling collections. For the purposes of this report, we are assuming that Lichfield will continue to operate a charged garden collection service.

#### 6.3.1 Baseline (current service)

The Baseline KAT model has been compiled from assumptions provided by the Councils. The JWS currently leases vehicles over a period of 6 years and 2 months, to coincide with the end of the MRF contract. At the outset of this process and on selection of the options set out in Table 8, it was assumed that greater efficiencies may be obtained through the Councils purchasing and maintaining the vehicles rather than on a lease hire arrangement. However, the purpose of using the KAT model is to compare the costs for service change, and KAT can only do this through an annualised vehicle cost based on the purchase and depreciation of assets. For this reason, the current 'Baseline' service has been adjusted such that the costs assume vehicles are purchased with a life of 8 years – all service change options are predicated on the same basis and the costs presented are valid for comparison purposes.

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<sup>17</sup> This does not include 'niche' elements of the collection service such as bring banks, bulky waste and certain specialist collections such as potentially from flats or clinical waste.

<sup>18</sup> The total Council recycling rate would also include the waste flows from the Household Waste Recycling Centres, Bring Banks and other household waste streams not collected via the standard kerbside collection service. Therefore, for example, if a system in this report shows a +5% uplift in 'kerbside recycling rate', it would be envisaged that this would be a lower uplift in the total Council recycling rate (e.g. it could be +2, +3 or +4% depending on other factors within the Council).

Table 9: Baseline service

Scenario	Collection	Frequency	Capacity (l)
Baseline	Residual	Fortnightly	240l wheeled bin
	Dry (Commingled)	Fortnightly	240l wheeled bin
As current	Food waste	<i>No separate food collection</i>	
	Garden waste (charged)	Fortnightly	240l wheeled bin

The Baseline has been modelled as if the current collection service purchased the vehicles over an 8-year period, at a 3% interest rate. This allows each of the alternative options to be comparatively assessed against the 'Baseline' when discussing cost changes. The garden waste collection service has been annualised to allow for the seasonality factor. An average of 3.4 (4 vehicles) has been modelled and is represented hereafter, however it is recognised that the vehicle requirement varies throughout the year.

### 6.3.2 Service efficiencies

In the assessment of service efficiencies, the collection service configuration will remain the same, however, a number of sensitivities have been applied to explore whether efficiencies could be achieved (i.e. a saved vehicle). For this scenario each improvement has been treated in isolation. The following service improvements have been assessed at high level:

- A depot in Tamworth (reducing collection time)
- Waste minimisation and education
  - Residual waste minimisation
  - Impact of a Deposit Return Scheme (DRS) on dry recycling

It is important to note that these considerations have been treated in isolation from the following service change Options A, B and C; the efficiencies from the depot location and waste minimisation could be applied to any service change option, or indeed the current service.

#### Depot location

A suitable location for a depot in Tamworth is unknown at this stage. However, using the capabilities of the KAT model, we have assessed how much shorter drive times would need to be from the present depot (Burntwood), in order to save a vehicle. This is based on information provided to FRM from Lichfield as part of the KAT modelling exercise. From this the Council can then use this shorter drive time to identify potential locations.

Within KAT this was assessed by reducing the time from depot to start of run and the from unloading to depot, in intervals of 5, 10 and 15 minutes. The results of which can be seen in Table 10 below. Garden waste was not included in this assessment due to the seasonality factor.



Table 10: Service efficiency – depot location (drive time)

Scenario	Collection stream	Baseline (25 minutes)	Reduce drive time by 5 minutes (to 20 minutes)	Reduce drive time by 10 minutes (to 15 minutes)	Reduce drive time by 15 minutes (to 5 minutes)
No. of collection vehicles	Residual	6.3	6.3	6.3	6.3
	Dry (Commingled)	6.6	6.4	6.2	6.0

At present, 7 vehicles are required to operate the dry recycling collection service and an additional 7 to operate the residual waste collection service. Modelling a reduction in drive showed that incrementally 0.2 of vehicle could be saved for every 5 minutes saved on the drive time to and from the depot for the dry recycling. For the residual waste, however, changing the drive time has no material impact on the number of vehicles required to operate the service – 7 vehicles would still be required. This indicates that the number of vehicles required for this service is largely driven by the number of households required to collect from amount of waste collected on the rounds.

It is also important to consider the implications of future housing projections and population growth on the collection service. Capacity will be required within these vehicles as the number of houses (and thus serviceable properties) increases, therefore reducing the number of vehicles to below current levels is not likely to result in savings for Lichfield and Tamworth’s Joint Waste Service, whereas current vehicle numbers and working patterns allow flexibility for future growth.

#### Waste Minimisation

##### Residual waste minimisation

The Councils are interested to see whether, through education and awareness raising, a reduction in residual waste arisings could be achieved. FRM therefore carried out a high-level assessment on the effect that minimisation of residual waste might have on vehicle numbers is presented in Table 11, i.e. by how much would residual waste need to decrease in order to save a vehicle. This sensitivity assumes that there is no change in the dry recycling or garden waste tonnages; the minimisation effect is on the residual waste stream only.

Table 11: Service efficiency - waste minimisation

Scenario	Collection stream	Baseline	-1,000t	-2,000t	-4,000t	-6,000t	-8,000t	-10,000t
No. of collection vehicles	Residual	6.3	6.1	5.9	5.9	5.9	5.9	5.9
	(tonnes)	34,245	33,244	32,244	30,244	28,244	26,244	24,244

To assimilate the minimisation of residual waste arisings, the amount of residual waste has been reduced by 1,000 tonne (per annum) increments to find the ‘tipping point’ (i.e. the point at which a vehicle is saved). It can be seen from the vehicle numbers in Table 11 that the residual collection round is largely driven by the demographics of the Councils, i.e. the number of households that are required to be collected from, the time taken to collect from households and the rurality of the area, rather than the

quantity of waste. Reduced quantities of residual waste (within the range tested) is not likely to result in the need for fewer vehicles, but it does allow some headroom for housing and population growth within the current fleet.

### Implications of a Deposit Return Scheme

The National Resources and Waste Strategy published in December 2018 set out aims to overhaul the waste system; the potential introduction of a Deposit Return Scheme (DRS) is one measure being explored via consultation. Therefore, as an additional sensitivity, we modelled the potential implications of introducing a DRS, looking at the impacts it could have on the Council’s dry recycling collection. Based on the assumption that England would follow suit in Scotland’s decision to implement an ‘all in’ system (i.e. all drinks containers, for glass, metals and PET plastic drinks containers are in scope. HDPE containers for milk would be out of scope, as would containers smaller than 50ml (i.e. small probiotic bottles) and larger than 3litres).

The following projections have been made on the potential reduction of dry recyclate from the kerbside collections, based on assumptions determined from available data and current research. Data presented by Eunomia’s 2017 report<sup>19</sup> suggests figures for the composition of recyclate that is beverage containers. These figures have been applied to the Baseline dry recyclate projections from the business case, alongside high and low diversion rates from kerbside collection to DRS as follows:

- High – 85%<sup>20</sup> of beverage container material being diverted from kerbside to DRS
- Low – 50% of beverage container material being diverted from kerbside to DRS

For this sensitivity we modelled the ‘high’ and ‘low’ projections. Table 12 shows that in the medium projection, although there would be a decrease of approximately 2,400 tonnes, 7 vehicles would still be required to operate the dry recycling collection service. In the ‘high’ projection however, one vehicle could be potentially saved, although impacts of housing projections are not taken into account here.

Table 12: Implications of DRS – vehicle numbers

Scenario	Collection stream	Baseline	Medium Projections	High Projections
No. of collection vehicles	Dry (Commingled)	6.6	6.3	5.9
	(tonnes)	18,682	16,310	14,648

### 6.3.3 Service Change Option A – Food waste collection

Option A considers the current collection service but with the addition of a weekly food waste collection service - each household being provided with a small kitchen caddy and a 23-litre bin. The food waste would be collected in 7.5t specialist food waste collection vehicles.

<sup>19</sup> Impacts of a Deposit Refund System for One-way Beverage Packaging on Local Authority Waste Services, Eunomia 2017

<sup>20</sup> The core assumption in the DRS consultation is for a return rate of 85% of in scope containers. Note that this assumes some of the containers not currently collected for recycling will be captured, hence this is the ‘high’ projection.

Table 13: Option A – Food waste collection

Scenario	Collection	Frequency	Capacity (l)
Option A	Residual	Fortnightly	240l wheeled bin
	Dry (Commingled)	Fortnightly	240l wheeled bin
As current + food	Food waste	Weekly	Kitchen caddy and 23l bin
	Garden waste (charged)	Fortnightly	240l wheeled bin

The WRAP ready reckoner for food waste yields was applied to calculate the total tonnage of food waste collected. The ready reckoner formula is based on indices of deprivation and is the most accurate data set available to estimate projected food waste tonnages. Calculations are outlined in Appendix C. For this option we assumed a ‘low yield’ of 4,888 tonnes per annum (an average of 1.21kg/hh/week)<sup>21</sup>. Based on evidence from WRAP food waste collection trials, a set out rate of 45% and a participation rate of 55% was applied. The food waste yields calculated by the WRAP ready reckoner have been cross-checked against residual waste compositional analysis data provided by Lichfield to ensure that there is sufficient food waste in the residual mix available.

The implementation of a separate food waste collection increases the ‘kerbside’ recycling performance from 45% to 53% as food waste is being diverted from the residual waste stream and is sent for either digestion or specialist composting. The estimated food waste yield is a factor of the residual waste capacity and socio-demographics of the authority.

For caddy liners, we have assumed a cost of 5p per liner and that each household would be provided with 2 liners a week, a total of 104 liners per year. This equates to a cost of £5.20 per household per year, a total cost of £398,300 for the year across all alternative options. This figure is included within the total collection cost reported.

In this option, it is assumed that the recycling and residual waste collection systems will operate as per the current service. There is no modelled change to the number of vehicles and collection crew required for the dry recycling or garden service. However, the number of residual waste vehicle reduces by 1, to 6. This is due to a lower residual tonnage collected as a result of the food waste collection.

Table 14: Option A - Vehicle and collection crew numbers

Collection	Baseline	Option A		
	No. of vehicles	No. of vehicles	No. drivers	No. loaders
Recycling	6.6	6.6	14	7
Garden	3.4	3.4	8	4
Food	-	7.1	8	8
Residual	6.3	5.9	12	6

<sup>21</sup> Research from WRAP indicates that Local Authorities introducing a food waste collection service are most likely to achieve yields equivalent to that of a ‘low yield’ except where restrictions are made on the residual collection stream.

As outlined in Table 14 the implementation of a dedicated food waste collection will result in the requirement of a minimum of 8 dedicated 7.5t vehicles, which will require 8 drivers, and 8 loaders<sup>22</sup>. There is a saving of one residual vehicle (6). This is an overall increase of 7 vehicles.<sup>23</sup>

Note that the KAT model does not take into account any future projected household growth in the area or the impact that would have on the waste collection service. Additionally, the Councils believe that a reduction in residual waste vehicles (from 7 to 6) would be operationally challenging, and therefore unlikely to be realised in practice. As such, in the costs presented below it is assumed that 7 residual vehicles will be needed to operate the residual waste service. Full cost implications are presented in Section 6.5.

6.3.4 Service Change Option B – Food waste collection & reduced residual waste capacity  
Option B models the same collection service as Option A, however the bin capacity of the residual waste stream has been reduced from 240-litre wheeled bin to a 180-litre wheeled bin. The collection frequency of the residual is assumed to remain fortnightly.

Table 15: Option B – Food waste collection & reduced residual waste capacity

Scenario	Collection	Frequency	Capacity (l)
Option B  Reduced capacity residual + food	Residual	Fortnightly	180l wheeled bin
	Dry (Commingled)	Fortnightly	240l wheeled bin
	Food waste	Weekly	Kitchen caddy and 23l bin
	Garden waste (charged)	Fortnightly	240l wheeled bin

Due to the residual waste capacity restriction, a 5% increase was applied to the set out and capture rate from the Baseline for the dry recycling stream. An increase of 5% was applied in terms of participation (97%), as the current participation rate for Lichfield is already particularly high (92%).

As for Option A, food waste is separately collected once a week, and it assumed that the garden waste collection service will remain as per the Baseline. However, due to the residual waste capacity restriction, a ‘low-medium’ yield for food waste of 5,685 tonnes per annum (an average of 1.41kg/hh/week) was assumed as per the WRAP ready reckoner. The rationale being that residents will be incentivised to participate in the food waste collection due to limited space within the residual waste bin.

When compared to Option A, there appears to be no further decrease in the number of vehicles required to collect residual waste, however, there is a slight increase in the amount of food waste vehicles required (from 7.1 to 7.7 vehicles). This is no material increase from Option A (as at least 8 vehicles would be required in both options) however it does demonstrate that the vehicles are filled more on each collection. Operationally, a minimum of 8 food waste vehicles are required through the

<sup>22</sup> We have assumed that the driver of the food waste collection vehicle will contribute 50% of their time to collection i.e. the number of food waste loaders is 1.5.

<sup>23</sup> Excluding spares vehicles

KAT model, however, in practice it may be found that additional vehicles are required. The ‘kerbside’ recycling rate increases from 45% in the Baseline to 55% in this Option. Overall, the vehicle requirement for Option B is the same as Option A, an increase of 7 from the Baseline for the food waste service.

Table 16: Option B – Vehicle and collection crew numbers

Collection	Baseline	Option A	Option B		
	No. vehicles	No. vehicles	No. vehicles	No. drivers	No. loaders
Recycling	6.6	6.6	6.6	14	7
Garden	3.4	3.4	3.4	8	4
Food	-	7.1	7.7	8	8
Residual	6.3	5.9	5.9	12	6

An alternative approach to restricting residual waste, improve recycling and save cost is three weekly residual waste collection. This would give similar recycling rates to the above but could save the cost of between 1 and 2 vehicles (c.£25,000 annualised capital cost of vehicles per annum) and no additional wheeled bins would need to be procured. A total of approximately £100k per year could potentially be saved on total collection costs, however there would be no additional capacity in the residual waste vehicles to allow for household growth.

Option B was therefore modelled as a restricted bin capacity fortnightly collection. It is also suggested that, in terms of collection logistics and ease for householders, it may be better suited when considering Option C, where the dry recycling moves to an alternate four-weekly collection. Householders would then be required to continue presenting residual fortnightly, alternating between the dry recycling bins.

As with Option A, although the KAT modelling identifies a potential theoretical saving in residual waste vehicles, the extent to which a vehicle may be saved is marginal. Therefore, for cost purposes it is assumed that 7 residual vehicles (as at present) will be operated, requiring 14 drivers and 7 loaders.

### 6.3.5 Service Change Option C – Food waste collection, restricted residual & twin stream recycling

Option C models an alternate 4-weekly collection for dry recycling. It is modelled to operate over an alternating fortnightly dry recycling stream. This means that recycling is collected every fortnight, alternating between a paper and card collection, and a comingled collection of plastics, glass and metals; i.e. paper and card is collected on week 2 and plastic, glass and metals are collected on week 4. For each dry recycling stream, a 240-litre wheeled bin has been modelled. As for Option B, food waste is collected weekly, and residual waste is collected in a 180-litre wheeled bin.

Table 17: Option C – Food waste, reduced residual waste capacity, twin stream recycling

Scenario	Collection	Frequency	Capacity (l)
Option C  <i>Twin stream recycling + restricted residual + food</i>	Residual	Fortnightly	180l wheeled bin
	Dry (Twin Stream)	Alternate 4-weekly	240l wheeled bin (paper and card)
			240l wheeled bin (Plastic, glass, metals)
	Food waste	Weekly	Kitchen caddy and 23l bin
	Garden waste (charged)	Fortnightly	240l wheeled bin

No further increase was applied to the dry recycling participation rate or capture rate (see Option B), however the contamination rate was reduced from the current rate of 13% to 5% (KAT default for twin-stream). It is widely assumed that when provided with the opportunity to sort recycling at the kerbside, householders will generally sort their recycling with better efficiency, reducing the amount of non-target material entering the recycling system. For this reason, there is a slight increase in residual waste tonnage as some of the previous dry recycling ‘contamination’ material moves to this stream. For this same reason a slight increase in the food waste collection a ‘medium’ yield of 6,482 tonnes per annum has been assumed (approximately 1.61kg/hh/week).

The ‘kerbside’ recycling rate for Option C is modelled at 56% (an increase of 11% on the current service).

Option C requires the most number of vehicles of all the options considered. As outlined in Table 18, should Lichfield achieve the assumed food waste yield, 9 food waste vehicles would be required. Six vehicles would be required to collect the paper and card recycling, and 7 would be required to collect the remaining co-mingled fraction. It has been assumed that the RCVs would operate both recycling services, therefore no additional vehicles would be required to operate this service compared to the Baseline. As with Options A and B, a reduction in residual waste means that one vehicle could theoretically be saved here (reducing to 6 vehicles). Overall, however a total of at least 26 vehicles are required to operate the service. This is an increase of 8 from the current service.

As with Options A and B, although the KAT modelling identifies a potential saving in residual waste vehicles, the extent to which a vehicle may be saved is marginal. Therefore, for cost purposes it is assumed that 7 residual vehicles (as at present) will be operated, requiring 14 drivers and 7 loaders.

Table 18: Option C – Vehicle and collection crew numbers

Collection	Baseline	Option A	Option B	Option C		
	No. vehicles	No. vehicles	No. vehicles	No. vehicles	No. drivers	No. loaders
Recycling (paper and card)	6.6	6.6	6.6	5.2	14	7
Recycling (plastic, glass and metal)				6.8		
Garden	3.4	3.4	3.4	3.4	8	4
Food	-	7.1	7.7	8.7	9	9
Residual	6.3	5.9	5.9	5.9	12	6

### 6.3.6 Total Collection Costs

This section presents the total **collection costs** of each Option, when compared to the Baseline. As shown below in Table 19, the operating costs include the vehicle capital costs, vehicle operating costs (labour, vehicle standing and vehicle running costs). Collection costs also include the capital costs for containers and overheads (assumed at 12% of operating costs). Table 20 shows how the collection costs are split across each collection stream (residual, dry recycling, garden and food). Total system costs (including gate fees and income streams) are considered in Section 6.5.

The differences in collection costs for all options compared to the adjusted Baseline is summarised in Table 19, Table 20 and are included in detail in Appendix C. The implementation of a separate food waste collection has the most pronounced impact on the total collection costs, when compared to the Baseline. It should be noted that the cost of providing caddy liners to each household for the collection of food waste is not insignificant, at an additional c.£400,000 per annum. In all cases, it has been assumed that there will be no reduction in residual waste vehicle numbers and crew.

Table 19: Total operating costs – variance from Baseline

Annual Collection Costs	Difference from Baseline		
	Option A	Option B	Option C
Vehicle operating costs (labour, vehicle standing, vehicle running and fuel)	£496,000	£523,000	£583,000
Vehicle capital costs	£105,000	£105,000	£118,000
Container Costs	£89,000	£89,000	£308,000
Overheads (supervision)	£60,000	£63,000	£70,000
Cost of liners (annual)	£398,000	£398,000	£398,000
<b>Difference to adjusted Baseline</b>	<b>£1,148,000</b>	<b>£1,177,000</b>	<b>£1,477,000</b>

Option C has the highest increased collection from the Baseline. This is due mainly to the introduction of a two-stream dry recycling system, and the initial investment of 240 litre wheeled bins for each participating household. Vehicle capital costs can be minimised if the vehicles can be shared on the dry

recycling service in Option C, as has been assumed. It important to note that the vehicle capital costs would be significantly higher if vehicles cannot be shared. Note, a negative number indicates a saving compared to the Baseline, whereas a positive indicates an increased cost compared to the Baseline.

Table 20: Total collection cost: by collection stream – variance from Baseline

Cost item	Difference from Baseline		
	Option A	Option B	Option C
Annualised recycling collection cost	£0	£0	£218,000
Annualised organics (garden waste) collection cost	£0	£0	£0
Annualised food waste collection costs	£749,000	£779,000	£861,000
Annual cost of providing food caddy liners	£398,000	£398,000	£398,000
Annualised residual collection costs	£0	£0	£0
<b>Total gross collection cost difference</b>	<b>£1,148,000</b>	<b>£1,177,000</b>	<b>£1,477,000</b>
Kerbside recycling rate <sup>24</sup>	53%	55%	56%

Table 20 shows that for all Options there is an additional collection cost to JWS. The introduction of a separate food waste collection service, using the modelled assumptions, is estimated to cost Lichfield at least c.£750,000 per year more than the current service, plus the cost of caddy liner provision. There could be some saving of c.£260,000 from residual waste collection by reducing the number of residual waste vehicles from 7 to 6. However, it not deemed likely that this saving can be achieved operationally, therefore there are no savings associated with the residual waste stream across any of the Options. The main differential between Option A and B is due to slightly increased operating and overheads associated with the higher food waste yield.

Option C has the highest gross collection cost of all the alternative service change options modelled. This is partly due to the greater number of vehicles required to collect food waste, but also the purchase of new 240litre wheeled bins for the two-stream recycling stream. Implementing a two-stream collection service will incur an additional recycling collection cost of approximately £218,000. It is assumed that the vehicles and staff will be shared across the two recycling streams. If separate vehicles were required to collect the two-stream dry recycling, the collection cost for Option C would be considerably higher.

#### 6.4 Gate Fee and Net Income

To understand the annual whole system cost implications of service change options, the potential income revenue and gate fee costs compared to the Baseline are shown in Table 21. A negative number indicates a saving compared to the Baseline, whereas a positive indicates an increased cost compared to the Baseline. The annual costs presented below were calculated by applying financial information provided by Lichfield, supplemented by industry published data on material prices and gate fees. Full assumptions are provided in Appendix C.

<sup>24</sup> Note that this is not the total Local Authority Recycling rate which also includes the performance of Bring Banks, the HWRCs and other collection activity, but is purely the performance of the main collection systems from households



Table 21: Gate fee and income – variation from Baseline

	Revenue assumption (£/t)			
		Option A	Option B	Option C
Gate fees and income, comprising:		£127,000	£164,500	-£225,000
<i>Dry Recycling<sup>25</sup>, of which:</i>		£0	£16,500	-£394,000
<i>Paper: Mixed papers domestic</i>	-£21.33			-£151,000
<i>Non-corrugated card</i>	-£50.76			-£97,000
<i>Co-mingled DMR<sup>26</sup></i>	£18.00		£16,500	-£146,000 <sup>27</sup>
<i>Garden Waste Composting</i>	£21.06	£0	£0	£0
<i>Food Waste Treatment<sup>28</sup></i>	£26.00	£127,000	£148,000	£169,000
Revenue from garden waste subscription <sup>29</sup>		£0	£0	£0
Recycling Credits (dry)	-£53.24	£0	-£49,000	-£49,000
Recycling Credits (organic)	-£51.58	-£252,000	-£293,000	-£334,000
<b>Net Cost (difference from Baseline)</b>		<b>-£125,000</b>	<b>-£178,000</b>	<b>-£609,000</b>

All options are expected to generate net income compared to the Baseline, due to the value of the recycling credit and recycle income. Option C is expected to generate the highest net income compared to the Baseline. This saving is largely dependent on the JWS securing market prices for fibre that are similar to industry published averages (c.£21/tonne for paper, c.£50/tonne for cardboard). It can also be seen from these figures that the additional recycling credits more than offset the gate fees for food waste; the same applies to additional dry recycling. The sensitivity of these figures is tested in 6.5.1. In addition, for Option C, the lower amount of co-mingled recycle sent to the MRF results in a saving of £146k compared to the Baseline.

<sup>25</sup> Average Let's Recycle Material Price (Jan-May 2019) minus 10% to account for smaller buying power

<sup>26</sup> WRAP (2018) MRF Gate Fee Report

<sup>27</sup> This is not a revenue. Note that there is still a cost of sending the co-mingled DMR to be recycling. However, as there is less DMR on the basis of separating the paper and card, JWS will save approximately £146,000.

<sup>28</sup> WRAP (2018) MRF Gate Fee Report

<sup>29</sup> Assumed no change to garden waste service or subscription throughout

## 6.5 Whole System Costs

A comparison of the whole system costs for delivering the service changes in Options A, B and C are summarised in Table 22. These figures include the additional cost of collection as well as the net income associated with recycling credits, recycling revenue, and gate fees. The variation in gate fees for residual waste has not been included as this is paid by the County; it has also been assumed that there is no change in the performance or cost of the current garden waste collection.

Table 22: Whole system cost – variation from Baseline

	Option A	Option B	Option C
Collection Cost difference	£1,148,000	£1,177,000	£1,477,000
Net gate fee / income difference	-£125,000	-£178,000	-£609,000
<b>Whole System Cost difference</b>	<b>£1,023,000</b>	<b>£999,000</b>	<b>£868,000</b>

These results show that when the cost of treatment and potential income is taken into account, although Option C has the highest increase in collection costs, it results in the lowest increase from the Baseline. As demonstrated in Table 21, this is driven by an income of c.£250,000 for the separately collected paper and card fraction, and recycling credits for food waste. It is recommended that further research is undertaken to ensure similar gate fees could be secured should the JWS consider a two-stream dry recycling system.

Similarly, Option B has a higher collection cost when compared to Option A, however, the increased income from recycling credits for the greater amount of food waste and dry recycling outweighs the additional collection costs.

### 6.5.1 Sensitivity analysis

Sensitivity analysis on the whole system costs presented in Table 22 have been undertaken to demonstrate the sensitivity of factors on the preferred alternative option. Notable sensitivities include:

- Recycling credits
- MRF gate fee / recycling income
- Moving from 2 drivers + 1 loader, to 1 driver + 2 loaders

The gate fees for AD treatment of food waste are well-established and therefore no sensitivity analysis has been undertaken on this.

#### Recycling Credits

The Councils currently receive recycling credits for the co-mingled dry recycling and garden waste collected by the JWS. Increasingly, Waste Disposal Authorities are removing the incentive of recycling credit payments to Waste Collection Authorities due to austerity measures and budget cuts. A sensitivity analysis has been carried out to explore the potential impact on the total costs of the options compared to the Baseline should the recycling credits be withdrawn. It should be noted that the Baseline figures have also had recycling credits removed, so a direct comparison between the options and the Baseline is possible.

Table 23. Sensitivity Analysis: removal of recycling credits – variance from Baseline

Whole System (without recycling credits) Difference			
	Option A	Option B	Option C
Difference from Baseline	£1,275,000	£1,341,00	£1,251,000

Option C is still the most cost-effective option of the service change options modelled, however the whole system costs have increased by £380,000 to reflect the value of the recycling credits withdrawn. Without recycling credits, Option B incurs the highest additional cost compared to the Baseline.

#### MRF Gate Fee / Recycling Income

Recent procurement exercises suggest that an upward trend in the costs for sorting dry mixed recycling can be expected. The Councils currently have competitive gate fees for dry recyclables though the contract with Biffa at the Aldridge MRF to 2022 (approximate £18/t net gate fee). Therefore, a sensitivity analysis on the co-mingled MRF gate fee and income from separately collected fibre was undertaken. In this sensitivity, the co-mingled MRF gate fee is increased by 100% (doubled) and the market value of separately collected fibre is reduced by 50%. It should be noted that the Baseline figures have also had the MRF gate fee increased, so a direct comparison between the options and the Baseline is possible.

Table 24: Sensitivity Analysis: MRF gate fees – variance from Baseline

	Income / cost per tonne (£/t)	Option A	Option B	Option C
Gate Fees and income, comprising		£127,000	£181,000	-£248,000
<i>Dry Recycling<sup>30</sup>, of which:</i>		£0	£33,000	-£415,000
<i>Paper: Mixed papers domestic</i>	-£10.67			-£76,000
<i>Non-corrugated card</i>	-£25.38			-£48,000
<i>Co-mingled DMR<sup>31</sup></i>	£36.00		£33,000	-£291,000
<i>Garden Waste Composting</i>	£21.06	£0	£0	£0
<i>Food Waste Treatment<sup>32</sup></i>	£26.00	£127,000	£148,000	£167,000
Revenue from garden waste subscription <sup>33</sup>		£0	£0	£0
Recycling Credits (dry)	-£53.24	£0	-£49,000	-£49,000
Recycling Credits (organic)	-£51.58	-£252,000	-£293,000	-£334,000
<b>Net Cost (difference from Baseline)</b>		<b>-£125,000</b>	<b>-£161,000</b>	<b>-£630,000</b>
<b>Annual gross collection costs (difference from Baseline)</b>		£1,148,000	£1,177,000	£1,477,000

<sup>30</sup> Average Let's Recycle Material Price (Jan-May 2019) minus 10% to account for smaller buying power

<sup>31</sup> WRAP (2018) MRF Gate Fee Report

<sup>32</sup> WRAP (2018) MRF Gate Fee Report

<sup>33</sup> Assumed no change to garden waste service or subscription throughout

<b>Whole System Cost (difference from Baseline)</b>		<b>£1,023,000</b>	<b>£1,016,000</b>	<b>£847,000</b>
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Table 24 shows that if the co-mingled MRF gate fee is increased to £36 (doubled), the overall net cost (income) difference for Option B increases by c.£17,000, but still higher than the Baseline by c.£161,000. In Option C, however, the net cost (income) difference increases by c.£19,000. This is primarily driven by the high proportion of paper and card in Lichfield recycling composition and reduction in tonnage collected as co-mingled DMR. Therefore, although they will receive less income for the paper and card fraction (reduced by 50%), the lower amount of co-mingled recyclate sent to the MRF results in a saving of c.£291,000 compared to the Baseline for MRF gate fees – this figure is twice that under the standard assumption at the current gate fee.

#### Changing from 2 drivers + 1 loader to 1 driver + 2 loaders

Currently the service is delivered with a crew arrangement of two drivers and one loader. Savings could be made on the staffing costs if the crew configuration was reduced to one driver and two loaders, as set out in Table 25.

*Table 25: Sensitivity analysis: Comparison of driver numbers – variance from Baseline only*

		<b>Reduction to 1 Driver + 2 loaders</b>
Annual vehicle operating costs	Dry recycling	-£15,500
	Dry recycling	-
	Garden waste	-£8,900
	Food waste	-
	Refuse	-£15,500
Annual overheads	Dry recycling	-£1,900
	Dry recycling	-
	Garden waste	-£1,100
	Food waste	-
	Refuse	-£1,900
Annual gross collection cost	<b>Dry recycling</b>	<b>-£17,400</b>
	<b>Dry recycling</b>	<b>-</b>
	<b>Garden waste</b>	<b>-£9,900</b>
	<b>Food waste</b>	<b>-</b>
	<b>Refuse</b>	<b>-£17,400</b>
	<b>Total</b>	<b>-£44,700</b>

It can be seen that changing the vehicle crew configuration from two drivers and one loader to one driver and two loaders has the potential to save almost £45k per year in staffing costs. The Council

would need to consider the health and safety implications of this, taking into account the long working day.

### 6.5.2 Garden waste collection

In each of the options presented it is assumed that the garden waste collection service remains the same. At present, the Councils operate a subscription-based collection service which collects over approximately 50 weeks of the year. So far, the Councils have received good levels of interest in the service, with a comparatively good percentage (approx. 52%) of households subscribed to the service.

However, when assessing opportunities for efficiencies, it may be appropriate for the Councils to consider reducing the operational weeks of the service. It is quite common for Local Authorities across the UK to shorten the collection period for garden collection (to approx. 36 weeks per year) as seasonality can have a pronounced impact on the amount of garden/organic waste presented at the kerbside during the winter months. Approximate savings are difficult to determine without a more detailed understanding of the impact that reducing the collection weeks would have on the garden waste tonnage.

Additionally, the Council could consider increasing the annual charge for the subscription-based service. However, although there would be an increase in the income from the subscribed households, this could have the effect of reducing the number of households subscribing to the service which would reduce the income from the service

### 6.6 Recycling rate

Table 26 below illustrates the total tonnages collected across each service change option, and the corresponding recycling rate. Option C results in the highest recycling rate, this is because the residual waste capacity has been restricted from 120 litre a week to 90 litre a week (equivalent to 180litre wheeled bin collected fortnightly). This is expected to increase the capture of dry recyclables and food waste; the total amount of waste sent for recycling (including food and organics) increases from 30,600 tonnes in the current service to 38,000 tonnes in Option C.

Table 26: Kerbside tonnages and recycling rate

Tonnes	Baseline (Adjusted)	Option A	Option B	Option C
Total Dry Recycling	18,700	18,700	19,600	19,600
Total Garden	11,900	11,900	11,900	11,900
Total Food	0	4,900	5,700	6,500
Total Contamination	2,500	2,700	2,900	1,400
Total Residual	34,000	29,000	27,000	28,000
<b>Total</b>	<b>67,300</b>	<b>67,300</b>	<b>67,300</b>	<b>67,300</b>

Kerbside Dry Recycling Rate	28%	28%	29%	29%
Kerbside Recycling Rate	45%	53%	55%	56%

## 6.7 Summary of Service Change Options

The summary table below (Table 27) shows a comparison of the results across all options. All service change options have a greater total cost than the Baseline. This is mainly due to the introduction of a dedicated food waste collection in all options. It should be noted that while the figures presented include an uplift on management and supervision costs, there may be some additional costs associated with all options for further support in the roll-out of new collection arrangements.

There are other areas where costs could potentially be reduced:

- Bin presentation at the property curtilage (kerbside). This is common practice in other local authority areas, however we understand that this is not an option that Members currently wish to pursue;
- Other shared services, e.g. street cleansing and grounds maintenance. There are localised services and the savings from shared services is not likely to be significant.

Table 27: Whole System Costs – variance from Baseline

Difference from Baseline	Option A (Current service + food)	Option B (Current service + food + restricted residual)	Option C (A4WC + food, +restricted residual)
<b>Annual gross collection costs</b>	<b>£749,000</b>	<b>£779,000</b>	<b>£1,079,000</b>
Annual cost of food caddy liners	£398,000	£398,000	£398,000
Gate Fees for recycling	£0	£20,000	-£426,000
Garden Waste Treatment	£0	£0	£0
Garden waste Income	£0	£0	£0
Food Waste Treatment	£127,000	£148,000	£169,000
Recycling Credits (dry)	£0	-£49,000	-£49,000
Recycling Credits (organic)	-£252,000	-£293,000	-£334,000
<b>Whole System Cost (difference from Baseline)</b>	<b>£1,023,000</b>	<b>£999,000</b>	<b>£868,000</b>

Whole System Cost – Sensitivities			
No recycling credits	£1,274,000	£1,341,000	£1,251,000
MRF gate fee sensitivity	£1,023,000	£1,016,000	£847,000

The Baseline has the lowest net collection cost. This is because at present the JWS does not collect food waste.

The service efficiency analysis shows that there is limited potential to reduce costs through vehicle numbers as a result of the depot location or waste minimisation activities. However, reducing residual waste arising does increase the flexibility of the existing fleet to cope with growth due to households.

Option A is most expensive relative to the Baseline. It also has the lowest recycling rate of the service change options. While Option A has the lowest collection cost increase of the alternative options, as a result of the recycling capture rate and lower food waste yield, the amount of recycling credits received is the lowest, outweighing the savings made on collection of residual waste.

Option B has the second highest cost when compared to the Baseline. Slightly higher recycling credits are achieved than in Option A due to the higher recycling capture and low-medium food waste yield. However, as the dry recycling material is collected co-mingled the gate fee for treating the recycling is higher than for Option C where increased recyclate income is assumed.

Operating a two-stream dry recycling system with weekly food (Option C) results in the highest recycling rate of the Options. In this option, the levels of contamination are also lowest (see Table 26). This is because it is generally assumed that as householders are provided with more choice as to which bin they place their recycling, they become more efficient at recycling the target materials.

Option C has the lowest whole system cost of all the alternative collection options. Although there is an increase in gross collection costs, the increased diversion from the residual waste and material revenue gained from a separate paper and card system and recycling credits offsets this to become the most cost-effective option (although still at increased cost compared to the Baseline). Material income revenue of £248,000 is assumed based on the high proportion of paper and card found within JWS current recycling composition.

Sensitivity analysis has shown that the JWS could incur significant cost increases should the recycling credits be withdrawn, or the MRF gate fees continue to rise. However, Option C still has the lowest whole system costs of the service change options considered once these have been taken into account.

## 7 Summary and Conclusions

### 7.1 Council challenges

The Councils identified the following challenges at the start of this waste collection services delivery study. FRM's consideration to these waste collection services challenges are given below:

#### *Implementation of the Resource and Waste Strategy for England (the Strategy)*

There were four Strategy consultation documents. The main changes to Councils' waste collection services will result from "Consultation on consistency in household and business recycling collections in England". This will:

- Provide consistent collection of six dry recyclable materials. The vast majority of these recyclables are currently collected by the Councils, and there should be no additional collection cost to the Councils in providing consistent co-mingled dry recyclables collection. There will be additional cost the Council from the expiry of its Biffa Aldridge MRF processing contract in 2022 resulting from:
  - Net increase in recyclable materials processing cost and reduction in overseas demand (sales price) against the current Biffa contract. This is beyond the scope of the current study; and
  - The need to keep fibre (paper and cardboard) separate from glass. The options of separate fibre and glass collection has been costed in this study.
- Require food waste collection by the end of 2023. The cost for household food waste collection to the Councils has been assessed;
- Potentially provide household garden waste to be collected free. The cost of free garden waste collection to the Councils has not been assessed in this study, as the Councils have only recently moved to a charged service in the last few years so already have a good understanding of the implications of it reverting to a 'free' service.

Defra also has Strategy consultation documents on "Consultation of reforming the UK packaging producer responsibility system" (i.e. Extended Producer Responsibility (EPR) for packaging), and Introducing a Deposit Return Scheme (DRS) in England, Wales and Northern Ireland. HM Treasury has Strategy consultation documents on "Plastic packaging tax". The EPR scheme should result in the Councils receiving income for the collection of dry recyclable wastes. However, the amount and payment method for this income is uncertain. The implications of the DRS and plastic tax on waste arising and Councils income is uncertain.

#### *MRF considerations*

- The Joint Councils' contracted cost for Materials Recovery Facility (MRF) processing of co-mingled collected recyclate. This is beyond the scope of this study and should be separately assessed.
- The Chinese and Malaysian ban on dry recyclable imports with enhanced contamination thresholds. This is a challenge to be addressed with the re-procurement of a MRF contract in 2022. The Councils already have low contamination levels and this will be reduced by separating fibre from mixed dry recyclables.



### *Workforce issues*

- The reduction in bin collection productivity resulting from fixed hour working replacing task and finish in 2013. Waste collection is trialling task and finish and productivity of bin collection has significantly improved to the national average (i.e. 1,425 bins for 9.25 hour working day urban collections).
- The national shortage of qualified LGV Category 2 drivers for refuse collection vehicles at the Joint Councils pay rates. This will not be addressed until the Councils pay a competitive wage for drivers (+£25k against the £21k paid). The Council could save costs by having a single driver per RCV (there are two drivers per RCV at present) and paying them an industry average wage. There is the issue that two drivers on a RCV work five 9.25 hour days and changing driver practice would need to be negotiated with the Unions.
- The lack of pay differential in the current job grading structure. This is acting as a barrier to recruiting Team Leaders. The Council should pay industry rates to attract and retains staff.
- The heavy reliance on agency support because of difficulties in recruiting staff and a high sickness level. The over-reliance on agency staff can cause service delivery problems and results in higher costs. The in-house service delivery option has a higher employee cost due to the high percentage of agency staff. The Councils would lose the agency cost risk under a LATC delivery option.
- The lack of Officer resource in Lichfield to develop trade waste services, in the context of a greater commercial aspiration. This is subject to a separate trade waste study.
- The permanent use of Saturday working over the Christmas period to catch up would need to be agreed with the Unions.
- Missed bins over Christmas should be electronically recorded but the collection manager should be able to decide whether to follow up on or not. If it is an individual bin then a decision can be made not to follow up, but if it is a number of houses together along a length of street then it should be followed up.

### *Other issues*

- The location and lack of future capacity of the Burntwood depot. The cost implications of the location of the Burntwood depot are assessed in above service change options.
- Future demand on the services from permitted housing developments. Tasks and finish allows greater flexibility for permitted housing development. The Councils also have a tool for round balancing which is helping to allocate permitted housing development to existing rounds. We understand however that the Councils have started another round for permitted housing development; and
- Transport management of the 23 waste vehicles. 95% of JWS HGVs are RCVs yet they are managed by Transport Services and not Waste Services. We would comment that most local authorities transport services departments are a separate function to waste management. Transport Services lease the vehicles to Waste Services either directly or through their arms-length service partner such as SFS, Go Plant etc. The waste collection vehicles are covered on the transport/fleet managers 'O' licence. This has been the normal practice for local authorities since the DSO days. The disadvantage to Waste Services operating the vehicles directly would be

that they would have to include maintenance and depreciation costs for vehicles directly owned by waste services from their current budgets. If Waste Services also operated the vehicles directly, they would have to apply for a separate 'O' licence and have a separate transport manager to manage these vehicles. Waste Services could always sub-contract maintenance back to transport at a fixed hourly, daily or weekly rate.

The brief for the fundamental waste collection services review stated that it needed to consider the above, and in particular assess:

- How the current operational and financial performance of the service compare when measured against similar sized authorities using a similar in-house delivery model – this has been detailed in the Services Benchmarking report;
- How the current operational and financial performance of the service compares when measured against similar sized authorities operating using alternative delivery models e.g. wider shared services e.g. street cleansing; arms' length trading company (i.e. Teckal company); and out-sourced services – this has been detailed in the Services Benchmarking report;
- The main explanations for differences between the Council's existing performance and the benchmarking findings – this has been detailed in the Services Benchmarking report;
- Options for improvements in service delivery and the optimal delivery option for the Council – this is studied in the service delivery options and service change assessments in this report;
- The key steps and timescales in adopting the optimal delivery model – commented upon below (see Section 7.2.3);
- The estimated financial implications of adopting the recommended delivery model, which may be remaining in-house and improving, both in terms of one-off costs and ongoing revenue implications – commented upon below (see Section 7.2.3); and
- The likely impact on the customer experience of the recommended delivery model – commented upon below (see Section 7.2.3).

## 7.2 Summary of potential changes

### 7.2.1 Service delivery options

The conclusions of the delivery options cost and SWOT evaluation is that the LATC (JV) gives a marginally lowest cost for the delivery of a comparable service, however, the differences between the costs of all options is very close, and certainly within the levels of uncertainty of the modelling assumptions. Taking the other criteria of flexibility and control into account alongside cost, the highest-ranking option is LATC (single), closely followed by in-house where the true costs are represented.

To put the level of cost assumptions into context, if the cost of the LATC (single) option were to increase by c. £50k, this could shift the evaluation results to in-house service at true cost being the highest ranking option (assuming no change to the flexibility and control scoring).

Under the current arrangements, Lichfield does not charge any rent to the JWS for the use of the depot, and it is assumed that this would also continue under a LATC (single) delivery. This could be considered to be an artificial position, so comparison of the costs and overall evaluation has also been undertaken whereby the in-house and LATC (single) options incur the same depot charges as for the outsourced and

LATC (JV) options. Under this equalisation of the depot costs across all options, there is no change to the top ranking of LATC (single), and LATC (JV) continues to have a lower total cost.

Based on the appraisal of service delivery options, the evaluation of in-house service at true cost and LATC (single) come close, so we do not consider there to be any advantage to the Council in setting up a LATC for the delivery of the Joint Waste Service at this stage.

### 7.2.2 Service change options

The service change options considered are expected to increase the current cost to the JWS. Such changes are likely to be driven by legislation and national policy, and it is understood that local authorities would be compensated for additional costs should service changes be mandated.

Of the three service change options considered, the arrangement of weekly food waste collections, two-stream dry recycling and reduced residual waste capacity has the lowest additional service cost, but still amounting to c.£900k-£1m over and above current service costs. Introducing food waste collections will require additional vehicles, and the current depot may not be sufficient to house the additional vehicles as well as car parking for additional crew.

Some flexibility in vehicle numbers (and hence the cost of collection) to allow for growth could emerge through waste minimisation efforts or through a lower drive time (depot location), but such changes are not expected to have a noticeable effect on the vehicle numbers required.

### 7.2.3 Effect of changes

#### *Key steps and timescales*

If the Councils select a LATC option (JV) in December, then it is recommended to obtain a detailed cost proposal from the Norse Group by the end of end of March if the JV option is preferred (Norse requires 3 months to prepare a detailed proposal with due diligence). Detailed costings and structure of the service through a LATC (single) will need to be developed if this option is selected. This may be assessed and reported to Scrutiny by the end of April and the Councils in May. If the Councils agree to the LATC service delivery then it will take 3 months to set up the company and transfer staff. A LATC could be set up by September 2020. Professional legal advice should be sought.

If the waste collection services continue to be provided in-house, there are no stepped changes. The main items on the timescale are seeking industry standard wages for drivers and supervisors, and agreement from Unions to changes in driving arrangements for single drivers. We would also recommend some soft market testing in 2020 with the other WCAs in Staffordshire for a new MRF processing contract. When the soft market testing has been carried out, decisions can be made on dry recyclable service provision. New RCV fleet can then be procured (lease or purchase) in 2021.

Changes as a result of the Strategy requirements can be expected to take place from 2022 or 2023.

#### *Cost implications*

The potential cost implications of setting up a local authority trading company, meeting the requirements set out in the Strategy are set out in Table 28. It is noted that some of these items may not be mandatory.

Table 28: Potential cost implications of changes

Year	Item	Cost
2020	LATC agreement, set up costs	c.£100-£150k, depending on the level of external advice sought
	New depot	To be determined
2022	Reducing garden waste collections over winter months	To be determined
2023	Weekly food waste collection	c£1m net cost
	Reduced residual waste capacity	No additional net cost (new bins will be needed)
	Alternate fortnightly mixed dry recycling and fibre	No additional net cost (new bins and new vehicles will be needed)

To this should be added the cash flow implications of a new depot if selected, and a new MRF contract in 2022.

If services are retained in-house, the cost of setting up the LATC and TUPE transfer can be avoided.

#### Customer experience

If the waste collection services are maintained in-house, then adequate staff should be engaged to maintain customer satisfaction rates.

The delivery of waste collection services through a LATC should not alter the customer experience. The LATC should be required to maintain and improve upon customer satisfaction rates. Any changes to the services should be approved by the Councils.

### 7.3 Conclusion

It is not considered appropriate, based on the cost and factors of flexibility and control that are important to the Councils, to recommend outsourcing the services in the short to medium term. If the Councils wish for the lowest cost services with the potential to make a profit, then the LATC (JV) should be investigated further, i.e. through an approach to the Norse Group in which they are asked to provide a detailed cost estimate for delivery of the services. The Council can then make a decision on a LATC (JV) when they have a costed proposal. However, should the Councils wish to retain the current level of flexibility and control, then the service should remain in-house or through the setting up of a Lichfield and Tamworth specific LATC. Given the proximity of the evaluation scores, it is not appropriate to make a firm recommendation on the service delivery model.

The cost of introducing food waste collections and changing the dry recycling collection to twin stream have been summarised. There is expected to be a net cost increase with the introduction of weekly food waste collections of around £1m per year. This is due to the additional vehicle and crew requirements, and associated operating costs. The additional costs could be reduced by c.£300k if the Councils do not provide caddy liners to householders. Restricting the capacity of the residual waste in addition to collecting food waste weekly has a slightly lower tonnage in comparison to current levels, however there are no significant cost savings associated with this reduction. Combining weekly food

waste collections and restricted residual waste capacity with a two-stream dry recycling collection is expected to cost around £870k per year more than at present. This figure is the lowest additional cost of the service change options considered due to increased value of recyclate (from separately collected paper), lower MRF gate fees for co-mingled material, and increased recycling credits. Without the value of the recycling credits, and with higher MRF gate fees and lower recyclate revenue, the service change option with food waste, restricted residual and two-stream recycling still offers the least additional cost compared with the current service.

## Appendix A – SWOT Analysis on Service Delivery Options

Note: Cost has been excluded from the SWOT analysis

### In-house

#### Strengths

- Direct control
- Flexibility for service/ legislative change
- Cost control
- Trust of the public
- Direct line management
- No procurement time and cost
- Costs transparent to the Council
- No exit limitations and costs
- Flexibility for property growth
- Lower cost for borrowing capital
- No risk of company bankruptcy

#### Weaknesses

- All risks, including financial and service risk with Councils
- Lack of competitive costing
- Recruitment and retention of staff, HGV 2 driver pay rates
- Buying power for service change and new infrastructure
- LGPS requirements for labour
- Provision of staff for service management
- Knowledge to innovate
- Funding for public awareness and education
- Funding for new depot and transfer station

#### Opportunities

- Opportunities for service change cost savings/ income
- Commercial waste services development
- Opportunity to integrate other services e.g. street cleansing
- Responsiveness to public

#### Threats

- Mobilisation for service change
- Provision of maintenance of plant and equipment
- Union management
- Lack of direct service expertise
- Lack of service health & safety experience and resources
- Lack of capacity for staff training and CPD
- Member (political) influence and control

### LATC Single

#### Strengths

- Flexibility for service/ legislative change
- Indirect cost control
- In-direct control
- No procurement time and cost
- Costs transparent to the Council
- Financial risk for agreed services taken by LATC
- Avoided LGPS requirement for new employees (3)
- Control of Member (political) influence and control
- Lower cost for borrowing capital
- Flexibility for property growth
- Public trust

#### Weaknesses

- Lack of competitive costing
- Financial risk ultimately with the Councils
- Limit to direct line management, blurred line between client and service delivery
- Knowledge and resources to set up LATC single
- Lack of buying power for contract variation
- Flexibility in service change
- Knowledge to innovate
- Council control over decision making
- Third party waste limitation
- No VAT recovery on trade waste

#### Opportunities

- Opportunities to include other services e.g street cleansing
- Flexible pay rates for recruitment and staff development, driver pay rates
- Funding of public education and awareness
- Commercial opportunities, 20% of services cost
- Increased profit margin
- Responsiveness to public

#### Threats

- Provision of capital for depot and transfer station
- Competitive cost for service change
- Less direct service expertise than private sector
- Less service health & safety experience than private sector
- Less capacity for staff training and CPD than private sector
- Set up risk of challenge including state aid
- Risk of LATC bankruptcy

#### LATC JV

##### Strengths

- Financial risk for agreed services taken by LATC
- Funding for recruitment and career development, driver pay rates
- Flexibility for service/legislative change
- No procurement time and cost
- Expertise in innovation
- Greater control over service performance - but no PMF (Performance)
- Avoided LGPS requirements for new employees
- Lower cost for borrowing capital
- Control of Member (political) influence and control
- Costs transparent to the Councils
- In-direct control

##### Opportunities

- Opportunity to include other services e.g. street cleansing
- Commercial opportunities, 20% of services cost
- LATC JV Agreement can be designed to be flexible
- Contractor delivery of public awareness and education
- Responsiveness to public
- Potential profit margin
- Union management
- Responsiveness to public

##### Weaknesses

- Lack of competitive costing
- Limited cost control
- Limit to direct line management, blurred line between client and service delivery
- LATC selection process and set up LATC JV time and cost
- Lack of cost control for contract variation
- Council control over decision making
- Very limited market place for LATCs JVs
- Ultimate financial risk partly held by Council
- Third party waste income limitation
- No VAT recovery on trade waste
- Cost for property growth

##### Threats

- Provision of capital for depot and transfer station
- Flexibility for property growth
- Competitive cost for service change
- Less service health & safety experience than private sector
- Less capacity for staff training than private sector
- Less staff continuing professional development than contractors
- Set up risk of challenge including state aid
- Less direct service expertise than private sector
- Risk of company bankruptcy

#### Outsourced

##### Strengths

- Financial risk for agreed services taken by contractor
- Competitive contract pricing
- Service and performance - Contractor cost though PMF
- Buying power for service provision
- Avoided LGPS requirements for new employees (3)
- Service set up and mobilisation
- Recruitment, training and retention of staff, driver pay rates
- Potential depot and transfer station development
- Lack of Member (political) influence and control
- Contractor innovation

##### Opportunities

- Potential contract procurement with South Staffordshire
- Establish trade waste business for Council ownership
- Provision and maintenance of plant and equipment
- Potential to procure other services e.g. street cleansing
- Contract Agreement can be designed to be flexible
- Contractor delivery of public awareness and education
- Union management
- Health & safety experience and resources

##### Weaknesses

- Not direct control
- No cost control
- Flexibility for service/ legislative change
- Profit to Contractor
- Cost, time and management of procurement
- No direct third party income relating to commercial waste
- Ways and cost to exit
- Higher capital cost unless Council prudential borrowing
- Little flexibility for property growth

##### Threats

- Costs not transparent to the Council
- Trust of the public
- Uncertain market interest in procurement
- Competitive cost for service change
- Risk of company bankruptcy
- Responsiveness to public





## Appendix B – Service Delivery Option Assumptions

	Assumption	Source / comment
<b>General</b>		
Bulky waste income per year	£60,000	2019-2020 Joint waste service review template final
Garden waste subscriptions	£1,442,196	Specification and property numbers for waste collection service / 2018 data
GW properties Lichfield	26,244	
GW properties Tamworth	14,232	
Combined % of properties	53%	
Annual subscription	£36	
Total number of households	77,366	Benchmarking form
Number of wheeled bins per household	3	Residual, recycling, garden waste
Total number of bins	195,208	Based on GW participation, note that all properties have a bin and those not used weren't collected when service became chargeable
Purchase price per bin	£25	
Outsourced contract duration (years)	8	
Vehicle life (years)	8	For purchase, Assume straight line depreciation
<b>Arisings (tonnes) 2018/19:</b>		KAT proforma
Residual	36,731	Includes bulkies
Dry recyclate	18,683	
Garden waste	11,857	
Trade recycling	271	Email from Nigel dated 17/06/19
Trade refuse	1,070	
<b>MRF / recyclate costs:</b>		
MRF gate fee 2018/19 (previous)	£31.30	Emails from Jane Irving 30/04/19 & 01/05/19
MRF gate fee 2018/19 (increase due to Chin	£36.30	
Average dry recyclate income / rebate per t	£18.29	
Income from sales 2018/19	£343,274	
Gate fee (at partially higher rate)	£703,300	
Income from recyclate credits (est) 2018/19	£1,009,201	
Garden waste gate fee	£21.06	Cost of green waste, row 103
<b>Recycling credits</b>	<i>Organic</i>	<i>Emails from Jane Irving 30/04/19 &amp; 01/05/18</i>
2018/19	£51.58	
2019/20	£45.08	
2020/21	£38.58	
2021/22	£32.08	
2022/23	£25.58	
	<i>Dry recycling</i>	
2018/19	£53.24	Inflationary increase, assume 2.5%
2019/20	£54.57	
2020/21	£55.94	
2021/22	£57.33	
2022/23	£58.77	

Vehicles		Capital cost per vehicle		Standing cost		Running costs		Comment
Vehicle numbers (current service)		Per veh	total	per veh	total	per veh	total	
								Operating costs in 'Vehicle data request.xls' differ from budget figures; Capital / lease costs from 'vehicle data request.xls'; other costs from KAT assumptions; Fuel as per current service for all vehicles
6	Refuse RCV	£175,000	£1,050,000	£8,400	£50,400	£15,500	£93,000	
5	Garden RCV	£165,000	£825,000	£7,900	£39,500	£14,500	£72,500	
7	Recycling RCV	£175,000	£1,225,000	£8,400	£58,800	£15,500	£108,500	
2	Other refuse	£125,000	£250,000	£5,900	£11,800	£10,500	£21,000	Estimate
2	Box van (JWS deliveri	£25,000	£50,000	£2,000	£4,000	£2,500	£5,000	Estimate
<b>Vehicle Crew Structure</b>								
Current in-house + LATC(single)		Per vehicle			Total			Comment
Number of vehicle	Vehicle	Team leader	Driver Load	Loader	Team leader	Driver Load	Loader	
5	Refuse RCV	1	1	1	5	5	5	
1	Refuse RCV scatter	1		1	1	0	1	
6	Recycling RCV	1	1	1	6	6	6	
1	Recycling RCV scatter	1		1	1	0	1	
4	Garden RCV	1	1	1	4	4	4	
1	Garden RCV scatter	1		1	1	0	1	
1	General operatives		0.2	0.5	0	0.2	0.5	
1	Back up	0.2	0.2	0.2	0.2	0.2	0.2	
2	Deliveries		1		0	2	0	
	<b>Total</b>				<b>18.20</b>	<b>17.40</b>	<b>18.70</b>	Note this does not match current staff positions
9.25h day multipl	1.25				22.75	21.75	23.38	
<b>Outsourced &amp; LATC JV</b>								
Number of vehicle	Vehicle	Team leader	Driver Load	Loader	Team leader	Driver Load	Loader	
5	Refuse RCV		1	2	0	5	10	
1	Refuse RCV scatter	1		1	1	0	1	
6	Recycling RCV		1	2	0	6	12	
1	Recycling RCV scatter	1		1	1	0	1	
4	Garden RCV		1	2	0	4	8	
1	Garden RCV scatter	1		1	1	0	1	
1	General operatives		0.2	0.5	0	0.2	0.5	
1	Back up	0.2	0.2	0.2	0.2	0.2	0.2	
2	Deliveries		1		0	2	0	
	<b>Total</b>				<b>3.2</b>	<b>17.4</b>	<b>33.7</b>	
9.25h day multipl	1.25				4.00	21.75	42.13	

Staffing	Staff numbers (excluding trade service)				Salary				Total staff salaries				Comment
	In-house (current)	Outsourced	LATC (single)	LATC (JV)	In-house (FTE)	Outsourced	LATC (single)	LATC (JV)	In-house	Outsourced	LATC (single)	LATC (JV)	
<b>Council staff</b>									£1,806,367	£194,149	£170,872	£170,872	
General Manager	1	0.5	0.5	0.5	£55,475				£55,475	£27,738	£27,738	£27,738	
Operations / Contract Manager	1	1	0.5	0.5	£46,554				£46,554	£46,554	£23,277	£23,277	
Customer Relations and Performance Manager	1				£39,088				£39,088	£0	£0	£0	
Supervisor	4				£27,905				£111,620	£0	£0	£0	
Business Support Officer	2	1	1	1	£21,589				£43,178	£21,589	£21,589	£21,589	
Team Leader	19.85				£21,589				£428,542	£0	£0	£0	£0 KAT average salary £24.2k
Recycling Officer	2	2	2	2	£24,799				£49,598	£49,598	£49,598	£49,598	KAT average salary £18.8k
Driver Loader	24				£21,589				£518,136	£0	£0	£0	
Loader	23.5				£19,554				£459,519	£0	£0	£0	
Administration Officer	0.6	0.5	0.5	0.5	£10,985				£6,591	£5,493	£5,493	£5,493	
Yardsman	0.5				£9,777				£4,889	£0	£0	£0	
Call Centre Operators	2	2	2	2	£21,589				£43,178	£43,178	£43,178	£43,178	
<b>Contractor staff</b>									£1,636,300	£1,790,050	£1,636,300		
General Manager													
Contract Manager		1	1	1	£50,000	£50,000	£50,000			£50,000	£50,000	£50,000	
Customer Relations and Performance Manager													
Supervisor		4.0	4.0	4.0	£30,000	£30,000	£30,000			£120,000	£120,000	£120,000	
Business Support Officer													
Team Leader		4.00	22.75	4.00	£27,000	£27,000	£27,000			£108,000	£614,250	£108,000	
Communications officer		1	1	1	£22,000	£22,000	£22,000			£22,000	£22,000	£22,000	
Driver Loader		22	22	22	£24,200	£24,200	£24,200			£526,350	£526,350	£526,350	
Loader		42.1	23.4	42.1	£18,800	£18,800	£18,800			£791,950	£439,450	£791,950	
Administration Officer		0.5	0.5	0.5	£18,000	£18,000	£18,000			£9,000	£9,000	£9,000	
Yardsman		0.5	0.5	0.5	£18,000	£18,000	£18,000			£9,000	£9,000	£9,000	
Call Centre Operators													
<i>Non-operational staff</i>	13.6	13.5	13.0	13.0									
<i>Operational staff</i>	67.85	68.4	68.4	68.4									
<i>Total staff</i>	81.5	81.9	81.4	81.4									

<b>Other assumptions</b>	<b>Inhouse</b>	<b>Outsourced</b>	<b>LATC (single)</b>	<b>LATC (JV)</b>	<b>Comment</b>
Vehicle purchase borrowing rate		6%	3.0%	6.0%	
Staffing overheads		5%	5%	5%	From Norse, 2018
Agency staff costs (as % of staff salaries)		10%	20%	10%	
NIC & superannuation multiplier on salaries	30%	20%	20%	20%	Employers pay Class 1 NICs of 13.8% on all earnings above the secondary threshold for almost all employees
Procurement & mobilisation costs	£0	£250,000	£150,000	£150,000	Total cost estimate, divide by contract duration
Profit margin (on total costs)		5%	0%	2.5%	

## Appendix C – KAT Modelling Assumptions

### Baseline Assumptions

Alternative scenario	As per proforma	Assumptions
<ul style="list-style-type: none"> <li><b>General</b></li> </ul>	<ul style="list-style-type: none"> <li>Vehicles 6 x RCV, 1 x scatter</li> </ul>	<ul style="list-style-type: none"> <li>Working hours (time spent on rounds): 9.15 hours</li> <li>Assume 2 driver + 1 loader due to length of working day.</li> </ul>
<ul style="list-style-type: none"> <li><b>Residual</b></li> </ul>	<ul style="list-style-type: none"> <li>Annual refuse tonnage – 36,731</li> <li>Crew: 2.1</li> </ul>	<ul style="list-style-type: none"> <li>36,731</li> <li>Hours worked: 9.15 hours</li> <li>95% set out</li> <li>Full compaction</li> <li>Crew: 2.0</li> </ul>
<ul style="list-style-type: none"> <li><b>Dry</b></li> </ul>	<ul style="list-style-type: none"> <li>Set out 92% (KAT models in rounds of 5)</li> <li>Crew: 2.1</li> </ul>	<ul style="list-style-type: none"> <li>Partial compaction</li> <li>Percentage set out: 90%</li> <li>Participation: 92%</li> <li>Contamination 13%</li> <li>Hours worked: 9.15 hours</li> <li>Crew: 2.1</li> <li>7 vehicles</li> </ul>
<ul style="list-style-type: none"> <li><b>Garden</b></li> </ul>	<ul style="list-style-type: none"> <li>Varies according to time of year</li> <li>Crew: 2.1</li> </ul>	<ul style="list-style-type: none"> <li>No compaction</li> <li>70% set out</li> <li>Participation: 100%</li> <li>Modelled over 36 weeks using KAT guidance to calibrate vehicles</li> <li>Hours worked: 9.15 hours</li> <li>Crew: 2.0</li> <li>Contamination 0.5%</li> </ul>

### Alternative Scenario Assumptions

Alternative scenario	Assumptions
<b>Service efficiencies</b> <ul style="list-style-type: none"> <li>Collection service as per current</li> </ul>	<b>A depot in Tamworth</b> – sensitivity on reduction in collection time <b>Waste minimisation (education and awareness)</b> – sensitivity of residual waste reduction
<b>Option A –</b> <ul style="list-style-type: none"> <li>Dry recycling- as per current service</li> <li>Residual- as per current service</li> <li>Food - <b>weekly</b> collection</li> </ul>	<b>Dry recycling</b> – as per Baseline (commingled) <b>Residual</b> – as per Baseline (fortnightly, 240l), reduced tonnage <b>Food waste</b> <ul style="list-style-type: none"> <li>Low yield as per WRAP ready reckoner (4,888 tonnes/annum)<sup>34</sup>.</li> </ul>

<sup>34</sup> The WRAP ready reckoner for food waste yields<sup>34</sup> was applied to calculate the total tonnage of food waste collected. The ready reckoner formula is based on indices of deprivation and is the most accurate data set available to estimate projected food waste tonnages

<ul style="list-style-type: none"> <li>• Garden- as per current collection</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated 7.5 tonne food waste vehicles</li> <li>• Set out – 45%<sup>35</sup></li> <li>• Participation – 55%<sup>36</sup></li> <li>• Assume 1 crew member</li> <li>• 23l bucket and kitchen caddy (inc. annual provision of compost sacks)</li> <li>• No compaction</li> </ul> <p><b>Garden waste –</b></p> <ul style="list-style-type: none"> <li>• As per Baseline</li> </ul>
<p><b>Option B –</b></p> <ul style="list-style-type: none"> <li>• Dry recycling - as per current service</li> <li>• Residual- <b>Reduced capacity residual collection</b></li> <li>• Food - <b>weekly</b> collection</li> <li>• Garden- as per current service</li> </ul>	<p><b>Dry recycling</b></p> <ul style="list-style-type: none"> <li>• As per Baseline (commingled)</li> <li>• +5% participation (97%)</li> <li>• Increase dry recycling capture by 5%</li> </ul> <p><b>Residual – reduced capacity residual</b></p> <ul style="list-style-type: none"> <li>• 180l wheeled bin (tonnage reduced)</li> </ul> <p><b>Food waste</b></p> <ul style="list-style-type: none"> <li>• Low-to-Mid yield as per WRAP ready reckoner (5,684.5 tonnes/annum) see details below.</li> <li>• Dedicated 7.5 tonne food waste vehicles</li> <li>• Set out – 50%</li> <li>• Participation – 60%</li> <li>• Assume 1 crew member</li> <li>• 23l bucket and kitchen caddy (inc. annual provision of compost sacks)</li> <li>• No compaction</li> </ul> <p><b>Garden waste</b></p> <ul style="list-style-type: none"> <li>• As per current collection</li> </ul>
<p><b>Option C -</b></p> <ul style="list-style-type: none"> <li>• Dry recycling- <b>Twin stream (4-weekly, alternate fortnightly, fibre out)</b></li> <li>• Residual- <b>reduced capacity residual collection</b></li> <li>• Food - <b>weekly</b> collection</li> <li>• Garden- As per current service</li> </ul>	<p><b>Dry recycling</b></p> <ul style="list-style-type: none"> <li>• Single bodied vehicle as per Baseline 22m3</li> <li>• 2 x 240l wheeled bin</li> <li>• Alternate fortnightly collection</li> <li>• Paper and card collected separately in a 240l wheeled bin</li> <li>• Plastic, glass, metals collected separately in a 240L wheeled bin</li> <li>• Increase dry recycling capture by + 5%</li> <li>• +5% participation (97%)</li> <li>• Contamination: 5%.</li> <li>• Full compaction</li> </ul> <p><b>Residual – as per Option B</b></p> <p><b>Food waste – Medium yield as per WRAP ready reckoner (6,482tonnes/annum) see details below.</b></p> <ul style="list-style-type: none"> <li>• Dedicated 7.5 tonne food waste vehicles</li> <li>• Set out – 55%</li> </ul>

<sup>35</sup> Set out is the percentage of households putting out receptacles on a typical collection day

<sup>36</sup> Participation is the percentage of households participating over three collection cycles, i.e. those using the system. These estimates are informed by WRAP food waste collection trials.

	<ul style="list-style-type: none"> <li>• Participation – 65%</li> <li>• Assume 1 crew member</li> <li>• 23l bucket and kitchen caddy (inc. annual provision of compost sacks)</li> <li>• No compaction</li> </ul> <p><b>Garden waste</b></p> <ul style="list-style-type: none"> <li>• As per current collection</li> </ul>
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## Food

*Lichfield & Tamworth WRAP Food Waste Ready Reckoner<sup>37</sup>*

For areas with fortnightly residual waste collection (i.e. alternate weekly collection): = **2.1614 – (% Social Groups D and E X 2.2009) ± 0.40 kg/hh/week.**

### Calculation for expected yield of food waste (kg/hh/week).

					Kg/hh/week			
	A	B	C	D	Medium	High	Mid-Low	Low
<b>LA</b>		<b>Social Groups D &amp; E 2011 (%)</b>		<b>= A – (B x C)</b>	<b>D</b>	<b>D+0.4</b>	<b>D-0.2</b>	<b>D-0.4</b>
Lichfield	2.1614	19.9	2.2009	1.7236421	1.7236	2.1236	1.5236	1.3236
Tamworth	2.1614	30.2	2.2009	1.496728	1.4967	1.8967	1.2967141	1.0967
Average					<b>1.6101</b>	<b>2.01015</b>	<b>1.41015705</b>	<b>1.21015</b>

### Tonnage collected per annum

LA	Number of households	Medium	Mid-High	High	Mid-Low	Low
Lichfield	43,783	3,924.15	4,379.49	4,834.83	3,468.81	3,013.46
Tamworth	32,866	2,557.96	2,899.74	3,241.52	2,216.13	1,874.30
<b>Lichfield &amp; Tamworth</b>	<b>76,596</b>	<b>6,482.10</b>	<b>7,279.23</b>	<b>8,076.36</b>	<b>5,684.93</b>	<b>4,887.76</b>

<sup>37</sup> Household food waste collections guide, Section 3: How much food waste can be collected for recycling? WRAP 2016

KAT Outputs

		Baseline (Adjusted)	Scenario 1	Scenario 2	Scenario 3
Type of collection	Dry recycling	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream
	Dry recycling	select from list	select from list	select from list	Kerbside co-mingled or single stream
	Garden waste	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream
	Food waste	select from list	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream	Kerbside co-mingled or single stream
	Refuse	Refuse collection	Refuse collection	Refuse collection	Refuse collection
Collection frequency	Dry recycling	every fortnight	every fortnight	every fortnight	every fortnight
	Dry recycling	select from list	select from list	select from list	every fortnight
	Garden waste	every fortnight	every fortnight	every fortnight	every fortnight
	Food waste	select from list	once a week	once a week	once a week
	Refuse	every fortnight	every fortnight	every fortnight	every fortnight
Collection Vehicle	Dry recycling	RCV, 24m3	RCV, 24m3	RCV, 24m3	RCV, 24m3
	Dry recycling	select from list	select from list	select from list	RCV, 24m3
	Garden waste	RCV, 20m3	RCV, 20m3	RCV, 20m3	RCV, 20m3
	Food waste	select from list	Dedicated food 7.5T GVW	Dedicated food 7.5T GVW	Dedicated food 7.5T GVW
	Refuse	RCV, 20m3	RCV, 20m3	RCV, 20m3	RCV, 20m3
Collection crew size including driver	Dry recycling	3	3	3	0
	Dry recycling	#DIV/0!	#DIV/0!	#DIV/0!	3
	Garden waste	3	3	3	3
	Food waste	#DIV/0!	2	2	2
	Refuse	3	3	3	3
Number of households served	Dry recycling	76596	76596	76596	76596
	Dry recycling	0	0	0	76596
	Garden waste	40457	40457	40457	40457
	Food waste	0	76596	76596	76596
	Refuse	76596	76596	76596	76596
Percentage set out	Dry recycling	90%	90%	90%	90%
	Dry recycling	select from list	select from list	select from list	90%
	Garden waste	70%	70%	70%	70%
	Food waste	select from list	45%	50%	55%
	Refuse	95%	95%	95%	95%



Percentage set out (2nd stream)	Dry recycling	select from list	select from list	select from list	select from list
	Dry recycling	select from list	select from list	select from list	select from list
	Garden waste	select from list	select from list	select from list	select from list
	Food waste	select from list	select from list	select from list	select from list
Average participation	Dry recycling	92%	92%	97%	97%
	Dry recycling	100%	100%	100%	97%
	Garden waste	100%	100%	100%	100%
	Food waste	100%	55%	60%	65%
Average capture	Dry recycling	91%	91%	91%	91%
	Dry recycling	100%	100%	100%	104%
	Garden waste	216%	216%	216%	216%
	Food waste	100%	61%	65%	68%
Tonnes collected excluding contamination	Dry recycling	18682	18682	19600	9008
	Dry recycling	0	0	0	10592
	Garden waste	11857	11857	11857	11857
	Food waste	0	4888	5685	6482
	Refuse	34245	29112	27237	27968
Tonnes of contamination collected	Dry recycling	2429	2429	2548	450
	Dry recycling	0	0	0	530
	Garden waste	59	59	59	59
	Food waste	0	244	284	324
	Refuse	0	0	0	0
Tonnes of biodegradable material collected	Dry recycling	8597	8597	9008	9008
	Dry recycling	0	0	0	0
	Garden waste	11857	11857	11857	11857
	Food waste	0	4888	5685	6482
Number of collection vehicles required	Dry recycling	6.6	6.6	6.6	5.2
	Dry recycling	0.0	0.0	0.0	6.8
	Garden waste	3.4	3.4	3.4	3.4
	Food waste	0.0	7.1	7.7	8.7
	Refuse	6.3	6.3	6.3	6.3
Collection limited by weight or volume	Dry recycling	volume	volume	volume	volume
	Dry recycling	volume	volume	volume	volume
	Garden waste	volume	volume	volume	volume
	Food waste	volume	weight	weight	weight
	Refuse	weight	weight	weight	weight
Number of loads collected per vehicle per day	Dry recycling	2.1	2.1	2.3	1.5
	Dry recycling	1.0	1.0	1.0	3.0
	Garden waste	3.9	3.9	3.9	3.9

	Food waste	1.0	0.9	1.0	1.0
	Refuse	2.0	1.8	1.7	1.7
Number of households passed per vehicle per day	Dry recycling	1,157	1,157	1,157	1,466
	Dry recycling	0	0	0	1,119
	Garden waste	1,191	1,191	1,191	1,191
	Food waste	0	2,170	2,002	1,756
	Refuse	1,221	1,307	1,307	1,307
Number of households collected from per vehicle per day	Dry recycling	1,041	1,041	1,041	1,319
	Dry recycling	0	0	0	1,007
	Garden waste	834	834	834	834
	Food waste	0	977	1,001	966
	Refuse	1,160	1,241	1,241	1,241
Pass rate	Dry recycling	231	231	231	231
	Dry recycling	0	0	0	224
	Garden waste	255	255	255	255
	Food waste	0	283	316	277
	Refuse	253	212	212	212
Productive time	Dry recycling	300	300	300	380
	Dry recycling	365	365	365	300
	Garden waste	280	280	280	280
	Food waste	365	460	380	380
	Refuse	290	370	370	370
Non productive time	Dry recycling	255	255	255	175
	Dry recycling	115	115	115	255
	Garden waste	275	275	275	275
	Food waste	115	95	175	175
	Refuse	265	185	185	185
Percentage of targeted materials collected	Dry recycling	97%	97%	102%	106%
	Dry recycling	0%	0%	0%	101%
	Garden waste	216%	216%	216%	216%
	Food waste	0%	33%	39%	44%

THURSDAY, 19 DECEMBER 2019

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING SERVICES AND COMMUNITIES****LANDLORD REGULATION - COUNCILS STOCK RETAINED SERVICES****PURPOSE**

The purpose of the report is to:-

- Continue to highlight to Cabinet the Regulatory Social Housing (RSH) requirements in relation to the Council Stock retained service; as detailed in the regulator's annual consumer report shown here <https://www.gov.uk/government/publications/consumer-regulation-review-2018-to-2019>.
- Propose Tenants' annual performance report (2018/19) evidencing compliance and opportunities for continual improvement for the Council's stock retained service.
- Update Cabinet with regard to changing requirements of the RSH around participating with the Local Authority rent data collection pilot on a voluntary basis in 2019/20.

**RECOMMENDATIONS**

It is recommended that Cabinet:-

1. Approve the draft `Neighbourhood Services Annual 2018/19` report **(Appendix A)** for circulation to all the Council's tenants via the Council's website as required by the Regulator Social Housing. Evidencing involvement and effective scrutiny by tenants of their landlord's performance.
2. Delegate authority to the Assistant Director Neighbourhoods in conjunction with the Portfolio Holder for Housing & Communities to make any necessary amendments to the draft Neighbourhood Services Annual Report 2018/19 prior to digital circulation.
3. Approve and support a targeted independent review of landlord services against the Regulator Social Housing (RSH) Consumer Standards to assist with continual improvement, compliance and enable officers to maximise improvement opportunities across the range of corporate teams delivering the Councils stock retained services.
4. Support the Regulator for Social Housing (RSH) requirement for registered providers of social housing including local authorities in England to meet the relevant regulatory standards set by the RSH and the summary findings of the RSH's Consumer Regulation Review for the year 2018/19 **(Appendix E)**.

5. Acknowledge the Regulator Social Housing's (RSH) correspondence sent to all Chief Executives of housing stock-owning local authority's on 17<sup>th</sup> May 2019 setting out member's obligations for ensuring compliance with the RSH's consumer standards and to ensure performance is scrutinised.
6. Approve participation in the Regulator Social Housing's (RSH) rent data collection pilot on a voluntary basis in 2019/20 with a further report back to Cabinet in Spring 2020 when the full impact of the new rent directions has been assessed.

## EXECUTIVE SUMMARY

The management of a high quality council housing service is central to delivery of the Councils vision to ***“put Tamworth, its people and the local economy at the heart of everything we do”***. Our strategic priorities around people, place and organisation all require a 'one council' organisational culture to ensure its council housing remains fit for purpose and continues to be innovative and ambitious in its aims.

The Councils landlord service is subject to statutory regulation by the Regulator for Social Housing (RSH). The regulator was established on the 1/10/18 under legislative reform, which amended the Housing & Regeneration Act 2008. Prior to this, the regulation of social housing was the responsibility of the Regulation Committee of the Homes and Communities agency (which now uses the trading name Homes England). As part of this renewed regulatory commitment RSH wrote to all Chief Executives (17/5/19 letter attached at **Appendix B**) reminding them of their obligations to ensure compliance with the standards is effectively monitored, scrutinised and reported to elected members as part of its wider governance and to demonstrate effective leadership.

Based on that legislative context the detail in the report reminds members of the RSH requirements and obligations, specifically when approving the Tenants' Annual Report (2018/19). This is the Council's 9<sup>th</sup> Tenants Annual Report and the live tenant dashboard showcases key performance figures and outcomes as agreed with the Tenants Consultative Group (TCG). This shows positive outcomes and continued top quartile performance in key areas when benchmarked with other best in class.

From the table, of the 11 KPI's agreed with TCG, 8 are assessed as top quartile or in an improving position. Repairs figures have inevitably dipped as new contractors are being sourced and this continues to be closely monitored & challenged whilst new arrangements are being mobilised.

How is Tamworth Borough Council performing compared with previous years?				
	2016/17	2017/18	2018/2019	Estimated Top Quartile*
Overall satisfaction with Landlord Services	78%	88%	88%*	82%
Average time between letting Council properties	17.60 days	17 days	15	18.53 days
Estate Inspections	10 inspections completed	10 inspections completed	10 inspections completed	Not benchmarked
Satisfaction with communal	87%	87%	87%	Not benchmarked

cleaning				
Number of tenants on the database of involvement	617	557	679	Not benchmarked
% of appointments made and kept	95%	90.48%	91.30% (club median)	97.06%
Gas servicing – CP12	99.99%	97.82%	100%	100.00%
% of repairs completed at first visit	89.40%	89.34%	87.80%	93.59%
Customer satisfaction with repairs	83%	95%	90.80%	91.23%
Arrears as a % of rent due	1.82%	2.15%	2.82%** (1.66%)	1.55%
Number of Evictions	10	18 (0.42%)	13 (0.31%)	0.17%

\*Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. This figure was recorded in 2017/18 and remains the same at 2018/19 until the new STAR survey is undertaken in 2020/2021

\*\* Members are aware that staff attended Scrutiny on 13<sup>th</sup> March 2019 and it was explained that whilst arrears overall are increasing the overall increase was and still is primarily as a direct result of Universal Credit. It was reported that every Universal Credit claimant waiting a minimum of 5 weeks and on average in some cases 10 weeks for payment. It was reported that if this trend continued on a month by month basis we could confidently say that we would expect to see arrears increase by approx. £204k per year. End of year arrears for 2018/19 was 494,412.73. If we deduct 204k this leaves 290,412.73. 290,412.73 as a % of rent due (March debit) 17,526,532.21 is 1.66%

Total **Rent** arrears (excluding former tenants) at 30 September 2019 were £576k compared to £494k at 31 March 2019 – an increase of £82k (compared to a £299k increase as at 30 September 2018).

Total arrears (including former tenant arrears, recharges, court costs and garages etc.) were £1.95m at 30 September 2019, compared to £1.84m at 31 March 2019, an increase of £113k (compared to a £320k increase between 31 March 2018 and 30 September 2018).

Total arrears (including garages etc.) were £1.84m at 31 March 2019 compared to 31 March 2018 - £1.68m (£155k higher).

Given the RSH renewed emphasis around member/board scrutiny of landlord compliance, reported in their latest Consumer Regulation report, it is being proposed that the service continues to be exposed to external assessment and learning. Housing management services around sheltered; anti-social behaviour and rent have already been independently accredited and this is detailed in full later in the report. As the RSH and sector experts believe this is best practice it is proposed (in 2020/2021 and 2021/2022) to extend this programme to other areas of the service not previously looked at such as:-

Standard	Thematic review to include
Tenant Involvement & Improvement Standard	<ul style="list-style-type: none"> <li>• Customer Access (digital)</li> <li>• Tenant regulation, empowerment and Scrutiny</li> <li>• Customer intelligence and use regarding feedback</li> </ul>
Home Standard	<ul style="list-style-type: none"> <li>• Repairs and Investment Services</li> <li>• Health &amp; Safety compliance across landlord</li> </ul>

	<ul style="list-style-type: none"> <li>stock</li> <li>• Fire Safety</li> </ul>
Tenancy Standard	<ul style="list-style-type: none"> <li>• Tenancy Management Policy</li> <li>• Allocations and Lettings policy</li> </ul>
Neighbourhood & Community Standard	<ul style="list-style-type: none"> <li>• Neighbourhood and caretaking offer – noting this consumer standard has been subject to review as part of the ASB accreditation</li> </ul>

Once these assessments have been undertaken then this will support continuous improvement and show a joined up approach to compliance. Noting that housing management and maintenance services for council housing now enjoys cross fertilisation between a range of the Councils teams, benefiting from greater efficiencies and expertise.

Cabinet will also find further comprehensive detail in this report around proposed changes to the rent standard. Previously this did not apply to Local Authorities but MHCLG have issued new rent directions applicable from 2020. During 2019/2020 the RSH will use a data driven approach (Local Authority Data Return (LADR) to regulate compliance with the Rent Standard. Whilst RSH will only be responsible for regulating local authorities' rents from April 2020, they are piloting a local authority data collection on a voluntary basis in 2019/20. All local authorities are strongly encouraged to participate and submit a data return in 2019 alongside the current Local Authority Housing Statistics submission made to MHCLG directly. Tamworth is currently working on this submission and has also asked the Housing Quality Network (HQN) to review the proposed rent standard so that policy considerations' can be built into the usual budget setting process and reported back to Cabinet if necessary.

The TCG have been instrumental in the production of this latest annual report and are also key to influencing, shaping and scrutinising performance. An area, which will also be, subject to independent assessment by the Tenant Participatory Advisory Service in the New Year.

## **MATTERS FOR CONSIDERATION**

### **1. The Role of the Regulator for Social Housing**

The objectives of the Regulator of Social Housing (RSH) are set out in the Housing and Regeneration Act 2008. In summary the RSH's role is regulating registered providers including local authorities of social housing to protect social housing assets, ensure providers are financially viable and properly governed, maintain confidence of lenders to invest in the sector, encourage and support supply of social housing, ensure tenants are protected and have opportunities to be involved in the management of their homes and ensures value for money in service delivery.

Regulatory standards for social housing in England are at the core of the RSH framework requirements. The standards are classified as either economic (Rent Standard) or consumer (Tenant Involvement & Empowerment, Homes, Tenancy, Neighbourhood & Community Standards). Each standard sets out required outcomes and specific expectations of registered providers including local authorities. Full details of RSH's regulatory standards can be found at:  
<https://www.gov.uk/guidance/regulatory-standards>

RSH's role is to proactively regulate these standards. Providers are expected to identify problems and take effective action to resolve them. If providers take responsibility and the RSH conclude that it is able to respond to the problems, then RSH will work with providers to help it deliver the necessary corrective action. However, in circumstances where a provider is unwilling to respond positively the RSH may use their regulatory enforcement and general powers. Full details of RSH's powers and approach to intervention can be found at:

<https://www.gov.uk/government/publications/guidance-on-the-regulators-approach-to-intervention-enforcement-and-use-of-powers>

The RSH receive referrals and information about potential breaches from a range of sources, including tenants, statutory referrals (MP, Housing Ombudsman, Health & Safety Executive) or directly from Registered Providers themselves. The RSH then determines if the evidence indicates a wider failing within a provider's systems or processes – which may lead it to conclude there's been a breach of its standards. However, it must also believe the breach has caused or has the potential to cause serious harm, which it calls the "serious detriment test". Where it judges there's evidence of the serious detriment test having been met, RSH will publish a regulatory notice. Where RSH judge the test has not been met but shortcomings have been found, RSH are likely to still follow up with providers to address any issues informally.

## **2. Regulator of Social Housing's Standards**

All registered providers of social housing in England are responsible for meeting the relevant regulatory standards set by the RSH, as well as determining how this is done.

The standards are classified as either economic (Rent Standard) or consumer (Tenant Involvement & Empowerment, Homes, Tenancy, Neighbourhood & Community Standards). Full details can be found at:

<https://www.gov.uk/guidance/regulatory-standards>

On 17<sup>th</sup> May 2019 the RSH wrote to all Chief Executives of stock-owning local authorities to remind them of their obligations for their tenants safety under the Regulator of Social Housing's Consumer Standards. In particular the correspondence draws attention to local authorities requirement to meet all applicable statutory requirements that provide for the health and safety of occupants in their homes, as at **Appendix B**.

### 2.1 Consumer Standards

The four consumer standards and the required outcomes that all registered providers including local authorities are required to meet are:

- Tenant Involvement and Empowerment Standard – customer service, choice, complaints, involvement, understanding tenant needs, empowerment and the provision of timely and relevant performance information i.e. Annual Report.
- Home Standard – health & safety, quality accommodation, decant homes, repairs & maintenance.
- Tenancy Standard - fair allocations & compatible tenure.
- Neighbourhood and Community Standard - neighbourhood management.

### 2.2 Economic Standards

The two economic standards (Value for Money Standard and Governance and Financial Viability Standard) apply to all registered providers except for local

authorities because the regulator has no power to set economic standard or local authorities with the exception of the third economic `Rent Standard`.

### 2.3 Rent Standard

The government will be replacing the existing 2015 Rent Standard with a new Rent Standard for all registered providers of social housing including local authorities from 1 April 2020, shown by clicking on the link here -

<https://www.gov.uk/government/publications/direction-on-the-rent-standard-from-1-april-2020> .

### **Regulator of Social Housing's Rent Data Collection Pilot 2019/20**

On 15th March 2019, the RSH wrote to all Chief Executives of stock-owning local authorities regarding the government's recent direction requiring RSH to regulate Local Authority rents from 2020, as at **Appendix C**.

The RSH will use a data driven approach (Local Authority Data Return (LADR) to regulate compliance with the Rent Standard. The RSH will collect data directly from stock holding local authorities. Whilst RSH will only be responsible for regulating local authorities' rents from April 2020, they are piloting a local authority data collection on a voluntary basis in 2019/20. Whilst this pilot is entirely voluntary, all local authorities are strongly encouraged to participate and submit a data return in 2019 alongside the current LAHS submission made to MHCLG directly. A high level of uptake in the pilot year will allow RSH to gather and consider feedback on the proposed data collection, refine the data collection requirement, and reduce the risk of data error in future years. The LADR will collect information on stock and rent for the purposes of rent regulation. The LADR is very similar to the data already collected through Local Authority Housing Statistics (LAHS) which the Council currently submits yearly.

The Housing Quality Network (HQN) have been engaged to fully understand the proposed rent standards and whilst rent charging is routinely built into the budget setting process any specific impact arising will be reported back to Cabinet in Spring 2020 when the new rent directions has been assessed.

### **3. Regulator of Social Housing's Consumer Regulation Review 2018/19**

In September 2019, the RSH published `The Regulator of Social Housing's Consumer Regulation Review 2018-19` which provides a summary of its works for that year, as shown here <https://www.gov.uk/government/publications/consumer-regulation-review-2018-to-2019>. Council Officers have assessed these summary findings for the purposes of learning and continuous improvement.

The RSH report that most registered providers are well run and meet expectations set out in the regulatory standards. However on occasions issues do arise that represents a risk to tenants, and where intervention by the regulator is required.

The key themes arising from the RSH casework include;

- Ensuring tenants homes are safe goes beyond complying with the specific pieces of legislation. Therefore it is vital that registered providers understand their tenants and their tenant's needs as well as the stock that they are



responsible for, and have clear and informed policies about what it takes to ensure that tenants are not exposed to risk for which the landlord has a responsibility.

- The importance of good quality data cannot be overstated because, in a number of cases, it has been seen that a breach of consumer standards including a failure to comply with statutory requirements and policies on health and safety, has arisen because organisations do not hold good quality data about the homes they live in.
- Registered providers have sometimes found they cannot evidence whether work has been carried out in time and quality, or even at all – which may be due to the existence of different data systems, but often stems from inadequate arrangements for data reconciliation, weak controls and governance, and inconsistent record keeping.
- Where the RSH finds a breach of the consumer standard and serious detriment, it is most often in relation to the Home Standard
- Providers have a responsibility to respond to complaints promptly and effectively – failure to do so impacts on the level of trust and confidence tenants have
- Providers need strong governance. Boards/members need to have assurance of compliance against all relevant standards.

#### **4. Independent Self-Assessment to ensure compliance with the RSH Standards**

In-line with financial regulations the Council proposes to seek the support from an external independent professional housing body to assist with carrying out a compliance self-assessment exercise against all the relevant regulatory standards. The purpose of the self-assessment will be to promote learning and continual improvement across its landlord services, in addition to assessing if the Council can evidence with good quality data/effective systems that are compliant with all the relevant regulatory standards. Where there is a need for improvement then a clearly timetabled improvement action plan will be produced and will be reported separately via a 'Scheme of Delegation to the Portfolio Holder for Communities'.

Previously Cabinet have approved external self-assessment across its landlord service, and as a result the following services have already been independently assessed and accredited;

- ✓ Rents / Income Management – HQN Accreditation, June 2015/16 and reconfirmed as part of a health check in 2018
- ✓ ASB Management – House-Mark Accreditation in July 2016 & July 2019
- ✓ Sheltered Housing – EROSH Peer Review, September 2018

Given the nature of the regulatory requirements it is prudent to ensure compliance and best practice across all service areas. The following service areas have not been subject to an external assessment as illustrated below. Therefore an external and independent assessment across these service areas will inform further service improvements and plan to ensure compliance with the regulatory standards.

<b>Standard</b>	<b>Thematic review to include</b>
Tenant Involvement & Improvement Standard	<ul style="list-style-type: none"> <li>• Customer Access</li> <li>• Tenant regulation and Scrutiny</li> <li>• Customer intelligence and use</li> </ul>
Home Standard	Repairs and Investment Services

	<ul style="list-style-type: none"> <li>• Health &amp; Safety compliance across landlord stock</li> <li>• Fire Safety</li> </ul>
Tenancy Standard	<ul style="list-style-type: none"> <li>• Tenancy Management Policy</li> <li>• Allocations and Lettings policy</li> </ul>
Neighbourhood & Community Standard	<ul style="list-style-type: none"> <li>• Neighbourhood and caretaking offer – noting this consumer standard has been subject to review as part of the ASB accreditation</li> </ul>

The Head of Housing Management & Neighbourhood Resilience and Housing Manager recently attended a Housing Quality Network RSH Conference in London. During the conference these officers shared their proposal of the Council's self-assessment exercise and both the Social Housing Regulator and Housing Quality Network (HQN) deemed this as excellent practice which other registered providers should follow.

### 5. Annual Neighbourhood Services Report 2018/19

The Council is required to publish an Annual Neighbourhood Services Report as set out in the RSH's Regulatory Standards. The Tenant Involvement and Empowerment Standard specifically requires the provision of timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance. The Annual report must be circulated to all tenants, so it is proposed to place a copy of the 2018/18 Annual Report on the Council's website and distribute copies within its sheltered and support schemes.

The proposed annual report has been considered via the Tenants Consultative Group and reflects their feedback. The draft Annual Neighbourhood Services Report 2018/19 is shown at **Appendix A**, with the proposal for any final amendments to be delegated to the Portfolio Holder for Communities for final approval. If approved, the production of the Annual Report 2018/19 will be the 9<sup>th</sup> publication since the regulatory code was introduced.

Key to demonstrating the Council's performance is by communicating performance; and for Tamworth this is via the production of an Annual Tenants' Report. This outcome based assessment is subject to wider benchmarking with organisations such as HouseMark, Rent Income Excellence Network, Chartered Institute of Housing and Emerging Role of Sheltered Housing (EROSH). Comparisons with 'best in class' provide real time learning and is central to localised performance management. Both regionally and nationally benchmarking data is available typically during the summer. Therefore the 2018/19 Annual Neighbourhood Report proposed incorporates learning and best practice in relation to that data.

Benchmarking is a core part of the Councils approach to performance management; ensuring we are able to measure key performance indicators, improvements and operational efficiencies. Tamworth's own stock retained housing service continues to report positive outcomes. Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. Full details of the KPIS are shown in the Customer Intelligence Report 2018/2019, as at **Appendix D**.

The landlord co-regulatory framework developed by tenants is aimed at ensuring tenants influence, scrutinise and inform policy decisions and their views are routinely referenced in cabinet reports, which is done in conjunction with nominated scrutiny

committee members. As in the past, the Tenant Consultative Group have influenced the production and contributed to target setting and scrutiny in relation to core housing management performance.

Online the Council continues to update its live neighbourhood performance dashboard. These headline key performance indicators have been agreed with the Tenant's Consultative Group and will be reviewed as part of the independent self-assessment exercise proposed earlier in this report, whilst officers continue to routinely discuss performance and actions to continually improve.

As you will already know from previous reports, we take the opportunity to benchmark Neighbourhoods Key Performance Indicators and Tamworth continues to do well

Please refer to the Customer Intelligence Report 2018/2019 which draws your attention to key performance data and demonstrates that Tamworth has continued to celebrate improving performance specifically well in the areas of average time between letting Council properties for both standard re-lets and major works, rent collected from current and former tenants as a % of rent due (excluding arrears brought forward), rent loss due to empty properties as a % of rent due, customer satisfaction with repairs and complaints responded to within target times.

You will also note that some performance indicators sit within either the median or lower quartile range however the detailed Neighbourhood Improvement illustrated below covers all key priorities for individual services for 2019/2020 & 2020/2021 in accordance with the regulatory standards to ensure continued service improvement and routine scrutiny of performance

<b>How is Tamworth Borough Council performing compared with previous years?</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/2019</b>	<b>Estimated Top Quartile*</b>
Overall satisfaction with Landlord Services	78%	88%	88%*	82%
Average time between letting Council properties	17.60 days	17 days	15	18.53 days
Estate Inspections	10 inspections completed	10 inspections completed	10 inspections completed	Not benchmarked
Satisfaction with communal cleaning	87%	87%	87%	Not benchmarked
Number of tenants on the database of involvement	617	557	479	Not benchmarked
% of appointments made and kept	95%	90.48%	91.30% (club median)	97.06%
Gas servicing – CP12	99.99%	97.82%	100%	100.00%
% of repairs completed at first visit	89.40%	89.34%	87.80%	93.59%
Customer satisfaction with repairs	83%	95%	90.80% (top quartile)	91.23%
Arrears as a % of rent due	1.82%	2.15%	2.82%**	1.55%
Number of Evictions	10	18 (0.42%)	13 (0.31%)	0.17%

***\*Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. This figure was recorded in 2017/18 and remains the same at 2018/19 until the new STAR survey is undertaken in 2020/2021***

***\*\* Members are aware that staff attended Scrutiny on 13<sup>th</sup> March 2019 and it was explained that whilst arrears overall are increasing the overall increase was and still is primarily as a direct result of Universal Credit. It was reported that every Universal Credit claimant waiting a minimum of 5 weeks and on average in some cases 10 weeks for payment. It was reported that If this trend continued on a month by month basis we could confidently say that we would expect to see arrears increase by approx. £204k per year.***

The management and maintenance of the councils housing stock directly contributes to the Councils strategic agenda and achievements in 2018/19 have included:-

#### **Landlord Service Achievements 2018/19**

- HRA Business Planning progress highlighting £298m of investment in the councils housing stock from 2019 – 2048 ensuring compliance with the Governments Decent Homes Standard
- Core Landlord Services across housing management and maintenance have continued to show improvement when benchmarked nationally
- Improving customer satisfaction levels with tenants, when aggregated across all of landlord services remains around 88%
- Successful Sheltered Housing Service Peer Review with a detailed Action Plan listing recommendations highlighted for improving the current service
- All high rise works associated with the renewal of the balcony screens and stairwell windows have been successfully completed. The decoration of all blocks which includes painting of the walls and the provision of a new floor covering has also been completed.
- The final lift in the current phase of the renewal programme has now commenced at Weymouth House
- The sprinkler project is progressing well and remains on target for completion by the end of the year 2019/2020
- The Landlord services ASB and Estate Management Team has merged with the Corporate ASB Team to include CCTV, Community wardens and multi tenure ASB service as one centralised service in order to streamline a more efficient approach to dealing with ASB and environmental crime
- Successful implementation following corporate organisational review
- Work is progressing well to create a new estate of 96 homes on the site of the former Tinkers Green maisonettes, which is due to be completed in August of 2020An annual programme of estate inspections was successfully carried out in which 87% of issues identified was resolved in full within 28 days
- A total of 71 tenant-led communal cleaning audits was carried out across the borough
- Continued enjoyment of high satisfaction levels within our sheltered housing services
- Compliance with health and safety evidenced through a robust review of fire safety and development of a fire safety strategy
- Continued development of the tenant regulatory framework through development of an updated Tenant Involvement & Consultation Strategy Action Plan

**Tenancy Standard**

- Review Tenancy Management Policy
- Deliver Sheltered Housing EROSH Peer Review Improvement Action Plan
- IT development in moving to electronic forms and processes
- Deliver annual health & safety inspection programme
- Mobilisation of the new Sheltered Housing Lifeline provider `Eldercare`
- Housing Quality Network Income Re-accreditation
- Contribute to Corporate Project - Welfare Reform
- Contribute to the corporate customer portal implementation
- Achieve House-Mark ASB Accreditation with continual improvement action plan

**Home Standard**

- Mobilisation of two new contracts as part of future delivery of the repair and investment services for council housing
- Implementation of repairs 'Call Handling' back in house service
- Continuation of the High Rise refurbishment programme inclusive of the sprinkler and lift refurbishment programme
- Development of an Asset Management Strategy
- Continuation and delivery of the Councils acquisition programme

**Neighbourhood & Community Standard**

- Develop Neighbourhood Offer including, one Council approach to ASB management
- Re-launch the Neighbourhood Estate Inspection programme with a more joined up and targeted approach to tackling estate management
- Deliver neighbourhood investment programme of works
- Continue with the estate regeneration projects at Tinkers Green and the Kerria
- Integration of Community Wardens into neighbourhood based services
- Delivery of Corporate Project – mobilisation of Shared CCTV Services with West Midlands Combined Authority (WMCA)

**Tenant Involvement & Empowerment Standard**

- Map the requirements for consultation on all major Landlord projects
- The Tenant Consultative Group will continue to be fully involved in the future repairs service options from March 2020
- Deliver annual estate inspection and communal cleaning audit programme to shape housing services and improve accountability to tenants (2019/2020)
- Continue to support and develop the following involvement groups under the Tenant Involvement & Empowerment framework: Tenant Involvement Group, Tenant Consultative Group, Complaints Review Panel, ASB Service Improvement Group
- Update Landlord Service Health Inequalities Plan
- Publish key statutory and other landlord publications to include Annual Report to tenants (2019/20), Tenant Involvement annual Impact Assessment (2019/2020), annual complaints/customer intelligence report on learning and outcomes (2019/20) and Open House' quarterly e-newsletter
- The Tenant Consultative Group will consider environmental works for the following financial year as part of wider neighbourhood improvements

There are no direct financial implications arising from the production of the annual report. Along with the Corporate Communications Team, we continue to review all tenant led publications. Being able to produce Open House and the Annual Report to tenants digitally has facilitated a more regular edition and satisfied requests for more up-to-date and timely information. Moving to e-publications, as agreed in 2014, has contributed to savings in the HRA resulting in savings being invested in gathering improved customer profiling data so services can be tailored.

With regard to the Independent Self- Assessment of Landlord Services against all relevant Regulatory Standards - it is anticipated that the initial desk top review will be in the region of £10,000 and can be met from existing consultancy budget within general HRA operations budgets. This work will be commissioned in accordance with financial regulations.

**RISKS MANAGEMENT**

	<b>Risk</b>	<b>Mitigation</b>
<b>Annual Report</b>  <b>Low Risk</b>	The regulatory framework requires the Council to publish an Annual Report. Failure to do so will be a breach of the framework and may result in regulator intervention and/or enforcement	Finalise and publish Annual Report in December 2019 to all its tenants.
<b>Regulatory Standards set by RSH</b>  <b>High Risk with regards to Health &amp; Safety</b>	Registered providers of social housing in England are responsible for meeting the relevant regulatory standards set by the Regulator of Social Housing, as well as determining how this is done. Failure to do so will be a breach of the framework and may result in regulator intervention and/or enforcement.	Self-assessment carried out by external independent professional housing body to check for compliance early 2020, if necessary following by completion of an identified improvement action plan during 2020/21, which will be reported separately to the Portfolio Holder.  Review LADR data collection requirement and submit a LADR return in 2019 alongside the existing LAHA submission made to MHCLG.

**REPORT AUTHOR**

Mrs Tina Mustafa, Assistant Director Neighbourhoods ext 467  
 Mrs Lee Birch, Head of Housing Management & Neighbourhood Resilience  
 Mrs Leanne Lea, Housing Manager

Appendix A – Draft, Annual Neighbourhood Services Report 2018/19

Appendix B - RSH letter to all Chief Executives of housing stock-owning LA's dated 17<sup>th</sup> May 2019 – reference registered providers obligations for their tenants safety under the consumer standards

Appendix C – RSH letter to all Chief Executives of housing stock-owning LA's dated 15<sup>th</sup> March 2019 – reference Regulation of Local Authority Social Rents from 2020

Appendix D - Customer Intelligence Report 2018/2019

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17 May 2019

Dear Chief Executive

## Housing stock-owning local authorities and the Regulator of Social Housing's consumer standards

You may be aware that following the Grenfell Tower fire we wrote to all registered providers of social housing to remind them of their obligations for their tenants' safety under the Regulator of Social Housing's consumer standards. Since issuing that [letter](#) you will have seen that we have issued regulatory notices to two local authorities in respect of compliance with the Home Standard (which is one of our [Consumer standards](#)), and specifically a range of health and safety requirements.

While the Regulator's Governance and Financial Viability and Value for Money standards do not apply to local authorities, the consumer standards do apply. In particular, I draw your attention to part 1.2 (b) of the Home Standard, which requires that registered providers shall:

*meet all applicable statutory requirements that provide for the health and safety of occupants in their homes.*

That obligation remains with the local authority where it is the stock-owning body, even if the management has been contracted to another body such as an ALMO. An extract of the above-mentioned letter is below:

*Meeting health and safety obligations is a primary responsibility for registered providers. Boards and councillors must ensure that they have proper oversight of all health and safety issues (including gas safety, fire safety, asbestos and legionella). Contracting out delivery of services does not contract out responsibility to meet the requirements of legislation or standards, so providers need systems to give boards assurance of compliance.*

*We set out our approach to regulation in [Regulating the Standards](#); in relation to the consumer standards it is illustrated in our annual [Consumer Regulation Review](#). Should any provider find that they have systemic failings in relation to internal control of health and safety, which indicate that they are not in compliance with the Standard, based on our co-regulatory approach, we expect you to notify us as Regulator and resolve the issues immediately. We expect all providers to fully understand all their obligations in relation to tenants' health and safety. You will wish to access professional advice in the event that you are not clear on your statutory obligations.*

This letter is a reminder to local authorities that the consumer standards apply to them and that while we currently only consider information that is referred to us, this does not diminish the obligation on local authorities to comply with the standards. Currently, legislation only permits us to take enforcement action where there has been a breach of a consumer standard, and that breach has, or could, cause serious detriment to current or future tenants. As can be seen from our various Consumer Regulation Review publications, we most commonly find breach and serious detriment in relation to the Home Standard.

You may wish to seek your own assurance that your authority is complying with the consumer standards. I would also be grateful if you could bring this letter to the attention of your elected members.

If it would be helpful to discuss this letter, or the requirements of the consumer standards, please let me know.

Yours faithfully

A handwritten signature in blue ink that reads "Fiona MacGregor". The signature is written in a cursive style.

Fiona MacGregor

Chief Executive  
Regulator of Social Housing



15 March 2019

Dear Chief Executive

On 8 March 2019 Fiona MacGregor, the Chief Executive of the Regulator of Social Housing (RSH), wrote to you regarding the government's recent direction requiring RSH to regulate Local Authority social rents from 2020. As Fiona's letter set out, RSH uses a risk-based, and data-driven, approach to regulating compliance with the Rent Standard in the housing association sector and proposes to take the same approach to regulation of Local Authorities. To support proportionate and effective regulation of the Rent Standard, RSH will, in future, collect data directly from stock holding Local Authorities. Whilst RSH will only be responsible for regulating Local Authority rents from April 2020, we plan to pilot our proposed approach to Local Authority data collection on a voluntary basis in 2019/20. Whilst this pilot is entirely voluntary, we would strongly encourage you to participate. A high level of uptake in the pilot year will allow us to gather and consider your feedback on the proposed data collection, refine the data collection requirements, and reduce the risk of data errors in future years.

This letter seeks to draw your attention to the processes and guidance for data submission during the 2019/20 pilot.

### **2019/20 Data collection**

The Regulator of Social Housing collects data through NROSH+. This is a web portal which allows providers registered with RSH to submit data and documents. The Local Authority Data Return (LADR), collecting information on stock and rents for the purposes of rent regulation, will be hosted on the NROSH+ system.

Each Local Authority needs to register at least one user on the NROSH+ system so that they can submit the LADR to RSH. Later in March we will be sending details of the NROSH+ registration process to all contacts responsible for the submission of the Local Authority Housing Statistic (LAHS) so that we may create user accounts on the NROSH+ system for the most appropriate individuals within your organisation.

The **LADR survey will be open for submission between 1 May 2019 and 31 July 2019**, with guidance on completing the LADR being made available on the NROSH+ website in April. It is important that guidance materials are reviewed before the completion of the LADR and that stock is correctly categorised and recorded accurately according to the latest applicable legislation. The LADR is very similar to the data already collected through LAHS but there are some differences to capture the information that RSH will need to effectively regulate the standard. These differences will be identified in the full guidance materials available on NROSH+

We strongly recommend that your organisation reviews the LADR requirements and works to submit a LADR return in 2019 alongside the LAHS submission made to MHCLG directly, noting differences in the data requirements and classifications between the two returns. Although the LADR is not a mandatory return in 2019 MHCLG are working to include it in the list of data submissions required from Local Authorities (the single data list) from April 2020.

The collection in 2019 represents a period of trial and consultation to establish a strong and accurate baseline data collection in 2020 upon which RSH will begin to regulate Local Authority registered providers' compliance with the Regulator's Rent Standard. We kindly request your engagement with the NROSH+ system and submission of LADR to identify areas for improvement for 2020 and beyond and to assist you in ensuring that data submitted to RSH from 2020 is of the highest quality.

If you have any queries, please refer to the NROSH+ system and LADR survey guidance and FAQs on the NROSH+ website at <https://nroshplus.regulatorofsocialhousing.org.uk> (from Monday 1 April 2019). In addition we will be notifying registered NROSH+ users in mid-April of webinar sessions that will be available to them to assist with use of the system and the completion of the LADR form. In order to ensure that future users have a chance to benefit from these webinars it would be valuable if those who will complete your LADR returns are registered on the NROSH+ system as soon as possible.

### **Organisational and contact details**

Once your organisation begins submitting data via the NROSH+ website, it will be responsible for maintaining contact details for both the Chief Executive and Regulatory Contact. This must be kept updated and accurate throughout the year. If the organisational and contact details in NROSH+ are not kept accurate and up to date by your officers your organisation may not receive important correspondence nor information on statutory consultations and/or regulatory requirements. RSH takes its duties in relation to data protection seriously, but it is in large part dependent upon providers to keep contact information updated in a timely fashion.

If further assistance is required you can also contact the referrals and regulatory enquiries team [NROSHenquiries@rsh.gov.uk](mailto:NROSHenquiries@rsh.gov.uk) who will assist you with your query. RSH aims to respond to all queries within five working days, but as the LADR return is a new collection there may be some queries that require a longer resolution period.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jonathan Walter', written in a cursive style.

Jonathan Walter  
Deputy Director, Strategy and Performance

# Customer Intelligence End of Year Report 2018/2019

“You said – we listened”

## Introduction

This report sets out an analysis of all customer intelligence received within Landlord Services (Neighbourhoods) between 1 April 2018 and 31 March 2019 and will contribute to the production of the Council’s Landlord Annual Report to tenants (2018/19) complying with required governance under the Landlord Regulatory Framework.

## Local Offers

The Regulatory Framework for Social Housing in England (From April 2012) sets out the regulatory standards for registered providers of housing; these place emphasis on the relationship between landlords and their tenants at a local level. There are two types of Standards: consumer and economic. Consumer standards apply to all registered providers, including local authorities. Economic standards apply only to private registered providers; these include organisations’ who were previously known as housing associations (HA’s) or registered social landlords (RSL’s).

## Consumer Regulation review 2018/19

The Consumer Regulation Review sets out a summary of the consumer regulation work for 2018/19. Most registered providers are well-run and meet the expectations set out in the regulatory standards, but on occasions, issues do arise that represent a risk to tenants, and where intervention by the Regulator is required.

In the report key messages are set out as well as themes and learning points for recent consumer regulation cases.

- All registered providers have an obligation to act to ensure the homes where their tenants live are safe. Providers must meet the full range of statutory health and safety obligations.
- This requires registered providers to have robust reporting and assurance arrangements in place for effective oversight of compliance by boards and councillors
- Effective assurance relies on good quality data, and maintaining compliance requires effective systems
- Registered providers should understand, and be able to demonstrate compliance across all aspects of the consumer standards, including how they engage with their tenants, how they deal with neighbourhood issues, and how they allocate properties
- The quality of relationship with tenants underpins providers’ ability to meet their objectives. The effectiveness of registered providers complaints handling affects the level of trust and confidence tenants have in their landlord.

For the full report please click on the link below

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/817807/Consumer\\_Regulation\\_Review\\_2018-19.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817807/Consumer_Regulation_Review_2018-19.pdf)

## Consumer Standards

- Tenant Involvement and Empowerment
- Home
- Tenancy
- Neighbourhood and Community

## Economic Standards

- Governance and Financial Viability\*
- Value for Money
- Rent\*

\*This does not apply to local authorities however on 15th March 2019, the RSH wrote to all Chief Executives of stock-owning local authorities regarding the government's recent direction requiring RSH to regulate Local Authority rents from 2020.

The RSH will use a data driven approach (Local Authority Data Return (LADR) to regulate compliance with the Rent Standard. The RSH will collect data directly from stock holding local authorities. Whilst RSH will only be responsible for regulating local authorities' rents from April 2020, they are piloting a local authority data collection on a voluntary basis in 2019/20. Whilst this pilot is entirely voluntary, all local authorities are strongly encouraged to participate and submit a data return in 2019 alongside the current LAHS submission made to MHCLG directly. A high level of uptake in the pilot year will allow RSH to gather and consider feedback on the proposed data collection, refine the data collection requirement, and reduce the risk of data error in future years. The LADR will collect information on stock and rent for the purposes of rent regulation. The LADR is very similar to the data already collected through Local Authority Housing Statistics (LAHS) which the Council currently submits yearly.

The standards aim to put tenants at the heart of shaping, influencing and monitoring the services they receive. The HCA (Homes and Communities Agency) expects tenants and landlords to work closely together to set local service standards/offers. Landlord Services Local Offers were reviewed early 2015 in consultation with tenants.

## How do we compare!

	2016/17	2017/18	2018/2019
Complaints	216	206	195
Compliments	53	50	55
Service Requests	171	261	315
<b>Total</b>	<b>440</b>	<b>517</b>	<b>565</b>

## What we know at a Glance!

	2016/2017	2017/2018	2018/2019
<b>*Tell Us</b>	<b>203</b>	<b>308</b>	<b>330</b>
Complaints	155	206	195
Compliments	17	48	54
Service requests	31	54	81
<b>MP Enquiries</b>	<b>12</b>	<b>11</b>	<b>32</b>
Service Requests	12	11	32
<b>**Councillor</b>	<b>82</b>	<b>69</b>	<b>/</b>
Complaints	/	/	/
Compliments	/	1	/
Service Requests	82	68	/
<b>*Other</b>	<b>143</b>	<b>/</b>	<b>/</b>
Complaints	61	/	/
Compliments	36	/	/
Service Requests	46	/	/
<b>**Cabinet/Member</b>	<b>52</b>	<b>129</b>	<b>203</b>

Service Requests	/	128	202
Compliments	/	1	1
<b>Year Total</b>	<b>492</b>	<b>517</b>	<b>565</b>
<b>Response time</b>	<b>4 days</b>	<b>3.25 days</b>	<b>2.5 days</b>

\*Since 2017/2018 'other' has now been combined and logged through Tell Us

\*\* In 2018/19 we combined the Councillor Cabinet and Members enquiries

## Complaints & Compliments

	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
Number of complaints	216	206	195
Number of stage 1 complaints	195	183	179
Number of stage 2 complaints	16	16	16
Number of stage 3* complaints	5	7	/
Number of complaints upheld	30	37	23
Number of compliments	53	50	55
Number of service requests	223	261	315

***\*A review of Tell Us was undertaken in 2018 and the stage 3 escalation was removed from the process***

A total of **565** complaints, compliments and service requests were received within Landlord Services during 2018 – 2019. Of the total number received, 35% were classified as complaints, 55% service requests and 10% compliments.

All Member and Cabinet Housing Enquiries are initially directed to the relevant service area manager for investigation and response within 5 working days

Across the total number of **195** complaints:

- **51%** relate to Wates (inclusive of Wates Gas)
- **9%** relate to Housing Solutions
- **14%** relate to Tenancy/ASB issues
- **8%** relate to TBC Repairs
- **6%** relate to Property Services
- **12%** relate to other landlord services

Across the total number of **55** compliments:

- **15%** relate to Wates (inc Gas)
- **15%** to Property Services
- **13%** to Caretaking
- **22%** to Tenancy/ASB issues
- **35%** relate to other landlord services

In summary, only **195** complaints were received within Landlord Service during 2018/2019. This is a significantly small proportion in relation to **4891** household and garage tenancies.

## Complaints upheld

During 2018/2019 there were a total of **23** complaints, that following investigation, were classified as upheld. Of the **23** cases **70%** were associated with Wates.

There were **4** complaints in which a compensation payment was made. For the remaining upheld complaints, a formal apology was made to the customer.

## Common themes and trends for upheld complaints

- Tenant sought own plumber as believed that the job wasn't carried out correctly, Apology by Wates and paid the invoice in full
- Poor communication between Wates and the damp proof contractor. A review of the process was looked at, so that this should not happen again
- Apology and £50 to replace damaged carpet
- Apology for operative turning up at incorrect address
- Apology for non - attendance when newly installed balcony was reported by resident who advised that it required additional work
- Apology for the delay in getting through to OOH, which was due to the adverse weather conditions
- Apology due to the delay in sourcing the correct roof tiles
- Apology for lack of communication about works being carried out on 2 neighbouring properties which had consequently caused a noise and parking nuisance
- Compensation for damaged carpet lino and re painted damaged walls. In addition there was an apology for the time taken, as this was a new build the developer had to rectify the issues
- Apology for the poor service received at the beginning of an application process
- Apology for the lift refurb going over time but additional works required would not have been identified until the lift cabin had been removed

## Cabinet/Members Enquiries

### Cabinet/Member Enquiry Housing

**252** working days – **203** enquiries

### Breakdown of enquiries by Service Area:

Service Area	Total No Enquiries
Housing Options	13
Housing Solutions	52
Wates/ TBC Repairs	40
Tenancy Sustainment/ASB/Income	53
Tenant Involvement	1
Caretakers/Cleaners	10
Sheltered	4
Supported Housing	1
Property Services	5
Staffs County Council	5
Council Tax	1
Housing Benefit	1
Streetscene	3
Housing Services	9
Other	5
<b>Total number</b>	<b>*203</b>

\*The variance between the number of service area enquiries to the number of Councillor enquiries is because some Councillors list a number of queries on one email



### Top 3 service areas for enquiries

Service Area	Total number of enquiries	% of all enquiries
Tenancy Sustainment/ASB/Income	53	26%
Housing Solutions	52	25%
Wates/TBC Repairs	40	20%

### Councillors with majority of enquiries

Councillor	Total number of enquiries	% of all enquiries
Cllr Norchi	65	34%
Cllr D Cook	25	13%
Cllr Doyle	21	11%

### Average response days – 2 days

Information	Summary Headlines
<b>Summary information for 2018/19 setting out complaints and learning</b>	<ul style="list-style-type: none"> <li>Complaints have reduced from 206 to 195 over the last 4 years. 195 complaints resulting from over c35,000<sup>1</sup> interactions represent less than &lt;1%</li> <li>179 complaints are satisfied at stage 1 (92%) an increase of 3%</li> <li>55 Compliments an increase of 5 (9%)</li> <li>18% (54) increase in service requests</li> <li>Average response is 2.5 days a reduction of 0.5 days</li> <li>Numbers upheld have increased to 23. This is part of the continual trend analysis to promote and ensure learning</li> </ul>
<b>Summary Cabinet/Members Enquiry</b>	<ul style="list-style-type: none"> <li>203 enquiries received during 252 working days an increase of 68 (34%)</li> <li>26% service requests– Tenancy Sustainment ASB/Tenancy</li> <li>25% service requests – Housing Solutions</li> <li>20% service requests – Wates/TBC Repairs</li> <li>Average response time is 2 days</li> </ul>
<b>Performance table taken from the customer dashboard</b>	Information will be updated and discussed in the cabinet report
<b>Extract of letters</b>	Letters remain under review and part of the learning to prevent escalation

## Learning from Complaints

Learning from complaints is crucial and as part of the Landlord Regulatory Framework. The Complaints Review Panel (sub-group of TCG) was established with terms of reference including a responsibility: -

- To review complaints anonymously and make recommendations for improvement
- To review letters (redacted) and make recommendations for change to simplify and tailor for customer purposes
- To work across key themes to look for business improvement

**Together with the Complaints Review Panel, the following service improvements have been made: -**

- Improved communication between Wates and their subcontractors
- ID badges are now routinely produced each time an operative attends a property

## Areas identified for 2019/20

We continue to support and develop the Complaints Review Panel with a focus on learning and recommendations for future service improvement/delivery. After the group highlighted that not all operatives were producing their ID card, a tool box talk took place with all operatives and advised that their ID badge must be produced at all times.

## Compare our Performance April 2018 – March 2019






Landlord Service continues to review key performance indicators, with tenants', to ensure they remain customer focused and are meaningful. We continue with live updating of the customer dashboard, on line, as reporting performance openly builds credibility and satisfaction. The following indicators have been agreed with tenants'.

	2016/17	2017/18	2018/2019	Estimated Top Quartile*
Overall satisfaction with Landlord Services	78%	88%	88%*	82%
Average time between lettings	17.60 days	17.75 days	15 days	18.53 days
Estate Inspections	10 inspections completed	10 inspections completed	10 inspections completed	Not benchmarked
Satisfaction with communal cleaning	87%	87%	87%	Not benchmarked
Number of tenants on the database of involvement	617	557	479	Not benchmarked
% of appointments made and kept	95%	90.48%	91.30% (club median)	97.06%
Gas servicing – CP12	99.99%	97.82%	100%	100.00%
% of repairs completed at first visit	89.40%	89.34%	87.80%	93.59%

Customer satisfaction with repairs	83%	95%	90.80% (top quartile)	91.23%
Arrears as a % of rent due	1.82%	2.47%	2.83%	1.55%
Evictions	10	18 (0.42%)	13 (0.31%)	0.17%

**Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. This figure was recorded in 2017/18 and remains the same at 2018/19 until the new STAR survey is undertaken in 2020/2021**

### Top performance indicators as at 31 March 2019 as voted for by tenants

Performance Indicator	Target	Current Value	Are we on target	Trend
Average number of calendar days to complete repairs	-	9.53%		↑
Percentage of appointments made and kept	93%	91.30%		↑
Percentage of repairs completed on first visit	85%	87.8%		↓
Percentage of properties with valid Gas Safety Certificate	100%	100%		↑
Average re-let times (in days)	16	15		↓
Percentage of closed resolved anti-social behaviour cases	-	100%	-	-
Number of closed unresolved anti-social behaviour cases	-	0	-	-
Current rent arrears as a percentage of annual debit	3%	2.83%	-	-
Number of complaints since 1st April 2018	-	195	-	↓
Number of complaints upheld since 1st April 2018	-	23	-	↓
Number of compliments since 1st April 2018	-	55	-	↑

### Monitoring performance

Landlord Service monitors performance to ensure its services are delivered to a standard acceptable to tenants and to meet statutory requirements.

A series of performance indicators have been put in place for key service areas. These indicators are used to measure how well we perform in delivering services such as housing management, major works, allocations etc. The **Tenant Consultative Group** has been significantly involved in the development of local indicators determining how they would like to see performance information reported in the future.

### **Reporting performance**

Each year Landlord Service publishes an annual report to tenants which includes a summary of the previous year's activity and performance information across key service areas accompanied by commentary. The production of the Annual Report is advertised on the web, via an e-newsletter and targeted hard copies to ensure value for money.

Feedback received from the Council's formal complaints system 'Tell Us' and recommendations from the Complaints Review Panel are routinely reported at Landlord Performance Management meetings detailing trends and key performance data. The Complaints Review Panel, set up at the beginning of 2012, specifically monitors complaints and emerging trends as part of the wider customer experience.

Customer satisfaction forms a key part of the Landlord Service performance management process and helps to drive improvements through learning from the customer experience. Landlord Service has a robust programme of service satisfaction measures in place to consistently compare tenants' satisfaction with services over time and in addition, the **STAR survey** – Survey of Tenants and Residents, helps to keep up-to-date with tenant opinion as well as maximising our understanding of overall tenant satisfaction and expectation.

Alongside the above, the results of all customer satisfaction surveys and feedback are reported quarterly to the Tenant Consultative Group and Tenant Involvement Group. These groups provide the opportunity for tenant scrutiny of services with actions/recommendations put forward to resolve issues.

### **STAR survey – Survey of Tenants and Residents**

The **STAR survey** ensures the continued measurement of customer satisfaction with services customers receive from their landlord and how performance compares to other landlords both alike and national. In addition to this, the survey can identify areas for service improvement, compare satisfaction with services over time, specifically with the results of previous surveys of tenant satisfaction, and enable performance comparison with other comparable Borough Councils.

The principal objectives of the STAR survey are to:

- provide robust data which accurately represents the views of tenants on key satisfaction measures
- provide a comprehensive view of other perception-based measures on a range of specific services provided by the Council's Landlord Service
- provide an assessment of progress against the 2008 and 2011 STATUS survey and 2015/16 STAR survey to illustrate how the Council's Landlord Service has performed over time in changing patterns of customer satisfaction and expectation to inform future operational development.

### **STAR Survey 2015/16 key performance indicators**

<b>Key Performance Indicators</b>	<b>2011</b>	<b>%diff.</b>	<b>2015</b>
-----------------------------------	-------------	---------------	-------------

Overall satisfaction	75%	↑+3%	78%
Quality of home	Aggregate data not available	N/A	79%
Neighbourhood	75%	↑+8%	83%
Rent provides VFM	Aggregate data not available	N/A	73%
Repairs & Maintenance	68%	—	68%
Listens to views*	54%	↑+5%	59%
Keeping tenants informed*	68%	↑+12%	80%

During the interim years of STAR we continue to undertake a series of mini service assessments based on key priorities as part of Landlord Services annual satisfaction Calendar.

During 2018/2019, Landlord Service continued to engage and carry out 'qualitative research', to determine customer opinion and expectation, i.e. ASB telephone surveys/complaint surveys/service charge consultation etc. The primary benefits of qualitative research is that information is considerably richer than a series of numbers on a page and in addition, provides the opportunity to interact with customers more positively at the same time as researching performance. For Landlord Service this provides interaction and communication with those tenants that are ordinarily considered 'hard to reach'

### HouseMark

To ensure that we are always looking at ways to improve services, maintain high satisfaction rates and provide good value for money, we subscribe to HouseMark. HouseMark collates information from ALMOs, Councils and Housing Associations to compare and benchmark valuable data such as value for money and performance.

### Impact Assessments

In addition to satisfaction surveys and tenant feedback, Landlord Service routinely carries out impact assessments for all involvement initiatives and activities. Impact assessments measure not only customer satisfaction but also the overall impact of activity to enable us to learn what has worked well and what can be used successfully for future involvement/activity.

### Tenant Inspectors

As part of its Tenant Involvement and Co-regulatory framework, the Council has an innovative scheme to empower customers to act as tenant inspectors. This scheme, which has now been running for over three years, provides tenants with the opportunity to audit the delivery of estate caretaking and cleaning services. The scheme has also been extended to include estate inspections. Tenant inspectors monitor the quality of service delivery against defined standards and undertake on-site inspections. They are empowered to call managers to account if services do not meet required standards and their feedback forms part of overall performance monitoring.

### Service assessments 2018/2019

During 2018/2019 we have continued to review and measure tenant opinion in many different ways as the most productive method for measuring customer service levels

across one area may differ substantially for other areas. The Tenant Regulatory and Involvement Team are responsible for collating, monitoring and reporting on the following:

<b>Customer intelligence 2018/2019</b>		
	<b>Format</b>	<b>Frequency</b>
Complaints satisfaction (Tell us)	Telephone/postal	5 working days after complaint is closed
Repairs/Gas servicing questionnaire – Mears/Wates	Postal/telephone	Quarterly
New Tenant questionnaire	Paper based/postal	Monthly
Open House	Paper based/postal & face-to-face	Bi-annual
Supported Housing moving in survey	Paper based	Quarterly
Supported Housing moving out survey	Paper based	Yearly
ASB resident perception survey	Paper based/postal with rent statements	Yearly
ASB tenant satisfaction	Telephone	Monthly
ASB perpetrator survey	Postal	Monthly
STAR survey	Paper based/postal	Bi-annual
Communal cleaning	Postal/face-to-face	Bi-annual
Local Offers review and consultation	Postal	Bi-annual
Rent and arrears satisfaction survey	Postal	Bi-annual

In addition to the above, the following customer intelligence is also collected:

- ‘Finding a Home’ satisfaction
- Non-Bidders Questionnaire ‘Finding a Home’ – This is a questionnaire carried out to ascertain why some people are not bidding for properties on the ‘Finding a Home’ Choice Based Letting Scheme

Landlord Service is committed to providing a high quality service in a responsive and approachable manner. We continue to develop our services to meet the changing needs within the resources available and to demonstrate value for money.

### **Looking to the future**

Our priority continues to be to provide a high quality customer experience and to undertake the proactive work that is necessary to ensure we can better meet housing needs in the future.

## You said, we listened

Landlord Service values its customers' comments, views and ideas about how services may be changed or improved. Below are some of the ways customers have already had an influence on services or ideas they have suggested, which will improve outcomes for all customers.

<b><i>You said:</i></b>	<b><i>We listened:</i></b>
The communication between Wates and their subcontractors needed to be improved as relevant information is not being shared	The process was reviewed and improvements were implemented
The ASB service improvement group have requested training so they have a better understanding of how staff deal with ASB	When there is as TPAS course available we will arrange for members to take part
Wates operatives do not always show their ID badges and have to be asked. Some tenants feel uneasy that they have to ask.	Wates held tool box talks with all operatives and were advised they must always produce their ID cards
Again with regard to the production of ID badges by Wates it was recommended that an article be included in the tenants newsletter	It was arranged to be included in the next edition of Open House, and will also be included periodically
The complaints panel group asked if a visit to Wates office could be arranged	A number of visits were arranged so that all of the group would have an insight into how Wates operates

## Landlord Service Achievements 2018/19

### Customer Dashboard – Key Performance Indicators as voted for by tenants

<b>Performance Indicator</b>	<b>Target</b>	<b>Year End 2018/19</b>	<b>On Target</b>	<b>Comments</b>
Older people, living independently in Sheltered housing, satisfied with the service	80%	94%	↑	<ul style="list-style-type: none"> <li>The Capital scheme improvements continued which included a full refurbishment of Thomas Hardy Court</li> <li>Sheltered housing continues to prove to have a wide range of health outcomes, as the support given to tenants avoids acute spells in hospital/care home as it provides immediate support to elderly tenants so they can remain independent in their home and gain the help as and</li> </ul>

				when necessary
Current Arrears as a % of the debit	3%	2.83%	↓	<ul style="list-style-type: none"> <li>• Arrears down from the start of the year, c£639k to c£494k</li> <li>• Rent collected from current and former tenants as a percentage of the rent due (including arrears b/f) 101.93%</li> <li>• Rent collected from current and former tenants as a % of rent owed 104.47%</li> </ul>
Average re-let times for empty properties resulting in reduced rent loss	16 days	15 days	↓	<ul style="list-style-type: none"> <li>• Sustained top quartile performance</li> <li>• 95% satisfaction with the allocations and lettings process a slight decrease of 1%</li> </ul>
% of properties with a valid gas certificate – complying with LGSR	100%	100%	↑	<ul style="list-style-type: none"> <li>• Reported performance is good when benchmarked with HouseMark</li> <li>• Overall satisfaction of 90% with the repair service</li> </ul>
% of all responsive repairs completed within target times	97%	92%	↑	
% of appointments made and kept	96%	91.30%	↑	
Numbers of Adaptations outstanding at year end outside agreed service standard	-	-	-	<ul style="list-style-type: none"> <li>• All DFAs (29) have been issued and there is no waiting list</li> </ul>
Minor works – completed within 28 days DFA – within 1 year				
Overall satisfaction with the Councils landlord service	80%	88%*	↑	<ul style="list-style-type: none"> <li>• 75% in 2011/12 via independent Status Survey</li> <li>• 78% in 2015 - Star Survey independently commissioned</li> </ul>
Satisfaction with cleaning & caretaking services	85%	87%	-	<ul style="list-style-type: none"> <li>• Aggregate figure of 87% cleaning ( measured by tenant inspectors)</li> </ul>



*\*Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. This figure was recorded in 2017/18 and remains the same at 2018/19 until the new STAR survey is undertaken in 2020/2021*

## Home Improvement programme 2018/19

Improvement programme	How many	Total spend
Kitchens	206	£942,493.82
Bathrooms	186	£986,953.43
Roofing	26	£405,810.53
Windows & Doors	161	£250,754.73
Disabled Adaptations (Major & Minor)	70	£408,809.73
Heating installs	139	£216,511.08

## Also during the year!

What we achieved in 2018/2019	
Number of needs and risk assessment carried out prior to moving in	136 (100%)
Number of new tenancy visits completed at sheltered housing schemes within 24 hours of moving in	54 (100%)
Percentage of legionella checks completed during the year	100%

## HouseMark 2018/2019

Responsive Repairs	2017/2018	2018/2019
Average number of calendar days taken to complete repairs	9.88 (club median)	9.88 (club median)
Percentage of repairs completed at the first visit	89.34% (lower quartile)	87.80% (lower quartile)
Appointments kept as % of appointments made	90.48% (lower quartile)	91.30% (lower quartile)
Satisfaction with repairs	95% (club median)	90.08% (club median)

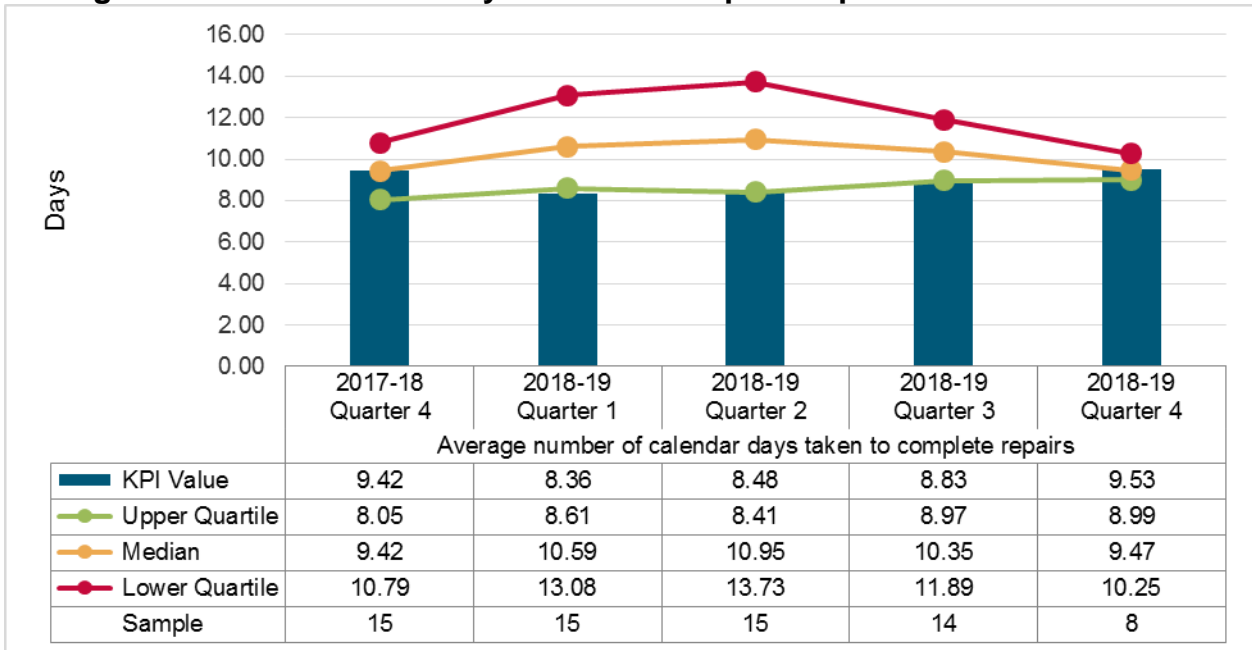
Rent Arrears & Collection	2017/2018	2018/2019
Rent collected from current and former tenants as a % rent due (excluding arrears b/f)	102.75% (upper quartile)	104.47% (upper quartile)

% of rent paid by housing benefit	55.70% (lower quartile)	46.95% (lower quartile)
Rent arrears of current tenants as % rent due (excluding voids)	2.45% (club median)	2.83% (club median)
Rent arrears of current and former tenants as % of rent due (excluding voids)	5.75% (lower quartile)	6.76% (lower quartile)
Rent written off as a % of rent due	0.24% (upper quartile)	0.14% (upper quartile)
Rent loss due to empty properties (voids) a % rent due	0.52% (upper quartile)	0.49% (upper quartile)
Evictions due to rent arrears as a % of all tenancies	0.42% (lower quartile)	0.31% (lower quartile)

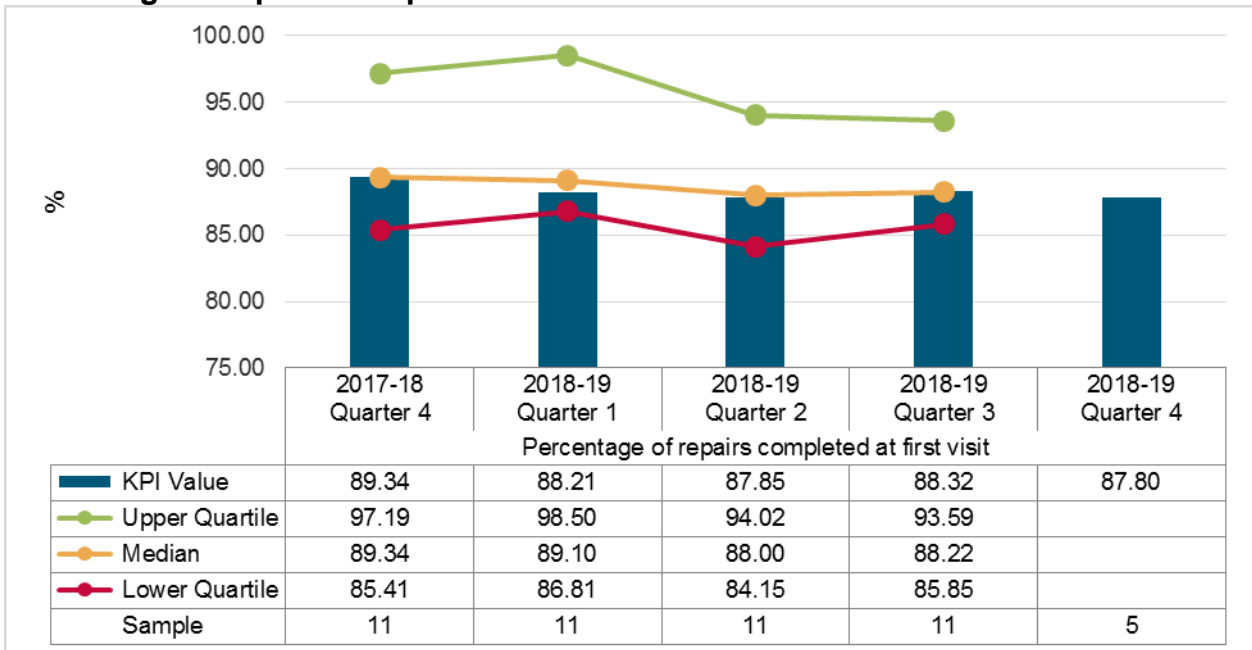
<b>Void works &amp; lettings</b>	<b>2017/2018</b>	<b>2018/2019</b>
Average re- let time in days (standard re-lets)	17.75 days (Upper quartile)	15 days(upper quartile)
Average re- let time in days (major works)	28 days (upper quartile)	27 days(upper quartile)
Percentage of properties accepted on first offer	81% (club median)	83% (club median)

<b>Complaints</b>	<b>2017/2018</b>	<b>2018/2019</b>
Percentage of complaints responded to within target time	95% (upper quartile)	97% (upper quartile)
Average time to respond to complaints	3.25 days (upper quartile)	2 days (upper quartile)

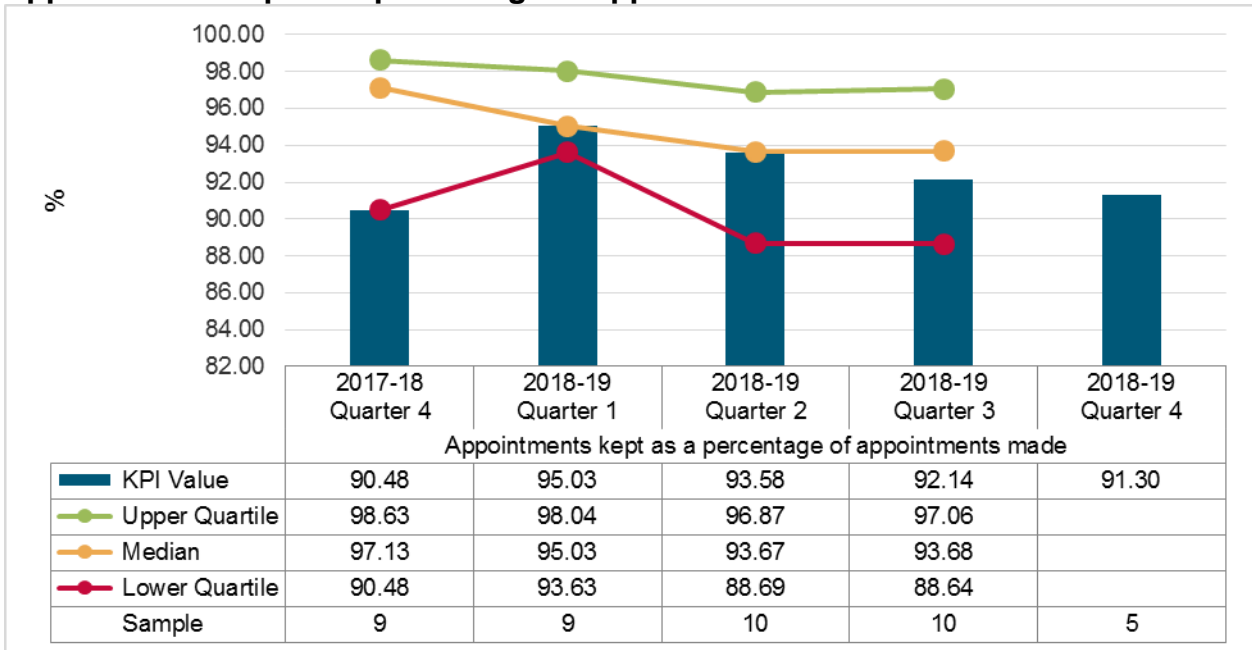
### Average number of calendar days taken to complete repairs



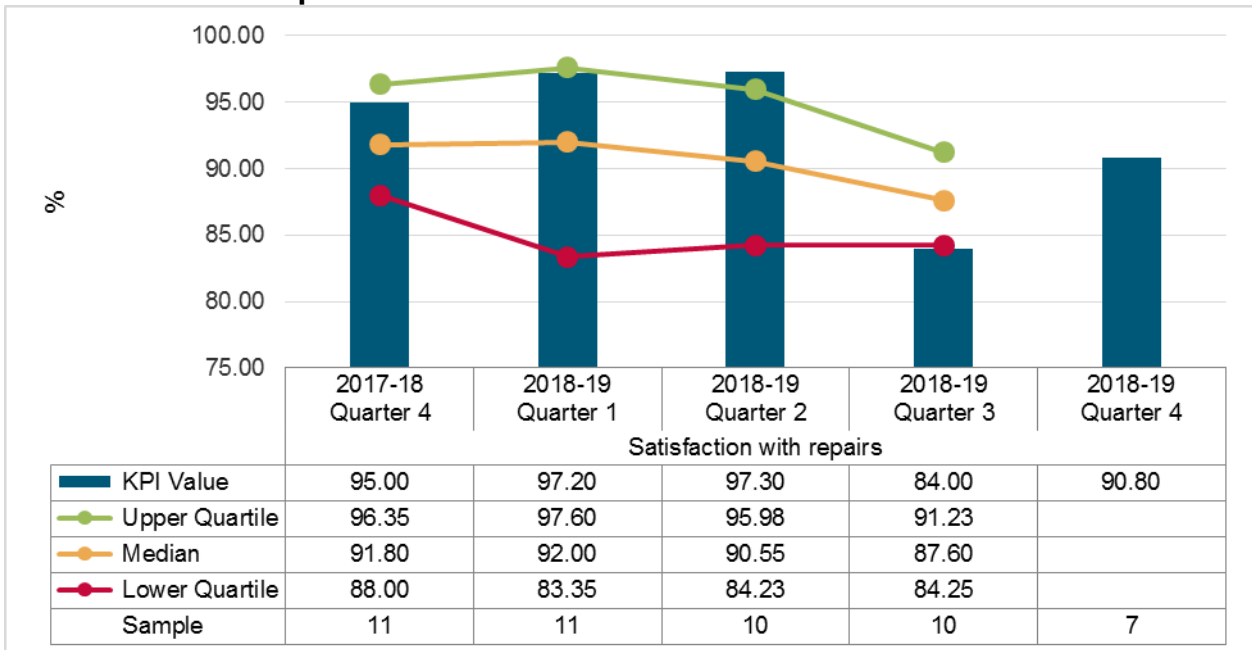
### Percentage of repairs completed at first visit



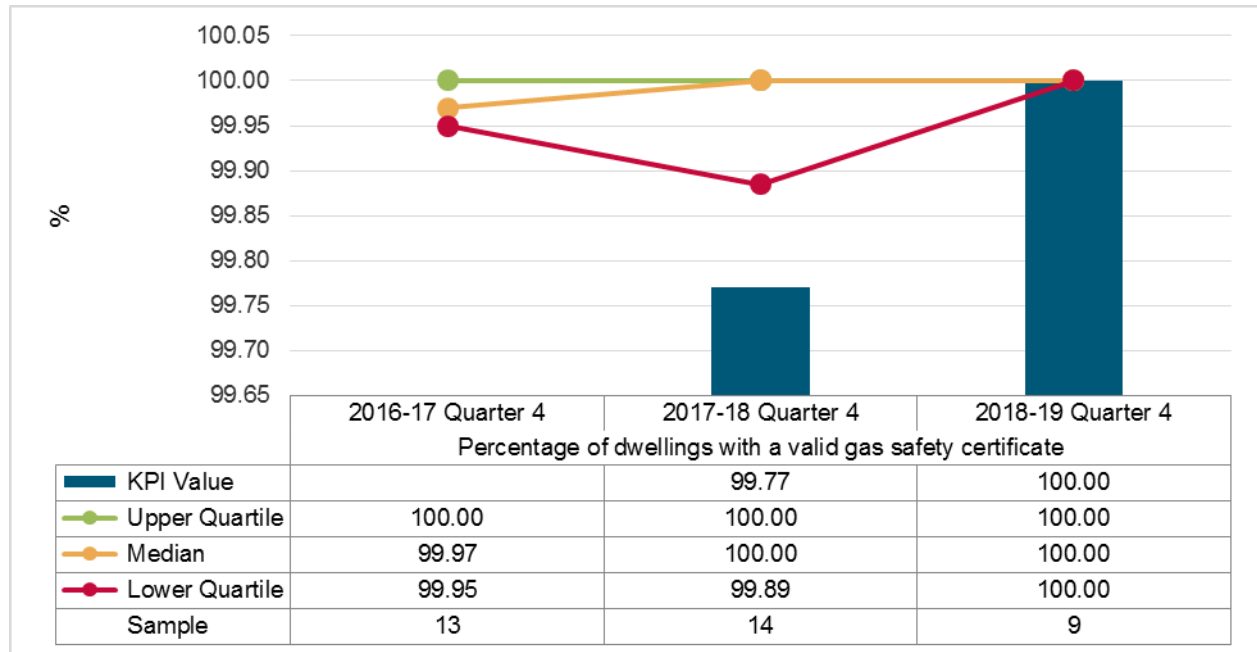
### Appointments kept as a percentage of appointments made



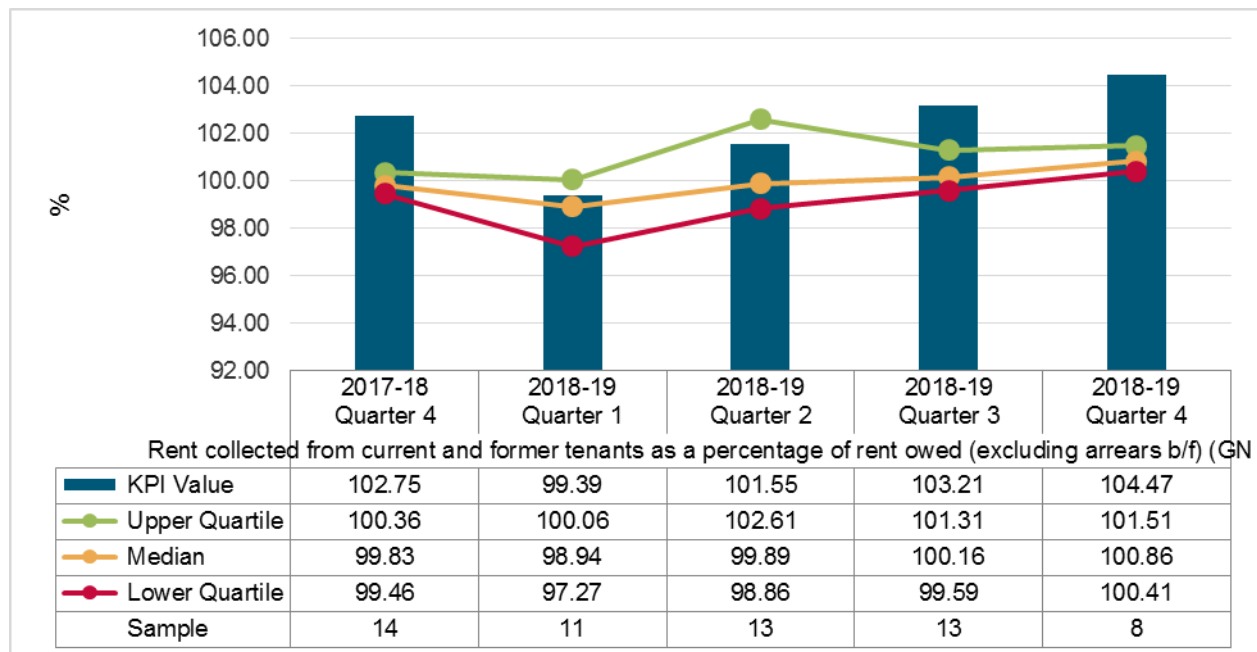
### Satisfaction with repairs



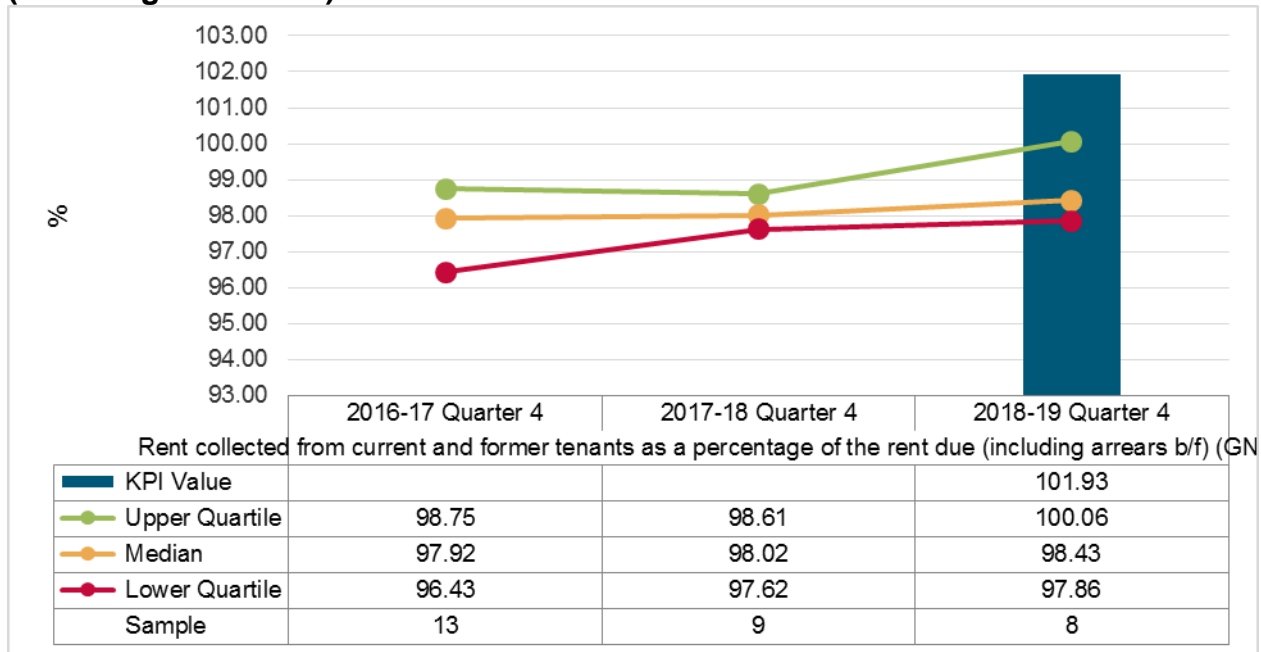
### Percentage of dwellings with a valid gas safety certificate



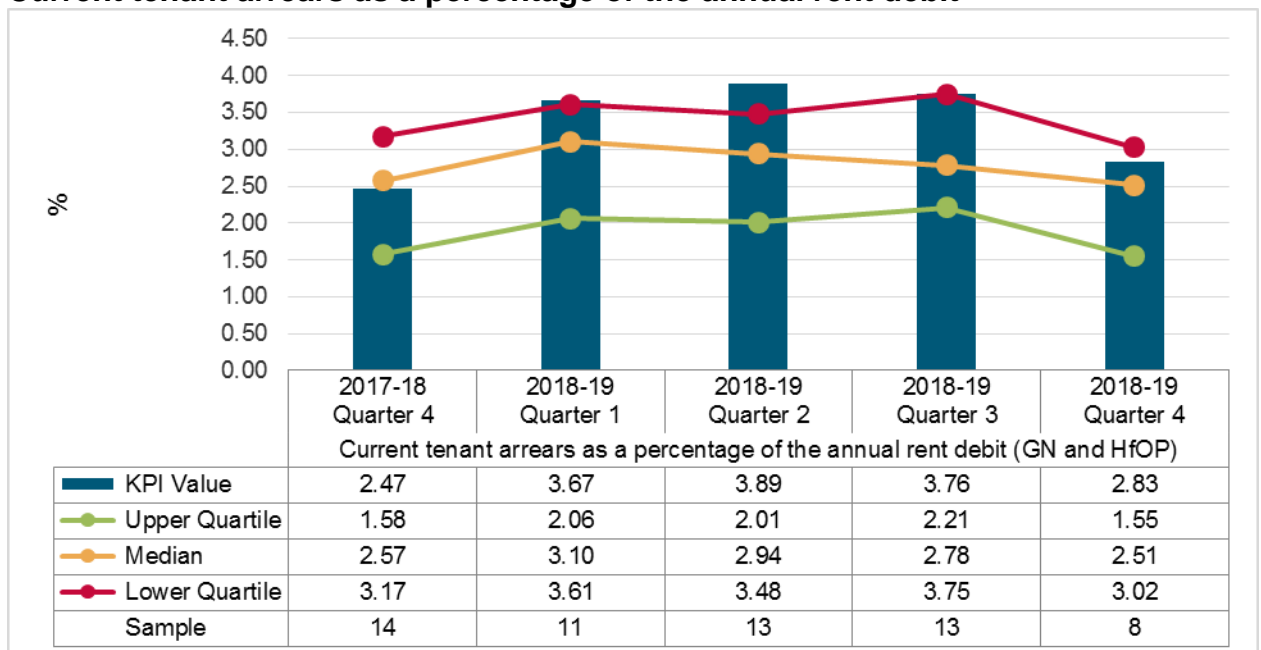
### Rent collected from current and former tenants as a percentage of rent owed (excluding arrears b/f)



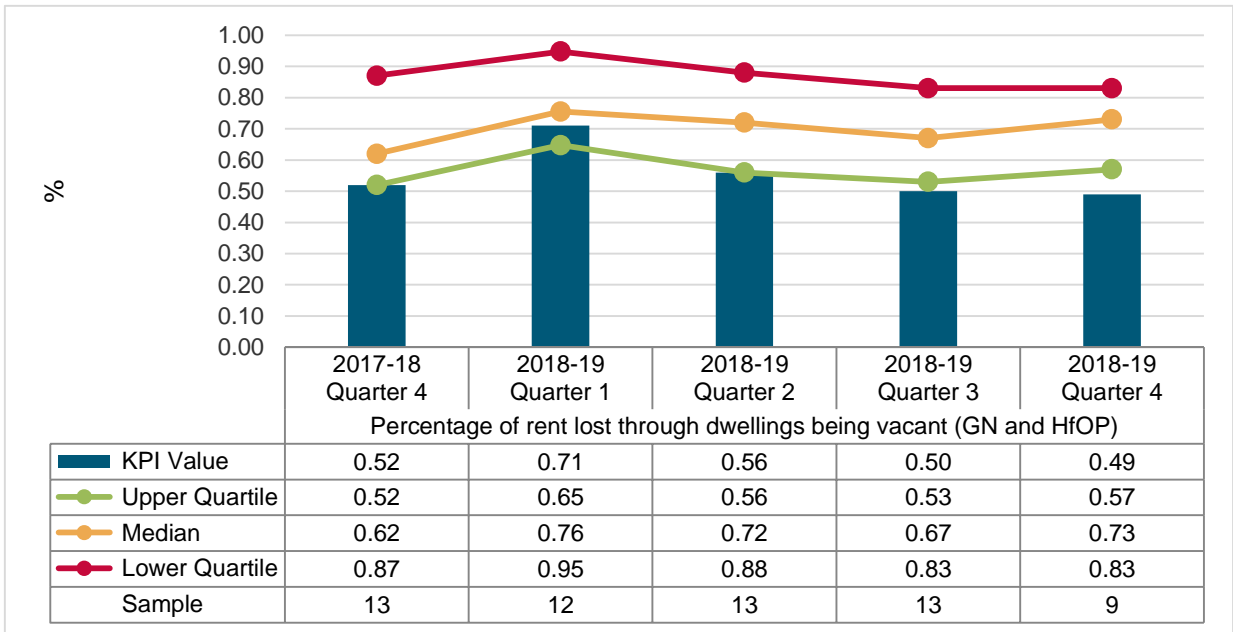
**Rent collected from current and former tenants as a percentage of the rent due (including arrears b/f)**



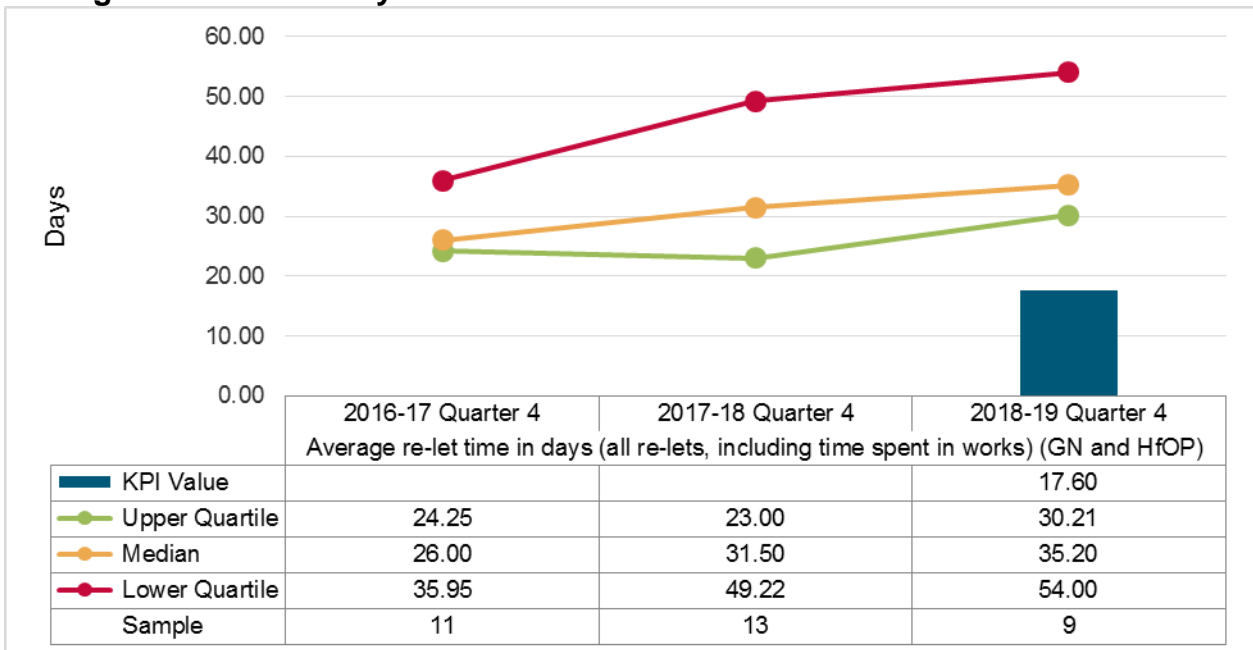
**Current tenant arrears as a percentage of the annual rent debit**



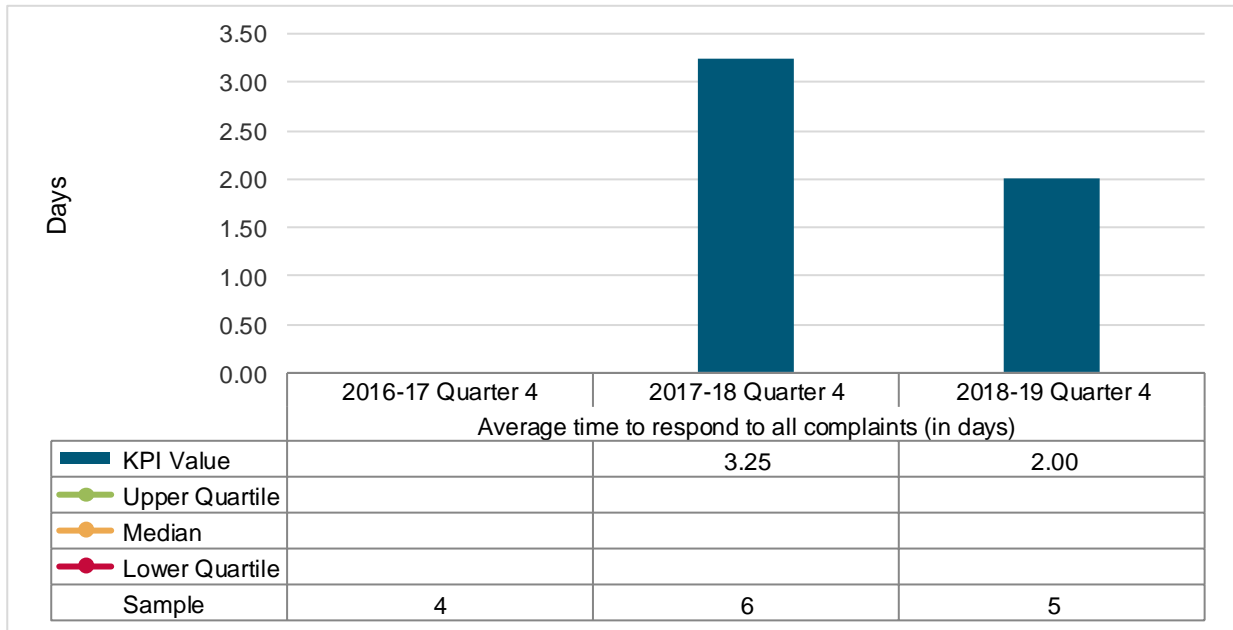
### Percentage of rent lost through dwellings being vacant



### Average re-let time in days



## Percentage of complaints responded to within target time





Tamworth Borough Council  
Neighbourhood Services

# Annual Report 2018-2019



**TENANT  
APPROVED!**

Tamworth  
Borough Council

# 1 Welcome to your Annual Report

## Contents

Welcome to your Annual Report	1	<b>National Standards</b>	
Who we are	2	Tenant involvement and empowerment	5
A year in pictures	3	Home	10
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Welcome to the 2018-2019 Annual Report for Tenants and Leaseholders. This report is designed to show how we are performing and what we have achieved over the last 12 months.

We would like to acknowledge the valuable contribution made by tenants to all of our work and encourage you not to just read this report, but take part in improving services in the future.

We continue to send out the Annual Report by email. However, the report is still available to download via the website. As ever, we welcome any feedback you have on the report and its contents, so please do get in touch if you would like to.

If you require this information in another format or language, please call 01827 709709 or email: [enquiries@tamworth.gov.uk](mailto:enquiries@tamworth.gov.uk)



## Who we are



Area	Total
Amington	364
Belgrave	295
Bolehall	349
Borough Road	41
Coton Green	65
Dosthill	80
Fazeley	112
Gillway	220
Glascoate	580
Hockley	150
Kettlebrook	210
Leyfields	449
Stonydelph	712
The Leys	66
Town Centre	390
Two Gates	20
Wilnecote	108

**Total number of properties: 4,211**

## Number of tenancies as at 31 March 2019

**Total: 4,211**



**BEDSIT**



**FLAT/  
MAISONETTE**

1 bed = 666  
2 bed = 517  
3 bed = 20



**HOUSE**

2 bed = 491  
3 bed = 1765  
4 bed+ = 150



**BUNGALOW**

1 bed = 203  
2 bed = 32



**SHELTERED**

1 bed = 324  
2 bed = 38  
3 bed = 3

# 2 A year in pictures



Bright Crescent Plant a Pot



Bright Crescent Plant a Pot



Magnolia Plant a Pot



Magnolia Plant a Pot



The Building Brighter Futures project



Seniors United visit Wates



Tenant Inspector  
- Estate Inspection

# 3 Tenant involvement and empowerment

**There are various ways for tenants to get involved**

**MORE THAN 80 INVOLVEMENT ACTIVITIES**

HAVE BEEN ARRANGED, RANGING FROM POSTAL SURVEYS, ESTATE-BASED ACTIVITIES & CONSULTATION EVENTS

**ANALYSED MORE THAN 817**



**SURVEYS FROM CUSTOMERS**

**10 ACTIVE TENANT INSPECTORS**

**1 TENANT CO-ORDINATOR**

**71 TENANT-LED COMMUNAL CLEANING AUDITS CARRIED OUT ACROSS THE BOROUGH**

**INCREASE IN TENANTS REGISTERED ON THE DATABASE OF INVOLVEMENT**

**10 ANNUAL PROGRAMME OF ESTATE INSPECTIONS COMPLETED**

**ENGAGEMENT ACTIVITIES**

**Plant a Pot events**  
**IT Workshops**  
**Visit to Wates, (repairs contractor)**  
**Police Community Engagement Day**

## Inspector Opportunities for 2019/2020

Tenant Insoector Communal Cleaning Audits	Estate Inspection Programme	Tenant Consultative Group	Complaints Review Panel
Tenant inspectors monitor the quality of service delivery against defined standards and undertake on-site inspections.	To help ensure estates are kept clean and in good condition, regular inspections are carried out by landlord services and tenants.	This group discusses a range of issues and is involved in the decision making process to improve housing services for all. This group is consulted on all tenant related policies, practices and procedures and current issues affecting Tamworth Borough Council and its tenants.	The Panel reviews anonymised information relating to the Tell Us Policy. The Panel looks for key trends and emerging common themes and will make recommendations for service improvements.

<b>ASB Service Improvement Group</b>	<b>Tenants Voice Editorial Panel</b>	<b>Tenant Involvement Group</b>	<b>Surveys/ Questionnaires/ Focus Groups/ Consultation sessions</b>
<p>This is a forum that looks at the delivery of service improvements, considers and discusses best practice, self assesses Landlord Services' ASB service for compliance and establishes and monitors action plans and key performance data.</p>	<p>A working group who review publications produced by Landlord Services. These include Open House, Annual Report to tenants, information leaflets, surveys, standard letters and any document intended for tenants.</p> <p>Any document showing the 'Tenant Approved' stamp has been reviewed by the Editorial Panel to ensure the content and design meet their high standards, is clear, helpful and in plain language.</p>	<p>Oversees the implementation of actions and performance targets set out in the Tenant Involvement Strategy action plan. In addition to this, the group closely monitors all customer intelligence and performance.</p>	<p>This provides customers with an opportunity to give their views and opinions on the services they receive.</p>
<b>Seniors United</b>	<b>Neighbourhood Improvement Programme</b>	<b>Police Community Engagement Days</b>	<b>Estate Based Events</b>
<p>This is a forum for sheltered housing tenants to get together, share ideas and experiences and discuss issues relevant to their needs with the support of their Scheme Manager and Tenant Regulatory &amp; Involvement Team.</p>	<p>This initiative gives tenants the opportunity to make recommendations to improve the environment in their local area, subject to budget availability.</p>	<p>Engagement days address local area issues through community contact, address parking issues and abandoned properties and give residents the opportunity to get involved and have their say in local issues that affect or are of interest to them.</p>	<p>Various events may be held throughout the year for tenants to come along and find out about changes or improvements to services, such as rent levels, repairs or any other housing or environmental issue. These events are normally publicised in Open House, Marmion House and on the Council's website.</p>

# 3 Tenant involvement and empowerment

## Moving Forward 2019/2020

- Continue to promote the work of the involvement working groups and to increase the number of tenant representatives on all involvement working groups to ensure representation from across all areas of the borough
- The Tenant Consultative Group will continue to be fully involved in the future repairs service options from March 2020
- The Tenant Consultative Group will consider environmental works for the following financial year as part of wider neighbourhood improvements
- Monthly monitoring of Neighbourhoods service performance, intelligence and satisfaction
- Continue with the annual programme of estate inspections to assess the standards of service
- Encourage more tenant involvement in the future of Neighbourhoods publications
- Continue with the annual 'Plant a Pot' programme aimed to enable elderly residents with mobility issues to actively take part in a fun and inclusive gardening event
- Work closely with tenant inspectors to carry out a scheduled programme of communal cleaning audits against the Neighbourhood Offer
- Continue to support and assist in planned engagement days and estate based events to target and resolve estate based issues
- Launch a new tenants newsletter and involvement literature to encourage more involvement

## Customer feedback

### Complaints, Compliments and Service Requests

We value all feedback about services we deliver to tenants and we understand that at times we do not always get things right. We want to hear from you if you do not feel that you have received the level of service you expect from us. This will enable us to learn and make improvements to our services.

A total of **565** complaints, compliments and service requests were received within Landlord Services during 2018/2019. Of the total received, **35%** were classified as complaints, **55%** service requests and **10%** compliments

It should be noted that whilst there has been a decrease in complaints for the period 2018-2019, we observe the significant increase in the number of service requests.





	2016/2017	2017/2018	2018/2019
COMPLAINTS	216	206	195
COMPLIMENTS	53	50	55
SERVICE REQUESTS	223	261	315
TOTAL	492	517	565

	2016/2017	2017/2018	2018/2019
Number of stage 1 complaints	195	183	179
Number of stage 2 complaints	16	16	16
Number of stage 3 complaints *	5	7	/
Number of complaints upheld	30	37	23
Number of compliments	53	50	55

\* A review of Tell Us was undertaken in 2018 and the stage 3 escalation was removed from the process

Across the total number of **195 complaints**:

- **51%** relate to **Wates** (inclusive of Wates Gas)
- **9%** relate to **Housing Solutions**
- **14%** relate to **Tenancy/ASB** issues
- **8%** relate to **TBC Repairs**
- **6%** relate to **Property Services**
- **12%** relate to **other landlord services**

Across the total number of **55 compliments**:

- **15%** relate to **Wates** (inc Gas)
- **15%** relate to **Property Services**
- **13%** to **Caretaking/Cleaning**
- **22%** to **Tenancy/ASB** issues
- **35%** relate to **other landlord services**

# 3 Tenant involvement and empowerment

In summary, **195** complaints were received within Landlord Services during 2018/2019. This is a significantly small proportion in relation to **5665** household and garage tenancies.

## Complaints upheld

During 2018/2019 there were a total of **23** complaints, that following investigation, were classified as upheld. Of the 23 cases **70%** were associated with Wates, repairs contractor.

## Learning from your complaints

- Improved communication between Wates and their subcontractors
- ID badges are now produced each time an operative attends a property

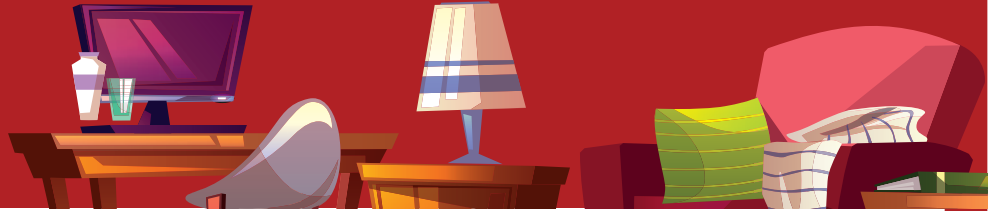
## HAVE YOUR SAY!

**Tamworth Borough Council wants to ensure that the services we provide meet both our published standards and the needs of our customers. All customer feedback is important to us and can be a complaint, suggestion, comment or compliment.**

**All feedback, including complaints, is taken seriously and we use this to learn lessons as to how things may have been done differently and to improve future services. Where possible, we will publish information on how we have made improvements resulting from your feedback.**

**Have your say either by going online at [www.tamworth.gov.uk/do-it-online](http://www.tamworth.gov.uk/do-it-online) or telephone 01827 709709.**

# 4 Home




This section looks at how we provide homes that are safe, of good quality and well maintained.

	2017/2018	2018/2019
The percentage of repairs completed on first visit	89.34%	87.8%
Customer satisfaction for responsive repairs	95%	91%
The percentage of repairs completed on first visit	89.34%	87.8%
The percentage of appointments made and kept	90.48%	91.3%
Percentage of complaints relating to the repairs service	45%	49%
Percentage of complaints relating to the gas service	1%	2%


## 9.53 DAYS

AVERAGE NUMBER  
OF CALENDAR DAYS  
TO COMPLETE REPAIR



## 3,828

GAS SERVICES




## 274

VOID PROPERTIES


## 131

BOILER  
REPLACEMENTS




## 12,232

RESPONSIVE REPAIRS



## 718

ELECTRICAL TESTS/  
INSPECTIONS




## 26

ROOFING JOBS

## 87.8%

REPAIRS  
COMPLETED AT  
FIRST VISIT



## £3,615

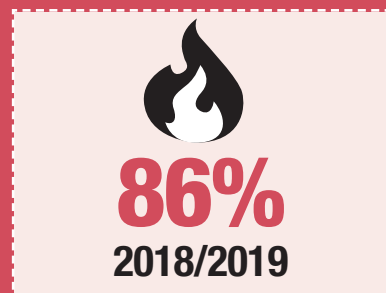
AVERAGE SPEND ON  
AN EMPTY PROPERTY

## £

TOTAL COST  
TO CARRY OUT  
RESPONSIVE  
REPAIRS  
£1.24M

## Gas Servicing

### TENANT SATISFACTION WITH GAS SERVICING ARRANGEMENTS



# 4 Home

## Planned maintenance

In 2018/2019 we spent approximately **£3,212,000** on planned home improvements.

IMPROVEMENT PROGRAMME	HOW MANY	TOTAL SPEND
Kitchens	206	£942,494
Bathrooms	186	£986,953
Roofing	26	£405,811
Windows and Doors	161	£250,755
Disabled Adaptations (Major and Minor)	70	£408,810
Heating Installs	139	£216,511

## Disabled adaptations

This year we carried out 70 disabled adaptations to tenants' homes, making them more suitable for the householder.

## High Rise Project

All works associated with the renewal of the balcony screens and stairwell windows have been successfully completed and the feedback has been extremely positive. The decoration of all blocks, which includes painting of the walls and the provision of a new floor covering, is complete.

**‘All very satisfied and pleased with the works carried out. It looks and feels brighter in the stairwells.’**

Resident from Townshend House

**‘Looks very nice and better than the old balconies. Makes the blocks look much more modern and the works were done without any interruption.’**

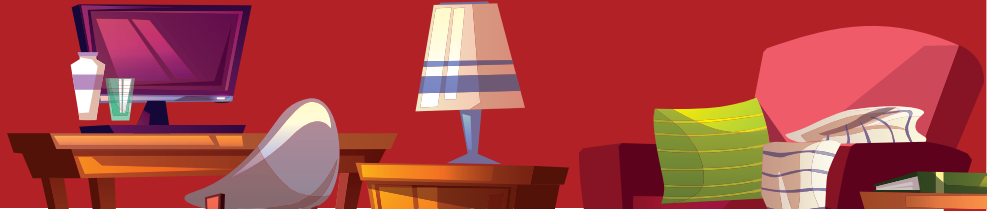
Resident from Peel House

**‘The balconies are brilliant and don't feel as closed in as they did before. The stairwells are a lot brighter and the sprinkler system is very tidy.’**

Resident from Strode House

**‘Very pleased with the sprinkler installation. The contractors were very helpful and courteous and cleaned up after themselves. The Resident Liaison Officer was very good and contacted us a number of times before the work started.’**

Resident from Strode House



The final lift in the current phase of the renewal programme will be in Weymouth House with works commencing early October and completion due in February 2020. The resident communication process for this is well underway and will continue throughout as it has with the other blocks during the lift refurbishment programme.

# 4 Home

## Sprinkler Project

The sprinkler project is progressing well and remains on target for completion by the end of the year 2019/2020. Residents took up the opportunity, earlier in the year to visit a mock flat and found this extremely beneficial to meet the contractor Lovell and discuss any issues. We are pleased to report there were few issues as the works have progressed. Once the works are complete it is likely that there will be some wider publicity in conjunction with Staffordshire Fire & Rescue, who remain actively involved in the project.

## New Repairs Contractors

The current contractual arrangements with Wates come to a natural conclusion in March 2020 and as such the Council is currently in the process procuring two new contracts, again using the NHF Schedule of Rates. One contract will predominantly be delivering responsive repairs, the other will deliver predominantly planned and larger works. Procurement is due to be concluded in November 2019 with contracts due to be awarded in December 2019 so that mobilisation can commence in January 2020. These contracts will be in place for 10 years and include significant Social Value elements along with opportunities to improve on customer service.

Alongside these new contracts the Council will be bringing repairs 'Call Handling' back in house, as well as receiving and diagnosing incoming repairs calls the new call handling service will be undertaking a greater degree of customer care follow-up contact and will be used to drive improvements in the service provided to customers.

## Looking Forward 2019/2020


- We will continue to carry out fire risk assessments, asbestos surveys and legionella risk assessments on our properties so as to ensure the ongoing and continued safety of tenants in their homes
- We carried out 131 boiler replacements and will continue the programme until all of our properties have energy efficient ones fitted.
- During the 19/20 financial year we will be working with residents to deliver a series of estate improvement projects. By December 2019 all 6 high-rise blocks in the Tamworth should have fire sprinklers installed

# 5 Tenancy



In this section we talk about how efficiently we let our homes, how we can help you maintain your tenancy and how satisfied you are with our overall service.

## Number of active housing applicants on the housing waiting list, by band, as at 31 March 2017 was 1535

Band 1+	2	
Band 1	86	 
Band 2	321	      
Band 3	216	    
Band 4	910	                  

### DID YOU KNOW?

- Customers are given an optional welfare benefit check at the start of their tenancy which also includes referrals to support agencies
- **15** days on average to let properties
- **274** council properties became available for reletting; approximately 23 per month, 52 of these were refused
- **95%** of customers satisfied with the Finding a Home service
- Housing Solutions offer interviews to all applicants to ensure that customers are aware of all housing choices available to them
- Early intervention prevented **141** households becoming homeless, an increase from 103
- The average length of stay in Bed and Breakfast is 32 nights - this was a reduction of **36** and below the 42 night limit set by legislation
- There were 17 households in temporary accommodation 1 in Bed and Breakfast, 10 private sector leasing and 6 in temporary council accommodation
- We delivered the incentive to move programme, which is designed to release larger family accommodation

# 5 Tenancy

## Sheltered Housing Service Peer Review

In June 2018, Tamworth Borough Council invited Mr Chris Jones, EROSH's regional lead for the Midlands to act as peer reviewer of Tamworth Borough Council's sheltered housing service for older residents. Mr Jones was selected on the basis of his expertise on older person's housing and support services;

- EROSH is the national consortium for older people's housing and support services
- EROSH is an essential membership organisation for professionals in the sector
- EROSH provides practical expert advice and guidance, news and commentary for front line staff and service managers to help respond to the challenges and opportunities currently facing the sector
- The aim is to enhance individual and organisational performance, to increase compliance with national standards and ultimately to maintain or improve the quality of housing related support services for older people

With the current challenges and opportunities facing the sheltered housing sector, it was timely for the Council to invite an independent review of its sheltered housing services for several reasons;

- 1) To be certain the service is performing well and continuing to deliver quality sheltered housing in Tamworth in the absence of any regulatory inspection/framework for sheltered housing services
- 2) It is good practice and reassuring for residents to have the service independently reality checked
- 3) Reputationally it is good for the Council and successfully continues to promote sheltered housing services in Tamworth
- 4) It prepares the service well for moving forward in responding the government's plans for future funding sheltered housing
- 5) It demonstrates the Council's responsiveness to continuous improvement and developing for future sheltered housing provision

The reviewer used a variety of methods to assess performance:

Meeting with senior management staff including Portfolio Holder for Housing	File checks	Meeting and shadowing sheltered management and scheme managers Meeting with safeguarding team
Site visits to numerous sheltered schemes	Performance Indicators	Desk top analyses
Talking to stakeholders	Focus groups with residents	Satisfaction surveys, compliments and complaints





The review was undertaken over a period of a working week in June 2018 and focused on the following objectives;

<p><b>QUALITY ASSURANCE</b> - with a focus on service, performance and outcomes</p>	<p><b>REASSURANCE</b> - in relation to operational practice around safeguarding and the supporting of vulnerable residents</p>	<p><b>BENCH MARKING AND BEST PRACTICE</b> - to aid learning from other providers</p>
<p><b>NEEDS ASSESSMENT AND ENHANCED HOUSING MANAGEMENT SUPPORT PLANNING</b> - tenants have tenancy management plans based on an up-to-date assessment of need</p>	<p><b>HEALTH &amp; SAFETY</b> - to ensure the security, health and safety of tenants, staff, visitors are protected including good safety management of the buildings</p>	<p><b>VALUE FOR MONEY</b> - affordability, are tenants receiving good value for money, price of service</p>
<p><b>EMPOWERMENT AND SATISFACTION</b> - consulting and involving tenants, customer satisfaction and complaints</p>	<p><b>ORGANISATION AND MANAGEMENT</b> - leadership and accountability and management systems</p>	<p><b>CONTINUOUS IMPROVEMENT AND PREPARATION FOR CHANGE AND FUTURE PROVISION</b></p>

In September 2018, the Peer Review Report was published. The report was extremely complimentary to the current sheltered service at Tamworth Borough Council drawing particular attention to the overall management and running of the sheltered schemes, residents satisfaction and a series of comprehensive and robust policies, procedures and risk assessments to train, guide and protect both residents and staff. A detailed Action Plan was also produced with those recommendations highlighted for improving the current service.

# 5 Tenancy

## Capital Works Programme

New carpets fitted throughout the corridors of Ankermoor Sheltered Scheme as phase one of the programme. Phase two has also commenced with the painting of ceilings and doors. Other works are also planned across other schemes as part of the wider programme.



- **100%** of monitoring sheets completed in relation to Legionella
- **100%** of scheme resident meetings held bi-monthly
- On average **97.95%** (13,867) of alarm calls answered within 60 seconds
- **100%** needs assessments carried out at all sheltered schemes for potential applicants
- Annual fire safety inspection completed
- Customer satisfaction **90%**

## Mobilisation to Eldercare Lifeline Services

Successful switch over from Wealden & Eastbourne Lifeline Services (Wel) to Eldercare Lifeline Services for the provision of:

- 24 hour lifeline services for all of the Council's Sheltered Housing schemes
- 24 hour lifeline services for all of our 12 high rise lifts alarms – also covering high rise basement/storage area smoke detectors
- Lone working monitoring for some Council staff



## Health and Safety

We continue to work with Staffordshire Fire and Rescue Service to ensure that the sheltered schemes maintain their high standards of health and safety and fire safety, with particular emphasis on the safe storage and charging of mobility scooters.

We continue to develop the range of current activities to enable tenants to stay well and independent. The following activities provided across the schemes:

- Cottage Healing centre treatment
- Hairdressers
- Chiropodists
- Opticians
- Dementia Friends
- Assistive technology market stall for useful gadgets
- Eat well programme
- Olive branch visits from the local fire service

## Sheltered Scheme Plant a Pot events

Successful 'Plant a Pot' events take place annually at a couple of Tamworth Borough Council's sheltered schemes as part of a rolling programme. The event was an idea initially suggested by Tamworth's Seniors United Group.

The aim of the event is to enable elderly residents to actively take part in a fun and inclusive gardening event thereby increasing mobility and tackling issues of social isolation. Any gardening activity is considered beneficial for residents as it is an enjoyable form of exercise, encourages the use of all motor skills, can improve endurance and strength, promotes relaxation and improves wellbeing as a result of social interaction.



*Bright Crescent Plant a Pot  
(more pictures on page 3)*

## Supported Housing

- **100%** (12) of lettings turned around within 10 days from tenancy end date
- **100%** of applicants involved in a needs and risk assessment prior to moving in
- **100%** of support plans agreed within 4 weeks
- **100%** (5) of successful move-ons

# 6 Rent

## Introduction of Universal Credit

Universal Credit is a new benefit to support you if you are working and on a low income or you are out of work. It is a single payment paid monthly in arrears to those of working age and replaces Housing Benefit, Child Tax Credit, Income Support, Working Tax Credit, Income Based Job Seekers Allowance and Income Related Employment Support Allowance. In Tamworth, most working age applicants who have a break in their existing benefits will now have to start claiming Universal Credit.

If you receive Universal Credit you won't receive Housing Benefit but part of your Universal Credit payment includes help towards your rent. Therefore, council tenants on Universal Credit will now have to pay all their rent to the council themselves. There are certain circumstances which you can apply for your Universal Credit housing costs to be paid direct to the council. Help towards your Council Tax, known as Council Tax Reduction, is NOT included in Universal Credit so you need to make a separate application directly to the council if you believe you are eligible.

To find more about Universal Credit Advance Payments and Budgeting Advance Payments, visit [www.gov.uk/universal-credit](http://www.gov.uk/universal-credit) or Telephone 0800 328 5644 - Textphone 0800 328 1344

## Universal Credit

	AS AT 31 MARCH 2019
Number of Council tenants on Universal Credit	645
Number of Council tenants on Universal Credit in Rent Arrears	443
Percentage of Council tenants on Universal Credit in Rent Arrears	68.68%
Number of Council tenants on Universal Credit not in Rent Arrears	202
Percentage of Council tenants on Universal Credit not in Rent Arrears	31.32%

As part of the council's response to welfare reform, in particular Universal Credit, a corporate project group has been re-set to collaborate, understand and take actions to mitigate the impact. The corporate project group includes staff and partners from across the organisation. There remains organisational commitment to:

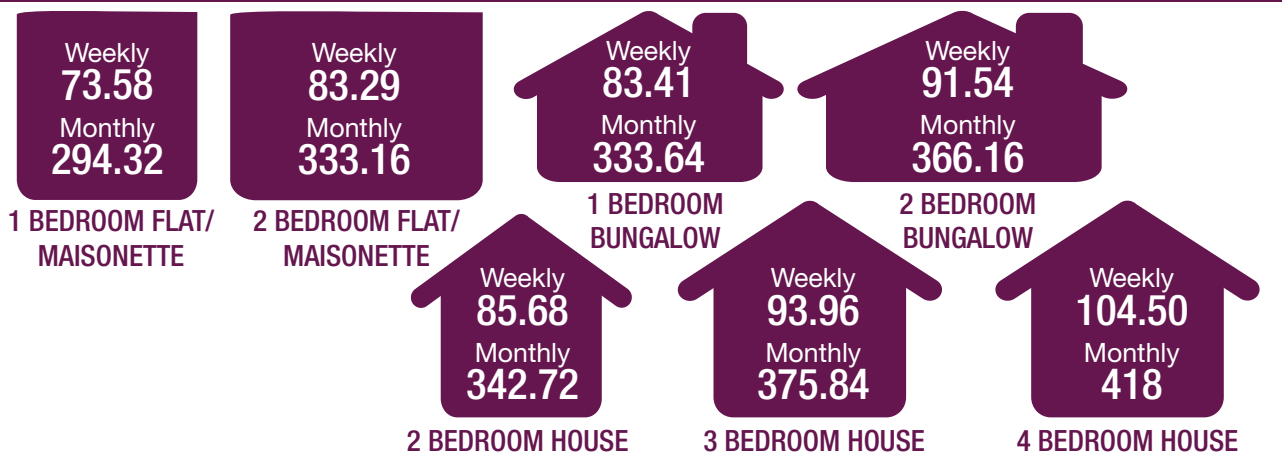
- Delivering quality services through enhanced digitisation and customer access to the Department of Works and Pensions and Universal Credit as well as wider welfare benefits
- Developing neighbourhood resilience through tackling illegal and high cost lending and fuel poverty
- Supporting economic and job prospects through tackling worklessness.
- Preventing homelessness through early help aimed at avoiding eviction across all tenures
- Supporting the development of a Corporate Debt Strategy



**Key principles of robust income collection include:**

- Independent assessment by Rent Income Excellence Network (part of HQN a national benchmarking group for landlord rent collection) endorsing the approach to prevention, education and enforcement around income collection
- Introduction of Rent Income Analytics tool to prioritise non-payment and highlight bad debtors
- Investment in third and voluntary sector. Including the Tamworth Advice Centre for debt advice and income maximisation support
- Close working with the DWP and job centre to collaborate on information sharing
- Supporting ‘rent first’ campaigns and educational material via a range of tenant groups
- Officers closely monitoring rent collection levels as well as comparing historic patterns and trends to assess unusual spikes in debt
- Basic general advice on budgeting, debts, benefits (including support/advice with the new benefit Universal Credit), and energy saving tips
- Referring customers to Tamworth Advice Centre (CAB) for financial skills - budgeting, debt advice, benefits advice, energy saving advice and Homeless prevention (including defending possession orders)
- Referring customers to the housing solutions team for assistance with homeless prevention
- Promote downsizing to a smaller affordable property, where appropriate, to make savings on household bills and assisting those who are on benefits and do not receive the full amount of housing costs due to under occupation (in addition, promote incentive to move to help with the cost of downsizing)
- Assist with applications for discretionary housing payments, hardship fund and food bank vouchers.
- Explaining the liability that comes with being a joint / sole tenant/ successor/ non tenant
- Explaining rent liability and options open to tenants following a relationship breakdown.

**Average rent (excluding service charges) (£s)**



# 6 Rent

	2017/2018	2018/2019	
Rent collected as a percentage of annual debit	101.93%	101.14%	Top Quartile
Rent loss due to empty properties	0.52%	0.42%	Top Quartile

## REDUCTION IN EVICTIONS

The number of evictions carried out for 2018/19 was 13 compared to 18 in 2017/2018

**Eviction is always the last resort**

## NOTICES

of seeking possession issued for rent arrears in **2018/2019** was **787** compared to **673** in **2017/2018**

Our quarterly

## RENT INCENTIVE DRAW

continues with a prize of £250 to encourage tenants to keep a clear rent account

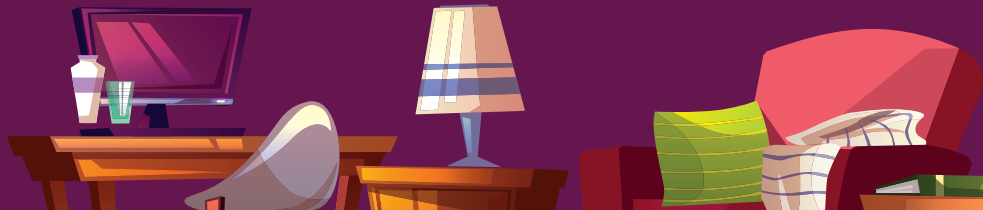
## Stop Loan Sharks

Tamworth Borough Council works in partnership with the England Illegal Money Lending team to stop loan sharks operating in Tamworth. If you are a victim of a loan shark or wish to report a suspected loan shark you can contact the Illegal Money Lending team for confidential help and advice on telephone number **0300 555 2222**.

## NOT SURE WHAT A LOAN SHARK IS?

If you can answer yes to one or more of these questions you might be borrowing from a loan shark:

- Did they offer you a cash loan?
- Did they not give you paperwork?
- Did they add huge amounts of interest or APR to your loan?
- Have they threatened you?
- Are you scared of people finding out?
- Have they taken your bank card, benefit card, passport, watch or other valuables from you?



# Tamworth Advice Centre

**citizens  
advice**

**Mid Mercia**

**Advice line number:**

**0300 330 9002**

**[www.citizenadvice.org.uk](http://www.citizenadvice.org.uk)**

Based within Tamworth Borough Council, Marmion House, Tamworth Advice Centre is run by Citizens Advice West Mercia. They offer free, confidential, independent and impartial advice on a number of issues including debt, housing and benefits

**Tamworth Advice Centre**

**based within Tamworth Borough Council,**

**Marmion, House, Lichfield Street Tamworth B79 7BZ**

**Monday – Thursday 9.30 – 4.30**

**Dial 818 using the internal phone based in reception  
Free, confidential advice. Whoever you are.**

## Key Changes to Rents for Social Housing from April 2020 onwards

The government has announced its new `policy on rents for social housing` which will come into effect from 1st April 2020. This new policy will permit an annual rent increase on both social rent and affordable rent properties of up to CPI (consumer price index) plus 1 percentage point from 2020, for a period of five years. For more information please visit the government website at [www.gov.uk](http://www.gov.uk).

Similar to previous years all Tamworth Borough Council tenants will receive at least 28 days notification of their 2020/21 rent and service charges which will take effect from Monday 6 April 2020.

# 7 Neighbourhood and Community

In this section we talk about how we work with tenants and our partners to keep neighbourhoods and communal areas greener, cleaner and safer, preventing and tackling incidents of anti-social behaviour and supporting tenants who experience this where they live.

## Estate Inspection Programme 2018-2019

Estate inspections are carried out to assess the standards of service we are delivering, identify areas for improvement and generally identify any action needed to be taken to address tenancy breaches. We are committed to inspecting our housing areas on a regular basis. Across the borough, housing estates are located across ten wards. Each area is inspected once a year on a rolling programme. This is the fourth year the estate inspection programme has been carried out in this way

The estate inspection team will aim to identify issues such as;

- Vandalism
- Abandoned vehicles / illegally parked vehicles
- Graffiti
- Litter and fly-tipping
- Dog fouling
- Problems with highway maintenance and street lighting
- Health and safety issues
- Neglected homes and gardens, tenancy issues
- Hot spots for anti-social behaviour
- The condition of hard landscape (e.g. fences, walls and paving)
- The condition of soft landscape (e.g. trees, grass, shrubs in communal areas)

Estate Inspections will;

- Provide a high profile presence on our estates
- Ensure cleaner, more attractive and safer neighbourhoods
- Improve the physical condition of estates through quick responses to residents' concerns and by identifying potential improvements
- Clear communal areas of fly-tipping/graffiti and rubbish
- Identify overgrown gardens/shrubbery
- Identify defective street lighting and estate furniture
- Ensure agencies take responsibility for issues identified within their remit
- Identify potholes and surface perishing to hard surfaces and uneven and broken paving.

A total of **380** issues were reported following ten estate inspections that were carried out across the borough of Tamworth by the Tenant Regulatory and Involvement Team, Caretaking Team and Tenancy Sustainment Officers.

Across the borough **215** roads were inspected and **106 (49%)** of roads were found to have no issues raised at the time of the estate inspection.





**33 (87%)**  
**ISSUES**

were resolved  
in full within

**28 days**

**33 (9%)**  
**ISSUES**

were scheduled to be  
completed under an annual  
programme of works or  
cyclical works, for example,  
spraying of weeds  
overhanging pathways

**16 (4%)**  
**ISSUES**

were  
service  
requests

## Communal Cleaning Audits - Tenant Inspectors

**248 (75%)** of tenants in receipt of communal cleaning have rated their overall satisfaction as either fairly satisfied or very satisfied.

We currently have 10 tenant inspectors who work with the Tenant Regulatory & Involvement team to carry out communal cleaning audits across the borough. Their input has proved invaluable. They make recommendations and comment on services which are reported back to the Estates Manager.

A full review of the communal cleaning programme, with Tenant Inspectors, was undertaken earlier in the year to conclude the following:

- Refresher training for all tenant inspectors with the Estates Manager
- More collective approach amongst tenant inspectors in completing scoring sheet
- Score sheet to be shared with the Estates Manager within the same week as the inspection to ensure immediate action
- Communal cleaning survey to be distributed to residents on a bi-annual basis and this will highlight target areas
- Half yearly meetings to be arranged between the Estates Manager and Tenant Inspectors to discuss findings, themes and any areas of concern

## Regeneration - Tinkers Green and Kerria

Keys to the first six two-bedroom houses of the new estate were handed over to residents on the council's Housing Register earlier this year, providing much-needed modern and affordable accommodation.

Work is progressing well to create a new estate of 96 homes on the site of the former Tinkers Green maisonettes, which is due to be completed in August of 2020

Tamworth Borough Council, working in partnership with appointed developers, energy and regeneration specialist ENGIE, is building the new houses in Tinkers Green, Wilnecote, and at the Kerria Centre in Amington, in the largest council house building programme in the town for a generation.

# 7 Neighbourhood and community

The £19million construction phase of this huge regeneration project got underway at the end of last year following the demolition of 86 maisonettes at Tinkers Green and 36 maisonettes at Kerria. The project is being part funded through Homes England grants.

A new estate of 96 homes is being created at Tinkers Green, including 24 one-bedroom apartments, six two-bedroom apartments, 44 two-bedroom houses, 19 three-bedroom houses and three four-bedroom houses. An existing play area is also being upgraded.

A total of 44 modern new homes are being built at the former Kerria site, consisting of eight one-bedroom apartments, four two-bedroom apartments, 24 two-bedroom houses and eight three-bedroom houses, plus a retail facility.

It is anticipated that the first residents will be welcomed to the Kerria site in the autumn of 2019 with completion of the site being due in May 2020.

This significant investment at Tinkers Green and Kerria will enable the Council to offer attractive, modern houses.



## Anti-Social Behaviour

The team continued to work hard over the last 12 months, achieving a number of successful outcomes, all of which help towards making your neighbourhood safe

We have again achieved the Housemark accredited standard for a quality anti social behaviour service (ASB). This was awarded after an independent review of our ASB and complaints service. This accreditation is valid for 3 years.



	2016/2017	2017/2018	2018/2019
Number of complaints received	247	264	299
Percentage of customers satisfied that they were kept informed throughout their ASB case	75%	63%	64%
Percentage of customers satisfied with the support given to them during their ASB case	88%	65%	66%
Percentage of customers satisfied with the outcome of their ASB complaint	88%	52%	47%
Successfully closed ASB cases (resolved)	99%	98%	100%
Percentage of customers who have already made a complaint of ASB, who would be willing to report ASB in the future	100%	83%	71%

Number of ASB cases: **262**

Number of Civil Injunctions: **0**

Number of Notice Seeking Possession/Demotion: **7** NSPs

Number of possessions: **2**

Nature of Incident	2017/2018	2018/2019
Noise	82	76
Pets/animals	25	24
Harassment/threats	29	42
Garden nuisance	29	48
Other	99	109
Total	264	299

# 7 Neighbourhood and community

## Intervention

Intervention remains a key factor in how we deal with ASB cases. The team intervene as early as possible where evidence is provided.

This often prevents enforcement action from being taken.

In 2018/19 early intervention was carried out to successfully resolve **219** cases

**299 incidents were recorded during the year compared to 264 incidents in 2017/2018**

## From April 2019

The Landlord Services ASB and Estate Management Team merged with the Corporate ASB Team to include CCTV, community wardens and multi tenure ASB service as one centralised service in order to streamline a more efficient approach to dealing with ASB and environmental crime.

**20** Community protection warnings were served in this period. **10** of those proceeded Community Protection Notices due to non compliancy, to resolve the matter.

For more information about ASB see the Tamworth Council website link:  
[www.tamworth.gov.uk/asb-zone](http://www.tamworth.gov.uk/asb-zone)

# 8 Value for money

In this section we explain how we make sure that our services provide value for money

Tamworth Borough Council recognises the importance of demonstrating value for money, which doesn't only mean keeping costs to a minimum. Value for money is also achieved through the following:

- Comparing costs and performance with other similar housing providers. Assess value for money (VFM), by using an independent organisation called HouseMark. This organisation compares our services to other councils and registered social landlords. HouseMark also produces an annual report which identifies areas for improvement
- Monitoring 'tenant satisfaction that rent is providing value for money'. We check this by carrying out regular tenant satisfaction surveys
- Continue to remove old inefficient gas appliances and install new 'A' rated appliances, reducing heating and hot water energy costs for tenants across the borough
- Purchasing existing properties has enabled an efficient and effective use of capital receipts funding, one element of the Housing Revenue Account capital business programme to increase its stock
- Senior managers regularly review budgets and the highest areas of spending
- Tenants are involved in the choice and appointment of contractors, suppliers and consultants to help ensure we get the right balance between cost and quality
- Spent more than £3,212,000 on improvements to homes ensuring that our core business of providing affordable homes to those in need continues to expand
- Co-regulating our services. Our co-regulation model means that tenants continue to review our performance and scrutinise selected areas of service.

# 8 Value for money

The following indicators have been agreed with tenants

**DID YOU KNOW?**

	2016/2017	2017/2018	2018/2019	Estimated Top Quartile*
Overall satisfaction with landlord services	78%	88%	88%**	82%
Average time between lettings	17.6 days	17.75 days	15 days	18.53 days
Completed walkabouts/estate inspections	10	10	10	Not benchmarked
Tenant satisfaction with communal cleaning	87%	87%	87%	Not benchmarked
Number of tenants on the database of involvement	617	557	479	Not benchmarked
% of repair appointments made and kept	95%	90.48%	93.3%	97.06%
Gas servicing CP12	99.99%	97.82%	100%	100%
% of repairs Completed on first visit	89.4%	89.34%	87.8%	93.59%
Customer satisfaction with responsive repairs	83%	95%	90.8%	91.23%
Arrears as a % of rent due	1.82%	2.47%	2.83%	1.55%
Number of evictions	10	18 (0.42%)	13 (0.31%)	0.17%

\* Figures based on estimated top quartile range when benchmarked nationally.

\*\* Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. This figure was recorded in 2017/18 and remains the same at 2018/19 until the new STAR survey is undertaken in 2020/2021.



## Top performance indicators as voted for by tenants as at 31 March 2019

Performance Indicator	TARGET	CURRENT VALUE	ARE WE ON TARGET?	TREND
Average number of calendar days to complete repairs	-	9.53		
Percentage of appointments made and kept	93%	91.3%		
Percentage of appointments completed on first visit	85%	87.8%		
Percentage of properties with a valid Gas Safety Certificates	100%	100%		
Average re-let times in days)	16 days	15 days		
Percentage of closed resolved anti-social behaviour cases	1.82%	100%	-	-
Number of closed unresolved anti-social behaviour cases	-	0	-	-
Current rent arrears as a percentage of annual debit	3%	2.83%	-	-
Number of complaints since 1 April 2018	-	195	-	-
Number of complaints upheld since 1 April 2018	-	23	-	-
Number of compliments since 1 April 2018	-	55	-	-

# Tamworth

Borough Council

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[www.tamworth.gov.uk](http://www.tamworth.gov.uk)

Designed and Produced by  
Tamworth Borough Council







Regulator of  
Social Housing

# Consumer Regulation Review 2018-19

July 2019



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## 1. Executive summary

- 1.1 This Consumer Regulation Review sets out a summary of our consumer regulation work for the year 2018/19<sup>1</sup>. Most registered providers are well-run and meet the expectations set out in the regulatory standards<sup>2</sup>, but on occasions, issues do arise that represent a risk to tenants, and where intervention by the Regulator is required.
- 1.2 In this report we set out key messages as well as themes and learning points from recent consumer regulation cases. We also set out how we deliver our consumer regulation role based on our mandate and current legislation.

### Key messages from recent cases

- 1.3 All registered providers have an obligation to act to ensure the homes where their tenants live are safe. Providers must meet the full range of statutory health and safety obligations.
- 1.4 This requires registered providers to have robust reporting and assurance arrangements in place for effective oversight of compliance by boards and councillors.
- 1.5 Effective assurance relies on good quality data, and maintaining compliance requires effective systems.
- 1.6 Registered providers should understand, and be able to demonstrate compliance, across all aspects of the consumer standards, including how they engage with their tenants, how they deal with neighbourhood issues, and how they allocate their properties.
- 1.7 Delivering compliance with the consumer standards depends on good governance, and on an organisation's culture.
- 1.8 The quality of relationship with tenants underpins registered providers' ability to meet their objectives. The effectiveness of registered providers' complaints handling affects the level of trust and confidence tenants have in their landlord.
- 1.9 Transparency with the Regulator is essential. Co-regulation requires registered providers to be transparent with the regulator, and a failure to do so can indicate broader governance concerns.

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<sup>1</sup> The Regulator was established on 1 October 2018 by the Legislative Reform (Regulator of Social Housing) (England) Order 2018, which amended the Housing and Regeneration Act 2008. Prior to this, the regulation of social housing in England was the responsibility of the Regulation Committee of the Homes and Communities Agency (which uses the trading name Homes England in relation to its non-regulation functions).

<sup>2</sup> <https://www.gov.uk/guidance/regulatory-standards>

## 2. Introduction

- 2.1 This report provides a summary of the Regulator's consumer regulation work for the year 2018/19. It explains our current role and mandate, our approach to consumer regulation, how we apply the serious detriment test as well as key themes and lessons arising from our casework.
- 2.2 As Regulator, we have a duty to be transparent in our work and we are keen to share lessons from our work with the sector. In 2018/19, we published six regulatory notices where registered providers had failed to meet a consumer standard and had risked or caused serious detriment to tenants. This report reminds readers of the details of those six cases. It also includes a number of anonymised case studies where we did not find a breach of the consumer standards and serious detriment. These cases demonstrate how the Regulator considers a number of factors in reaching our decisions, and it is intended to provide valuable insight for registered providers and other stakeholders.

### Our role

- 2.3 As the Regulator of Social Housing, our aim is to promote a viable, efficient and well-governed social housing sector, able to deliver homes that meet a range of needs. The Regulator has both an economic objective and a consumer regulation objective, as set out in legislation.
- 2.4 The consumer regulation objective is intended to:
- support the provision of well-managed and appropriate quality housing,
  - ensure tenants are given an appropriate degree of choice and protection,
  - ensure tenants have the opportunity to be involved in the management of their homes and to hold their landlords to account,
  - encourage registered providers to contribute to the well-being of the areas in which their homes are situated.
- 2.5 To achieve this objective, the Regulator sets consumer standards. There are four consumer standards:
- Home
  - Neighbourhood and Community
  - Tenancy
  - Tenant Involvement and Empowerment

- 2.6 The standards are set out on our website<sup>3</sup>. We set these standards so that tenants, landlords and other audiences know the outcomes that are expected. Boards and councillors who govern registered providers' services are responsible for ensuring that their organisations meet the standards.
- 2.7 Consumer regulation for registered providers was fundamentally changed by the introduction of the Localism Act 2011 and subsequent directions. As a result, the Regulator does not currently have a mandate to proactively monitor providers' performance or routine compliance with the consumer standards.
- 2.8 The Regulator's ability to use its powers in relation to a provider failing to meet a consumer standard is subject to this legislation. This means that from April 2012, our role as Regulator is to investigate only where we have reasonable grounds to suspect there is actual or potential serious detriment to tenants as a result of a failure to meet one or more of our consumer standards. We are only able to use our powers where we judge both that there is evidence that a consumer standard has been breached and, as a result, there are reasonable grounds to suspect that:
- the failure has resulted in a serious detriment to the provider's tenants; or
  - there is a significant risk that, if no action is taken by the regulator, the failure will result in a serious detriment to the provider's tenants
- 2.9 The legislation specifies that the Regulator must exercise its functions in a way that minimises interference and is proportionate, consistent, transparent and accountable. We therefore take a proportionate approach to each case and in deciding whether a failing constitutes a breach of standards, focus on whether there is evidence of a systemic failing by a registered provider. When applying the serious detriment test we will balance the factors of the case including the number of tenants, the duration of the harm (or risk of harm) and the seriousness of the issue, as well as taking into account the diverse needs of tenants, in accordance with our duties under the Equality Act 2010.
- 2.10 In each case, the Regulator will have regard to the consumer regulation objectives and will seek to balance the interests of the provider, its tenants, its key stakeholders and the impact on public funds when responding to the circumstances of each individual case.

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<sup>3</sup> <https://www.gov.uk/government/publications/regulatory-standards>

- 2.11 Our approach to consumer regulation is reactive reflecting the role set out in legislation for the Regulator and our current mandate. We therefore respond upon receipt of information of possible consumer standard breaches, considering carefully all referrals made to us. Our reactive approach does not lessen the obligation on registered providers to comply and communicate with us in a timely manner in relation to a potential breach.
- 2.12 Providers have principal responsibility for dealing with, and being accountable for, complaints about their services. The Tenant Involvement and Empowerment Standard requires that they have clear and effective mechanisms for responding to tenant complaints. A tenant with a complaint against their landlord should raise it with their landlord in the first instance and, should the matter remain unresolved, consider contacting first a Designated Person (someone identified under the Act to deal locally with the resolution of complaints such as their MP, a local housing authority councillor or a designated tenants' panel) and subsequently the Housing Ombudsman.
- 2.13 Further detail on our approach is set out in Annex A and B of this report and in Annex B of our publication *Regulating the Standards*<sup>4</sup> which is available on our website.

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<sup>4</sup> <https://www.gov.uk/government/publications/regulating-the-standards>

### 3. Key themes arising from our casework

- 3.1 Across all our consumer regulation casework there are common themes and learning points that are useful to all registered providers. In our casework we sometimes observe that, although there has not been a breach of the consumer standards with potential or actual serious detriment, the way in which registered providers listen to and engage with their tenants can fall short of what could be expected.
- 3.2 Through our engagement we will seek to feedback to registered providers, highlighting the need to understand why services have fallen short and what needs to change as a result. In this section we have summarised these themes and feedback messages, in order to share those lessons more widely with the sector.
- 3.3 A significant part of our consumer regulation work comes from referrals where there are concerns about the arrangements providers have in place to keep tenants safe in their homes. This is ultimately the responsibility of the governing bodies of registered providers – boards and local authority councillors<sup>5</sup>. It is paramount that registered providers, including local authorities, ensure that they comply with the expectations of the consumer standards, including that they meet the full range of statutory health and safety obligations so that tenants are safe.
- 3.4 Good governance is critical in managing risks effectively. A registered provider's governing body must ensure that it has effective oversight via timely and accurate reporting, and that it understands what assurance it has that risks are being identified, managed and monitored, with escalation mechanisms where appropriate.
- 3.5 Increasingly there is recognition that ensuring tenants' homes are safe goes beyond complying with specific pieces of legislation. It is vital that registered providers understand their tenants and their tenants' needs, as well as the stock that they are responsible for, and have clear and informed policies about what it takes to ensure that tenants are not exposed to risk for which the landlord has a responsibility. This has been particularly important where, for specific risks, the law does not specify a timescale for completing a safety check or an action arising from those checks. It is for registered providers to set out clearly and implement what they have concluded is needed to keep tenants safe in their homes and to make sure that they have the expertise and skills to do this, taking external advice where necessary.

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<sup>5</sup> Throughout this report where we have referenced governing bodies, this refers to local authority councillors and boards of registered providers who hold the same responsibility for ensuring compliance with regulatory standards.

- 3.6 The importance of good quality data cannot be overstated. In a number of cases, the Regulator has seen that a breach of the consumer standards, including a failure to comply with statutory requirements and policies on health and safety, has arisen because organisations do not hold good quality data about the homes their tenants live in. Registered providers can also find themselves unable to evidence whether required work has been carried out to time and quality, or even at all. This may be due to the existence of different data systems, but often stems from inadequate arrangements for data reconciliation, weak controls and inconsistent record keeping. The expectation is that all registered providers will have assurance on the quality and integrity of their data. This is the foundation on which all other assurance of compliance is based.
- 3.7 There can also be issues that arise from a lack of clarity on contractual and management arrangements for the homes in which some of a registered provider's tenants live. This can cause gaps in a registered provider's assurance that it is complying with the consumer standards in relation to all tenants, including providing an effective repairs services and identifying and managing health and safety risks. While these arrangements may add complexity they do not remove a registered provider's responsibility as the landlord for compliance with regulatory standards and for the safety of all of its tenants in their homes.
- 3.8 Where things do go wrong, it is often the case that systems have been poorly designed or poorly implemented or both. Some failures are relatively isolated in nature, perhaps arising as a result of an individual's actions or lack thereof, but some are more widespread across the organisation. Registered providers must ensure they understand the causes of the problems that arise and seek to resolve both the presenting issue and the underlying causes, to reduce the chance of a similar issue arising again. Registered providers focusing on the lessons that can be learned, and the systems that can be improved, are signs of a well-governed organisation. Where possible it is helpful for registered providers to share learning more widely, beyond their own organisation.
- 3.9 Where the Regulator finds a breach of the consumer standard and serious detriment, it is most often in relation to the Home Standard. However, our expectations are the same across all of the consumer standards. Registered providers should understand, and be able to demonstrate compliance, across all aspects of the consumer standards, including how they engage with their tenants, how they deal with neighbourhood issues, and how they allocate their properties.



- 3.10 Complying with the consumer standards should not solely be driven by the requirement to do so from the Regulator, but because the expectations set out in the standards are the outcomes any registered provider should seek to achieve in the course of a well-run business. Focusing on and delivering the right outcomes is also an integral part of establishing and maintaining effective relationships with tenants and other stakeholders, as well as managing any potential reputational risk.
- 3.11 How registered providers engage with their tenants, how they listen to tenants and give tenants the opportunity to make their views known is a key indicator of organisational culture and it goes to the heart of why registered providers exist and their purpose. Through our casework we gain an insight into how registered providers engage with their tenants and this is often indicative of the organisational culture and the quality of governance. In some cases this may cause us to change our published view of the provider's governance. Even where this does not happen we will, where necessary, give feedback on what we see to senior leaders in the organisation.
- 3.12 It is the responsibility of registered providers as landlords to respond to complaints and to do so promptly and effectively. Failing to deal effectively with complaints impacts on the level of trust and confidence tenants have in their landlord and can have a significant reputational impact for registered providers. It may also affect our view of a registered provider's governance. Governing bodies must ensure that they have sufficient oversight of the effectiveness of arrangements for complaints handling.
- 3.13 Analysis of complaints data and trends can inform a registered provider's understanding of the messages tenants are giving them and importantly whether the issues being raised indicate a potential significant and/or systemic failure. Where this is the case there should be a route for escalation and where necessary, a different approach to ensure effective resolution in a timely way. Through our casework we have seen occasions where registered providers acknowledge that they have not handled complaints in the way they would have wished to and have commissioned reviews which have learning points for the wider sector.
- 3.14 Finally, where issues do arise, transparency with the Regulator is essential. The Governance and Financial Viability Standard sets out this requirement explicitly. However for all registered providers, including local authorities, the co-regulatory settlement is fundamentally based on transparency and co-operation between the Regulator and registered providers. Where we find a breach of a consumer standard and serious detriment, and the registered provider has failed to be transparent with the Regulator, we will take that into account as we consider what regulatory action is needed.

## 4. How we carry out our consumer regulation

- 4.1 Social housing tenants of registered providers can expect their homes and their landlords to meet certain standards. This includes: living in homes that are safe and of appropriate quality; having choice and protection; the ability to be involved in its management and to hold their landlords to account.<sup>6</sup> These are part of our consumer standards, which the Regulator sets as part of the framework for regulation.
- 4.2 The Regulator receives referrals and information about potential breaches of the consumer standards from a range of different sources. These include complaints from tenants, statutory referrals (including those from Members of Parliament, the Housing Ombudsman and the Health and Safety Executive) or information obtained during the course of our economic regulation work. We also receive referrals direct from providers about failings they have identified. In line with our co-regulatory settlement, registered providers should notify the Regulator of any potential breaches of the consumer standards. This applies to all registered providers including local authorities and regardless of any management contracting arrangements in place.
- 4.3 When considering information we receive about potential non-compliance with our standards, our role is to determine if this evidence indicates a wider failing within the registered provider's systems or processes. Such a systemic failing may lead us to determine there has been a breach of our standards; however, in line with our role set out in legislation, we must also see that this caused or has the potential to cause serious harm. We call this the serious detriment test. Harm, or potential harm, can relate to health and safety, loss of home, unlawful discrimination, loss of legal rights and/or financial loss. Where the Regulator judges there is evidence of the serious detriment test having been met, we will publish a regulatory notice. Where we judge the test has not been met but shortcomings have been found, we are likely to still follow up with registered providers to address any issues informally.
- 4.4 It is important to highlight the considerations made before reaching a decision of breach and serious detriment. Keeping in mind the Regulator's legislative requirement to be proportionate and consistent, each case is considered based on its particular circumstances as well as taking account of responses from the registered provider and its willingness and ability to address any failings.

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<sup>6</sup> <https://www.gov.uk/government/publications/regulatory-standards>

- 4.5 A regulatory notice is made public and is likely to have significant consequences for the registered provider. However, securing sustainable and long term improvements is paramount and registered providers are expected to demonstrate they understand what went wrong and why, to address failings promptly and effectively to remedy issues of non-compliance. A registered provider must provide assurance that they have assessed and put in place any arrangements needed so that tenants are not at risk of harm while improvements are being delivered. In addition to publishing a regulatory notice the regulator has a range of enforcement powers which can be used to force a provider to take appropriate action. We will always seek to secure the changes and improvements required using the least amount of interference. In any case where regulatory action is taken, the most appropriate way for registered providers to evidence their commitment to remedying any failings is through timely and effective action.
- 4.6 There may be occasions when the Regulator is of the view that the serious detriment threshold has not been met and therefore we are unable to take regulatory action in relation to the consumer standards. In those cases, we may consider that the information obtained raises issues about the governance of a provider. We will consider the provider's compliance with the economic standards and where we conclude that a provider's governance grading should change, we will also publish a narrative judgement.
- 4.7 If a referral or information received is not within the Regulator's remit to consider we will, wherever possible, advise a referrer of the appropriate route to pursue the concerns raised. For example we do not have a role in resolving individual disputes between landlords and tenants. Where we receive such complaints, wherever applicable, we will signpost the referrer to the provider's own complaints procedure and the Housing Ombudsman. If appropriate we may make the referral on behalf of the referrer, with their consent.

### **How we handle referrals**

- 4.8 Under our reactive consumer role, we consider all referrals received to assess whether there is evidence of a systemic failure which may represent a breach of a consumer standard.
- 4.9 The consumer regulation process consists of three stages, although not all referrals will pass through each of these.

- At Stage 1 any information or referral received is initially reviewed to determine if it is a matter that we can, under our remit, consider. During this stage we also consider if the issue is covered by our consumer standards and could potentially represent a breach.
- If these tests are satisfied, the referral moves to Stage 2. This is where our Consumer Regulation Panel (CRP) carries out a detailed review of the information we have received to determine whether any potential breach of the standard has caused or could cause serious harm to tenants.
- If a view on these points cannot be reached by CRP without further information, we will make the necessary enquiries of either the provider, the referrer or a third party. This is called a Stage 3 Investigation.

4.10 The length of time an investigation takes will depend on the circumstances of the case and the level of assurance we obtain from the registered provider; it can take some time to investigate some cases thoroughly, though other cases are relatively straightforward and we are able to reach a conclusion quickly.

4.11 We consider all information we receive from a regulatory perspective and we recognise that individual disputes between tenants and landlords can potentially be evidence of a systemic failure that represents a breach of the standards. However, as a Regulator, we do not have a role in resolving individual complaints about registered providers and we are unable to mediate in disputes between tenants and their landlords. We receive contact from tenants with complaints about their landlord and we will wherever possible, provide information about the well-established routes for tenants seeking to resolve an individual dispute with their landlord.

4.12 In the first instance, tenants should raise their concerns with their landlord. The Housing Ombudsman can assist residents and registered providers to resolve disputes locally. If a complaint is not resolved via the registered provider's complaints procedure, the resident may contact a Designated Person such as an MP, a local authority councillor or a designated tenants' panel to help with the resolution of the complaint. The Designated Person may help resolve the complaint or may refer the case to the Housing Ombudsman for investigation.

4.13 A resident can also escalate their complaint to the Housing Ombudsman directly. The Housing Ombudsman's role is to resolve disputes and to encourage the resolution of disputes by others. Information about the Housing Ombudsman is available on their website<sup>7</sup>.

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<sup>7</sup> <https://www.housing-ombudsman.org.uk>

## 5. Consumer regulation and governance

- 5.1 In order to comply with the consumer standards, registered providers should have effective governance and risk management arrangements in place. That means registered providers should assess their own compliance with all the consumer standards including those where the expectation is that they will identify and understand the risks to their tenants and take appropriate action to mitigate those risks. This also means having arrangements in place so registered providers can identify themselves at an early stage when something is going wrong, as well as having an effective escalation and response where those issues are identified.
- 5.2 Where the Regulator finds that a registered provider has failed to meet a consumer standard, and that the serious detriment test has been met, our experience is that there can often be a corresponding failure in an organisation's governance.
- 5.3 For private registered providers (as opposed to local authorities), where the Regulator concludes that there has been a breach of the consumer standards and serious detriment, we will consider whether that failure has any implications for our view of the registered provider's governance. Our consideration of governance is a separate decision, taking into account the facts of the case and information we have obtained through our planned regulatory engagement.
- 5.4 We will also take into account:
- whether the failure raises any wider systemic concerns
  - the effectiveness of the board's oversight, for example, whether the board was receiving adequate and timely information and challenging the executive on performance
  - the effectiveness of the registered provider's risk management and internal controls
  - actions taken to mitigate the failure
  - the board's assurance that the failings will be addressed, including their willingness and ability to put things right
  - the registered provider's transparency and the timeliness of communication with the Regulator.
- 5.5 The remainder of this report set out details of the cases we have considered under each of the consumer standards. It includes examples of where we have found a breach of the consumer standards and serious detriment, and for these case studies, we have included details of how we considered the implications for an organisation's governance. The report also includes anonymised case studies where we have not found a breach of the standards.

The case study below shows how the Regulator considered our view of a registered provider's governance, when we had evidence of a breach of the consumer standards.

### **Case study 1 – Links between consumer regulation and governance**

Knowsley Housing Trust (KHT) notified the Regulator that the Merseyside Fire and Rescue Service had issued three fire enforcement notices in November 2017 in relation to a scheme known as Quarry Green. The enforcement notices said that KHT had failed to comply with the provisions of the Regulatory Reform (Fire Safety) Order 2005. The issuing of the enforcement notices followed KHT's completion of a fire risk assessment in June 2017 which identified actions required to reduce the risk of fire at Quarry Green, and two subsequent warning letters from the fire service in August and September 2017 which had not been acted upon.

During our investigation of this referral, we learned that KHT also had a number of high risk fire safety actions outstanding following the completion of fire risk assessments and that an internal audit completed by KHT had found that the board did not have assurance of compliance with statutory health and safety requirements. Taking all of these factors into account, the Regulator concluded that this was a breach of the Home standard, because KHT had failed to have an effective system in place for delivering statutory compliance, particularly in relation to fire safety. We also concluded that tenants had been put at risk as a result. We published a regulatory notice setting out our findings in June 2018.

At the same time as KHT made its referral to the Regulator, the Regulator was undertaking a planned in depth assessment (IDA) of KHT. Taking into account the health and safety issues identified, as well as information gathered during the IDA, the Regulator found that there were significant weaknesses in the effectiveness of board oversight and scrutiny, including incidents of inadequate reporting. We also found that the KHT board did not have sufficient oversight of a range of activities undertaken in other parts of the group, and so was unable to demonstrate that key risks were effectively managed. The Regulator concluded that KHT had failed to comply with our governance requirements, and the provider was downgraded to G3. A regulatory judgement was published in August 2018.

Since then, KHT has been working with the Regulator as it seeks to resolve these issues. Its action plan sets out how it is addressing the failure to comply with our regulatory standards, including both the statutory compliance issues set out above, and the underlying governance issues which led to the health and safety issues arising. The Regulator will continue to engage intensively with KHT until it is satisfied that the issues have been addressed, and KHT is compliant with all regulatory standards.

The case study above shows the clear links between consumer regulation and governance, and how a failure to meet one of our consumer standards is often symptomatic of more widespread weaknesses in an organisation's governance. It also demonstrates the importance of registered providers seeking to understand the causes of health and safety failures when they arise, in order to tackle both the presenting issues and the underlying causes, to prevent a recurrence.

It is often the case that a breach of consumer standards leads the Regulator to conclude that there has been a failure in an organisation's governance. This year however, we also saw the reverse: when we found that a registered provider which was already non-compliant with our governance requirements had also breached the consumer standards. The case study is set out below:

### **Case study 2 – Link between consumer regulation and governance**

The Regulator was already engaging with Kinsman in relation to concerns about its governance when we received a referral from a third party which said that Kinsman had not adequately responded to potential issues with the structural safety of a number of its homes, along with concerns about the safety of gas, fire and electrical installations. Shortly after receiving this referral and on the basis of the information we had gathered during our governance investigation, we completed our assessment of Kinsman's governance, and concluded that it was non-compliant with our governance requirements. We published a regulatory notice<sup>8</sup> setting out our views, and then continued to engage with Kinsman in relation to both our governance concerns, and to complete our investigation into the concerns raised about the safety of the property.

Through our investigation, we learned that Kinsman had been notified of the potential issues in January 2017, but did not put in place plans to carry out the necessary survey work until September 2018, following the referral to the Regulator. While Kinsman's survey on the structure of the building did identify some significant issues, it did not conclude that these posed a serious risk to tenants. However, this initial survey did recommend further, more intrusive inspections including of the gas, electrical and fire safety mechanisms in place.

A subsequent survey carried out in December 2018 identified some serious and wide-ranging concerns in relation to fire safety. In addition, although a fire risk assessment had concluded that the risk was at a tolerable level, there were a number of follow up actions necessary to ensure the property and its tenants were safe.

These risks were known about for a considerable period of time, and the evidence demonstrated that Kinsman were extremely slow to act when concerns were raised. The Regulator concluded that given the seriousness of the issues, and the duration for which

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<sup>8</sup> We do not publish regulatory judgements for registered providers which have fewer than 1,000 social housing units. However, if we have evidence that such a provider has breached an economic standard, we will issue a regulatory notice.

tenants were potentially exposed to risk, that this was a breach of the Home standard and that there had been a risk of serious detriment to tenants. We published a second regulatory notice setting out our conclusions.

Kinsman put in place a schedule of works in relation to fire safety and the other remedial work identified in its surveys and has provided assurance that tenants are not at risk in the meantime. The Regulator continues to engage with Kinsman to seek assurance on the completion of works and evidence that this has remedied the issues found. Alongside this, we are continuing our intensive engagement with Kinsman to ensure that the underlying governance issues which formed the basis of the first regulatory notice are resolved.

- 5.6 This case study highlights that complying with our Home standard goes beyond simply meeting statutory health and safety requirements. It shows the importance of registered providers understanding and acting on their fundamental responsibility for tenant safety by having systems in place which allow them to take prompt and effective action when there is a suggestion that tenants might be at risk. Governing bodies of registered providers should listen to, and engage with, tenants and third parties where they are giving messages that they might be at risk, and should act swiftly to identify whether any such risks exist, and to mitigate those risks.



## 6. Local authorities' compliance with the consumer standards

- 6.1 Although the Regulator's economic standards do not apply to local authorities, the Regulator's consumer standards apply equally to private registered providers and local authorities and we expect all registered providers to be open and transparent with the Regulator when issues arise which indicate non-compliance (or potential non-compliance) with our standards.
- 6.2 The Regulator also expects that all tenants, regardless of whether their landlord is a private registered provider or a local authority, should have the same experience: they should have homes that are safe and of reasonable quality, access to an effective complaints process when things go wrong, and the opportunity to have a say in decisions which affect them.
- 6.3 With this in mind, where the Regulator receives a referral relating to a local authority, we will consider that in the same way as we consider referrals relating to private registered providers. The example below shows how we determined a breach of the Home standard and serious detriment in relation to a local authority.

### **Case study 3 – Regulating local authorities' compliance with the consumer standards**

We received a referral from an individual raising concerns about how Arun District Council had responded to reports of repairs in their home and fire safety. We followed up this referral and sought assurance from Arun District Council that it was responding appropriately to the reports of repairs and that it met all applicable statutory health and safety requirements.

Through our investigation, we learned that up until 2016, Arun District Council did not have a comprehensive programme in place to carry out fire and Legionella risk assessments across its entire stock. Sheltered housing schemes were subject to a programme of works, but the general needs stock was assessed on a reactive basis when issues were reported. That meant that Arun District Council could not provide assurance that all of the relevant properties had a risk assessment in place until very recently. A programme of works had been developed to resolve the issues and Arun District Council was implementing a new structure and resourcing to improve the oversight and delivery of compliance work. However this had not yet addressed the issues at a speed which would reflect the level of risk to its tenants.

The Regulator concluded that Arun District Council had breached the Home standard as it had not had a system in place which allowed it to effectively meet its statutory duties to assess the risks of fire and legionella.

In response, Arun District Council commissioned an external review of its health and safety compliance, which identified weaknesses in the overall system for managing health and safety, and it developed an improvement plan to resolve the issues. The Regulator is now working closely with Arun District Council as it implements the actions set out in the improvement plan. That includes actions to complete outstanding risk assessments and any actions arising from those risk assessments, as well as addressing the underlying causes of the breach of the consumer standards.

## 7. The Home Standard

- 7.1 Ensuring tenants have good quality accommodation and are safe in their homes is a fundamental responsibility of registered providers. Each year, the Home Standard features in around half of all referrals considered by Consumer Regulation Panel, covering issues relating to repairs and maintenance, the decency of tenants' homes and registered providers' compliance with statutory health and safety requirements.
- 7.2 This year, all of the cases where the Regulator found a breach and serious detriment related to the Home standard, in particular in relation to the repairs and maintenance service provided by registered providers, and their compliance with statutory health and safety requirements across a range of areas including fire safety, gas safety, electrical safety, lifts and Legionella. Most common were issues relating to fire safety, which featured in five of the six cases where we found a breach and serious detriment. However, it was striking that in a number of those cases, where we considered concerns relating to fire safety, weaknesses across other areas of health and safety were also identified.
- 7.3 As the case studies below will demonstrate, complying with fire safety requirements is critical for registered providers to ensure tenants are safe. However providers also need to continue to seek assurance on the systems they have in place for delivering safe homes for their tenants across all areas. This includes data management, policy and processes, monitoring, reporting and oversight.

### Fire safety

#### Case study 4 – Meeting fire safety requirements

Beyond Housing was formed following the merger of Yorkshire Coast Homes and Coast & Country Housing in October 2018. Like all registered providers, Beyond Housing, and its predecessor organisations, has a duty to comply with the Home Standard which requires registered providers to comply with statutory health and safety requirements which provide for the safety of tenants in their homes; the applicable statutory requirements include the Regulatory Reform (Fire Safety) Order 2005 which requires registered providers to make a suitable and sufficient assessment of the risks of fire. Having identified those hazards and people at risk, it has a duty to take precautions to prevent the risk of fire, and to update the risk assessments regularly.

As part of the pre-merger process, Yorkshire Coast Homes had identified concerns about fire safety. In particular, it found that a large number of fire risk assessments had passed their review date, and a small number of properties did not have a risk assessment in place. It said it also had concerns about the quality of the fire risk

assessments which had been carried out, and that there was limited evidence to demonstrate that actions identified had been completed.

The Regulator concluded that Yorkshire Coast Homes had breached the Home Standard as it had failed to have an effective system in place to provide assurance that tenants were not at risk from fire. A regulatory notice was published. Yorkshire Coast Homes put in place an urgent plan to deliver actions and to mitigate the risk to tenants. It brought in additional resources and carried out initial inspections to ensure there were no combustible materials in communal areas. It also carried out the outstanding fire risk assessments, prioritised by risk. When the merger was completed, Beyond Housing became the organisation responsible for completing this work and for resolving the issues set out in the regulatory notice.

Since then, the Regulator has had regular engagement with Beyond Housing, as it has progressed in the delivery of this work. It has completed all of the fire risk assessments, and is now working through the actions which were identified, tackling the highest risk actions first to mitigate any risk to tenants. Beyond Housing has also looked at the underlying causes of the breach of the Home standard, and has completed work to cleanse its data, to implement a new compliance system, and to improve reporting to the board.

### Electrical safety

- 7.4 For some areas of health and safety, the legislative requirements are very explicit (for example, the Gas Safety (Installation and Use) Regulations 1998 states clearly that gas appliances and flues must be tested annually). In other areas, the law is less explicit, but that does not lessen the obligation on registered providers to act to ensure their tenants are safe.
- 7.5 The Health and Safety at Work Act 1974 requires registered providers to conduct their undertakings in such a way that third parties (including tenants) are not exposed to risk. Recently there has been increased focus on electrical safety and recognition of the importance of registered providers setting their own policies and procedures that clearly articulate the arrangements they operate in order that tenants are not exposed to risk.

7.6 Below is an example of how we considered a case relating to electrical safety.

**Case study 5 – Meeting electrical safety requirements**

Lincolnshire Housing Partnership (LHP) made a self-referral to the Regulator in July 2018, having identified concerns about the quality of its electrical testing programme and the certification available to demonstrate that electrical testing had taken place. LHP explained that for a number of properties, electrical certificates were either missing or were over 10 years old. Quality control checks had also found a number of errors in both the categorisation of works, and completion of certificates.

LHP was created as a result of the merger of two organisations: Boston Mayflower and Shoreline Housing Partnership. In their engagement with the Regulator, LHP set out that a previous external assessment of a sample of electrical inspections for Boston Mayflower had found a high proportion had failed quality requirements. LHP then commissioned a review which raised concerns about the lack of valid or in-date certificates for the majority of Boston Mayflower properties.

The Regulator noted LHP's self-identification of the issues, and its subsequent referral to the Regulator, but taking into account the seriousness of these issues, and the number of tenants potentially affected, the Regulator determined that it was proportionate to find a breach of the Home Standard and serious detriment in this case. A regulatory notice was published and the Regulator also considered implications for LHP's governance, concluding that its current interim G2 grade remained appropriate. In reaching that view, the Regulator was assured that once the issue was identified, LHP immediately put a plan in place to address the issues and commissioned a review to understand how the failing had happened. It put in place a programme of remediation which prioritised the works required by risk and is addressing the issues in line with that programme.

7.7 The case study shows the importance of registered providers having assurance that tenants are safe in their homes. In this case, LHP was not able to be certain that the relevant electrical safety checks had been completed and it was not assured that the checks carried out were of appropriate quality. Clearly this had an impact on understanding whether remedial actions arising from electrical safety checks had been assessed correctly and completed. It was these factors which led the Regulator to conclude a breach of the Home Standard and serious detriment. LHP's interim G2 governance grade remained unchanged reflecting the registered provider's identification of the issues, quality of response and timely self-referral to the Regulator.

## Meeting all statutory health and safety requirements

- 7.8 The case studies above set out two different cases where we found a breach of the Home Standard relating to a failure to comply with one area of health and safety requirements (fire safety for Beyond Housing and electrical safety for LHP). However, in a number of cases this year, we have identified that registered providers have failed to comply with our consumer standards because of failures which were more widespread across a range of health and safety areas. The case study below is an example of that.

### **Case study 6 – Meeting all applicable statutory health and safety requirements**

GreenSquare Housing Group (GreenSquare) made a self-referral to the Regulator in July 2018, followed by a second referral in November 2018 when it had found a number of properties with overdue gas certificates. On commissioning a wider review of compliance with statutory health and safety requirements, GreenSquare also identified issues relating to fire safety and lift safety and made a further referral to the Regulator.

The main concern related to fire safety. GreenSquare told the Regulator that although all fire risk assessments were up-to-date, it had identified that there was a large number of overdue actions arising from fire risk assessments including some that had been categorised as high priority that had not been completed. Some of these urgent actions had been outstanding for a number of months, and the issue affected a significant number of tenants, including potentially vulnerable tenants. A number of lifts were also found to have an out-of-date lift service check. The Regulator concluded that this was a breakdown in the overall systems in place to allow GreenSquare to deliver an effective repairs and maintenance service and therefore found that GreenSquare had breached the Home Standard with potential serious detriment as a result. A regulatory notice was published.

Given the seriousness of the issues, GreenSquare had commissioned a root cause analysis review to fully understand the factors that led to this including governance, culture and leadership as well as operations and management.

The Regulator was carrying out an in-depth assessment of GreenSquare at the time of the second referral. We considered the implications of this for the Regulator's view of GreenSquare's governance as part of the in-depth assessment and we concluded that a downgrade to G2 was appropriate.

## 8. Responding when things go wrong

- 8.1 The case studies above set out a number of cases where things have gone wrong, and where the Regulator has judged the registered provider to have breached our regulatory standards and risked serious detriment to tenants. However, we seek to be proportionate in our regulation of the consumer standards and simply because something has gone wrong, it does not necessarily mean the standards have been breached. In reaching our view, we consider whether the issues identified indicate a systemic failure by the registered provider. We also take into account the seriousness and duration of the issue, and the number of tenants potentially affected. We also consider what action the provider is taking, to put things right.
- 8.2 Registered providers should design effective systems and processes which allow them to comply with our consumer standards, and which allow them to identify at an early stage when things are going wrong. How an organisation responds when things have gone wrong tells us a lot about the organisation and how it is run. Well-run organisations will seek to address the underlying causes of the failure as well as the presenting issues. They will also seek to learn the lessons from the failure, in order to strengthen systems and processes where necessary. The case study below sets out an example of that.

### **Case study 7 – Learning lessons when things go wrong**

The Regulator was contacted by a registered provider who told us that there were longstanding repair and defects issues relating to one of its mixed tenure new build housing schemes. This was causing a relatively high volume of complaints from residents as well as attention more widely, including through the media.

The Regulator considered this self-referral under its consumer standards and specifically the requirement for registered providers to have an effective repairs and maintenance service, as well as the requirement to have an approach to complaints to ensure they are resolved promptly, politely and fairly.

The Regulator received a significant amount of information from the registered provider, including the report from a review it commissioned externally into the issues, their handling of complaints and lessons learnt. This looked across a number of the registered provider's new build schemes.

From this, we concluded that the registered provider had a repairs service in place that was effective overall and there was evidence they had responded to all the issues raised and followed up where they were not resolved. We noted that there were some incidences where the registered provider's response was not as timely as it should have been. There was also the added complexity of establishing responsibility for remedial work, given the scheme was within its defects period.

Notwithstanding the ongoing repair issues, evidence was provided of compliance with statutory health and safety requirements.

We considered carefully the information provided regarding the provider's approach to complaints. There was a clear, accessible and timely process in place with evidence that residents had been able to make complaints and have those responded to.

- 8.3 However, as the provider's own review highlighted, there were a number of improvements that could be made. In particular where an issue or area of service is resulting in complaints and dissatisfaction over a protracted period, more should be done to escalate this, identify trends and learning and adjust the approach. Changes relating to training and support for staff, as well as improving communication across different departments, were recommended, as was an emphasis on effective resolution rather than seeing the delivering the process as the outcome in itself. We considered whether, in light of these issues, this changed our view of the registered provider's governance. The information and responses gained through our engagement provided assurance that this was not the case.



## 9. The Tenancy Standard

Registered providers may at times have tenants who are facing challenges maintaining their tenancies. A decision to evict a tenant should never be taken lightly and the consumer standards set out the expectation that registered providers will support tenants in such situations and avoid unnecessary evictions. The case study below shows an example of a referral we considered under this standard.

### **Case study 8 – Supporting tenants to maintain their tenancies**

We received a referral from the friend of a tenant in a supported housing scheme who had sadly died in their property shortly after the registered provider was granted a possession order. The referrer alleged poor treatment of the tenant by the registered provider including taking unnecessary steps to evict. We considered this referral under the Tenancy Standard which states registered providers should provide support to tenants to enable them to maintain their tenancies and prevent unnecessary evictions.

We do not have a role in resolving individual complaints about registered providers. This can include complaints such as this where it appears to be an individual issue regarding an eviction rather than one which indicates systemic failings. However, the Tenancy Standard as outlined above, places an expectation on registered providers to ensure tenants are appropriately supported to try and avoid situations such as this and given the tragic circumstances of this case, the Regulator considered the matter to ensure the registered provider had appropriate systems in place for all its tenants in similar cases.

While it is not our role to consider if the eviction itself was reasonable, we sought information from the registered provider to ensure that any action taken was in line with the Tenancy Standard. The registered provider told us that from the tenancy commencement, the tenant had been in breach of the visitors' policy and tenants' charter. The tenant had also failed to engage with support from the specialist drug team and had fallen into arrears. The registered provider engaged with the tenant and agreements to pay were made. Unfortunately the payments were not made and possession action began on the grounds of rent arrears. The registered provider told us that it tried to arrange re-housing for the tenant in another supported unit but they refused the offer of a place which they could have moved to before the court hearing that led to the possession order.

We considered that the evidence did not indicate a systemic issue within the registered provider as to the way they dealt with vulnerable residents. We saw that consideration was given to the requirements under the Tenancy Standard. Possession action was carried out as a last resort after other options had been pursued and we saw evidence of attempts by the registered provider, alongside other agencies to support the tenant during this time.

9.1 The Tenancy Standard in regards to tenure states that registered providers shall publish clear and accessible policies which outline their approach to tenancy management and set out their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members. The case study below shows how we considered a referral under the Tenancy Standard and how the registered provider had taken appropriate steps to ensure this standard was met.

### **Case study 9 – Managing succession rights**

We received a complaint from a tenant regarding the alleged lack of transparency of their registered provider's succession policy. The tenant also complained that the registered provider did not make discretionary allowances to its succession policy if there are vulnerable household members. The tenant stated that they were classed as disabled and they had been trying to find out about discretionary succession from the registered provider.

We saw that the registered provider had written to the tenant to clearly explain its succession policy. The registered provider had explained in detail why the policy did not apply to the tenant based upon their current circumstances but that this would be reviewed should these circumstances change. We also saw the information the registered provider considered when taking into account the tenant's needs and those of their household members and that they had provided a single point of contact who was able to assist the tenant by collating information and co-ordinating responses to him.

The steps taken by the registered provider were in line with expectations under the Tenancy Standard and we found no breach in this case.

## 10. Neighbourhood and Community Standard

- 10.1 The Neighbourhood and Community Standard places an expectation on registered providers that they will work collaboratively with other agencies to address anti-social behaviour. This year we have received several referrals from tenants who are concerned about this issue. We recognise the challenges registered providers face in tackling such issues, however tenants should expect to feel safe and comfortable in their homes and communities. For that reason, where we receive complaints of this nature, we ask registered providers what assurance they have that they are listening to tenant concerns and taking reasonable actions to address these.

### **Case study 10 – Dealing with anti-social behaviour**

We received a referral from a tenant on behalf of a registered provider's residents association. The residents association was concerned that the registered provider had not acted properly to deter anti-social behaviour in and around their block of flats.

We considered the referral under the Neighbourhood and Community Standard which states that registered providers shall work in partnership with other agencies to prevent and tackle anti-social behaviour in the neighbourhood where they own homes.

We saw that the registered provider had clear policies and dedicated staff to help deal with anti-social behaviour. The registered provider said they cooperated fully with local agencies and partners including the police and the local authority. There had been two instances of anti-social behaviour reported and the registered provider was liaising with the police and the council's environmental noise enforcement department to address this. The registered provider was also aware of rough sleepers in and around the block of flats and was working in conjunction with the police and the council's rough sleeper team to tackle this.

The registered provider said it attended the residents association's quarterly meetings and intended to discuss with them the further measures that would be taken to make the property more secure. On the basis of the information and evidence we received, we concluded that the registered provider had taken reasonable steps to listen and respond to tenant concerns and had not breached the Neighbourhood and Community Standard.

- 10.2 The Neighbourhood and Community Standard also places an obligation on registered providers to keep the areas surrounding their properties such as communal gardens and play areas clear and safe. In line with standard, we expect registered providers to ensure that these areas are maintained to a reasonable standard for tenants to enjoy. The case study below highlights that although we found no breach of our standards, there may be times when we will follow up with registered providers where we see improvements to service can be made.

### **Case study 11 – Standard of estate services**

A local councillor complained to the Regulator on behalf of residents about the estate maintenance services provided by the registered provider. This service was previously outsourced but the registered provider had since taken the service back in house. Tenants were unhappy that costs had increased and considered the work carried out was substandard. We considered this referral under the Neighbourhood and Community Standard which states that registered providers shall keep the neighbourhood and communal areas associated with the homes they own clean and safe.

We sought information from the registered provider about the service it was providing in relation to estate maintenance. The registered provider said it monitored this work through quality inspections and then posted the inspection reports on the building's notice board for residents. Evidence was provided that demonstrated that work of the estates team was being monitored and completed to an agreed standard.

We acknowledged that some residents might be dissatisfied with the estate maintenance service, particularly since the service was taken back in house, and as the costs had increased. However the evidence from the registered provider did not indicate a failure to keep communal areas clean and safe as the standard requires. When investigating a referral, even if we do not find a breach of our consumer standards we do feedback to registered providers, where appropriate, and in this case we sought to reinforce the expectation that all registered providers engage constructively with tenants and their elected representatives.

## 11. The Tenant Involvement and Empowerment Standard

- 11.1 The Tenant Involvement and Empowerment Standard sets out expectations of how registered providers should treat their tenants and the importance of demonstrating that they understand the different needs of tenants including those with additional support needs. Registered providers should recognise the importance of building trust with tenants and compliance with this standard helps to achieve this.

### **Case study 12 – Understanding and responding to the diverse needs of tenants**

A registered provider self-referred to the Regulator following the death of tenant in one of their homes. The tenant was not found until two weeks after her death. We considered this referral under the Tenant Involvement and Empowerment Standard which requires all registered providers to demonstrate they understand their tenant's diverse needs, treating each fairly and with respect. We followed up with the registered provider to seek assurance that they had arrangements in place to ensure this was the approach being taken with their tenants.

The tenant was living in housing for older people with communal facilities and alarm pull cord system but no onsite warden. The registered provider had found it difficult to keep in regular contact with the tenant as she did not have a telephone and was often not at home when staff visited the property. When the registered provider was able to contact the tenant, they made offers of support and visits to the tenant, however these were all refused. The tenant also declined to use the alarm pull cord system and had stated she only used the property to sleep in.

It is inevitable that at times tenants will pass away in their homes and in this case it is particularly sad given that the tenant was not found for some time. When considering the relevant consumer standards in this case, we took into consideration that the registered provider had made reasonable attempts to arrange support for the tenant over the course of her tenancy and that when these were firmly refused, staff respected the tenant's requests. While a registered provider should understand their tenants' needs and take steps to assist with support where appropriate, this must also be balanced with a tenant's wishes and their desire to live their preferred lifestyle. For those reasons, we concluded that the registered provider had an approach in place that meant tenants' specific needs were understood and taken into account and that the Tenant Involvement and Empowerment standard had not been breached in this case.

- 11.2 Throughout the year we have also received a number of referrals about the customer service delivered by registered providers and the way they handle tenant complaints. The standard sets out that a registered provider shall provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards and has an approach to complaints that is clear, simple and accessible. A registered provider should also ensure that complaints are resolved promptly, politely and fairly.

### **Case study 13 – Complaints handling**

We received a referral from a tenant who had raised various complaints with the registered provider, including about anti-social behaviour in his neighbourhood. The tenant did not consider that the registered provider had responded appropriately to their concerns or followed their complaints procedure. They said that they felt that the registered provider's handling of his complaint had caused their mental health condition to become worse.

We saw that the tenant had raised a significant number of complaints with the registered provider. The evidence showed that the registered provider had sought to provide detailed responses to each complaint and tried to implement alternative measures to allow the tenant full access to their complaints processes in a pragmatic way. This included providing dedicated case managers and contacts. The evidence demonstrated that the registered provider's approach to complaints met the expectations of the standard and there had not been a systemic failing with the registered provider's complaint handling or procedures.

- 11.3 The Tenant Involvement and Empowerment Standard sets clear expectations that registered providers should communicate with and listen to their tenants. This is particularly important where registered providers are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements.
- 11.4 Consultation should be carried out in a fair, timely, appropriate and effective manner with any proposals clearly set out in an appropriate amount of detail including on any actual or potential advantages and disadvantages (including costs) to tenants in the immediate and longer term. Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision. The following case study illustrates the importance of registered providers having a robust approach to their decision making and in how they consult with tenants, taking fully into account whether the proposals are aligned with their objectives as a social housing provider and meet regulatory expectations.

#### **Case Study 14 – Consulting with tenants**

A registered provider notified the Regulator of its disposal of a tenanted social housing scheme to a non-charitable organisation (for profit registered provider). The information submitted by the registered provider in its notification raised questions on the consultation carried out with tenants.

We considered whether the approach taken by the registered provider met the expectations within the Tenant Involvement and Empowerment Standard. Our follow up engagement sought further detail of the range and quality of consultation carried out and asked the registered provider to provide evidence that it had met the requirements of the standard including setting out clearly for tenants any potential costs and disadvantages of the proposed disposal.

We concluded that, although improvements could be made to the approach taken by the registered provider, there was not a breach of standard and serious detriment. In reaching this conclusion we took into account that the tenants would remain in the regulated sector.

However we also considered how the registered provider had made its decision to dispose of the social housing scheme and whether this changed our view of its governance. The Regulator concluded that improvements were required to the registered provider's governance to ensure that key decisions of this nature are informed by a sufficiently broad range of quality information and that appropriate delegations are in place. There had been insufficient board oversight of the disposal and the registered provider's governance was downgraded as a result.

## 12. Annex A – Analysis of cases

### Referrals by stage

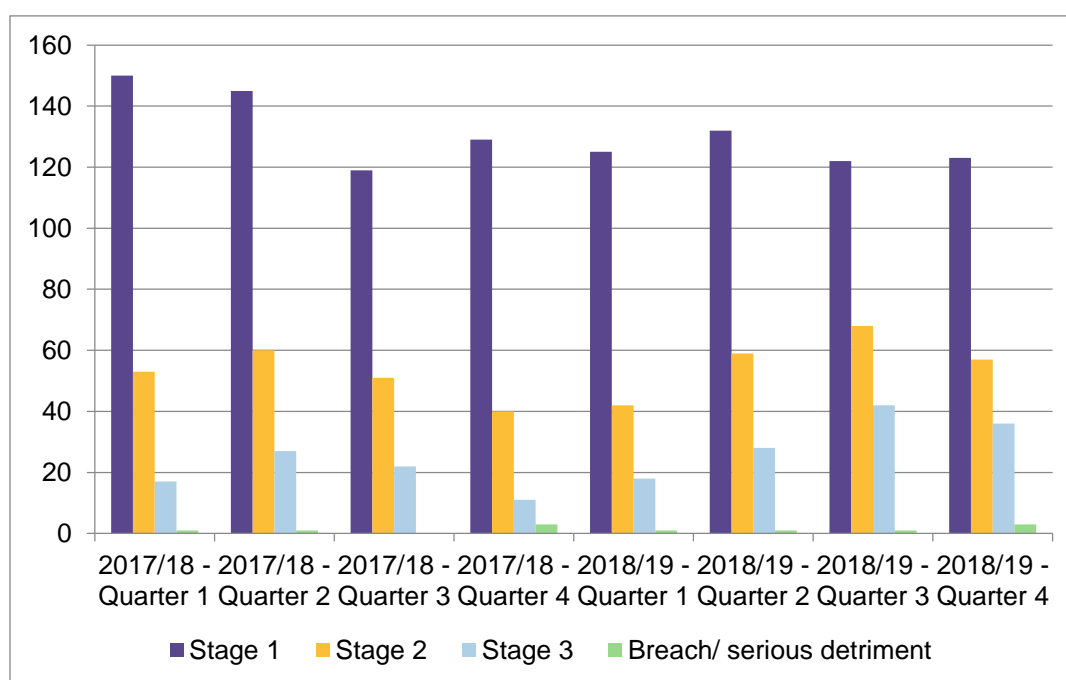
12.1 Our consumer regulation process has three stages:

- Stage 1 – the Referrals and Regulatory Enquiries (RRE) team is responsible for collating all referrals to the Regulator. The RRE team’s role is to review referrals and determine whether the issues raised appear to be within the Regulator’s remit, and if there appears to have been a breach (or a risk of a breach) of the consumer standards. If so, the RRE team refers the case to the Consumer Regulation Panel.
- Stage 2 – the Consumer Regulation Panel considers each case to determine whether there is evidence of a breach of the standards and, if so, whether there has been harm, or potential harm, to tenants. It considers two questions:
  - I. if the issues raised were true, is it likely that there has been, or could be, a breach of a consumer standard?
  - II. if the issues raised were true, would there be any impact on tenants which would cause serious actual harm or serious potential harm?
- Stage 3 – if the Consumer Regulation Panel considers that the evidence could indicate a breach of the standards, or if there is a suggestion that tenants are at risk of serious harm, we will carry out an investigation. During the investigation, we will usually seek information from the individual making the referral and the registered provider, as well as any third parties if necessary.



12.2 The table below shows the total number of consumer regulation referrals handled by the Regulator by quarter and how many of those went on the subsequent stages of our process. The 2017/18 figures are shown in brackets.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Stage 1 – All consumer referrals	125 (150)	132 (145)	122 (119)	123 (129)	502 (543)
Stage 2 – Considered by Consumer Regulation Panel	42 (53)	59 (60)	68 (51)	57 (40)	226 (204)
Stage 3 – Investigation undertaken	18 (17)	28 (27)	42 (22)	36 (11)	124 (77)
Published findings of breach of standard and serious detriment	1 (1)	1 (1)	1 (0)	3 (3)	6 (5)



12.3 In 2018/19, we received 502 consumer standard referrals. Of those, 226 (45%) were referred to the Consumer Regulation Panel, and 124 (25%) were investigated further. We found a breach and serious detriment in six cases (1%).

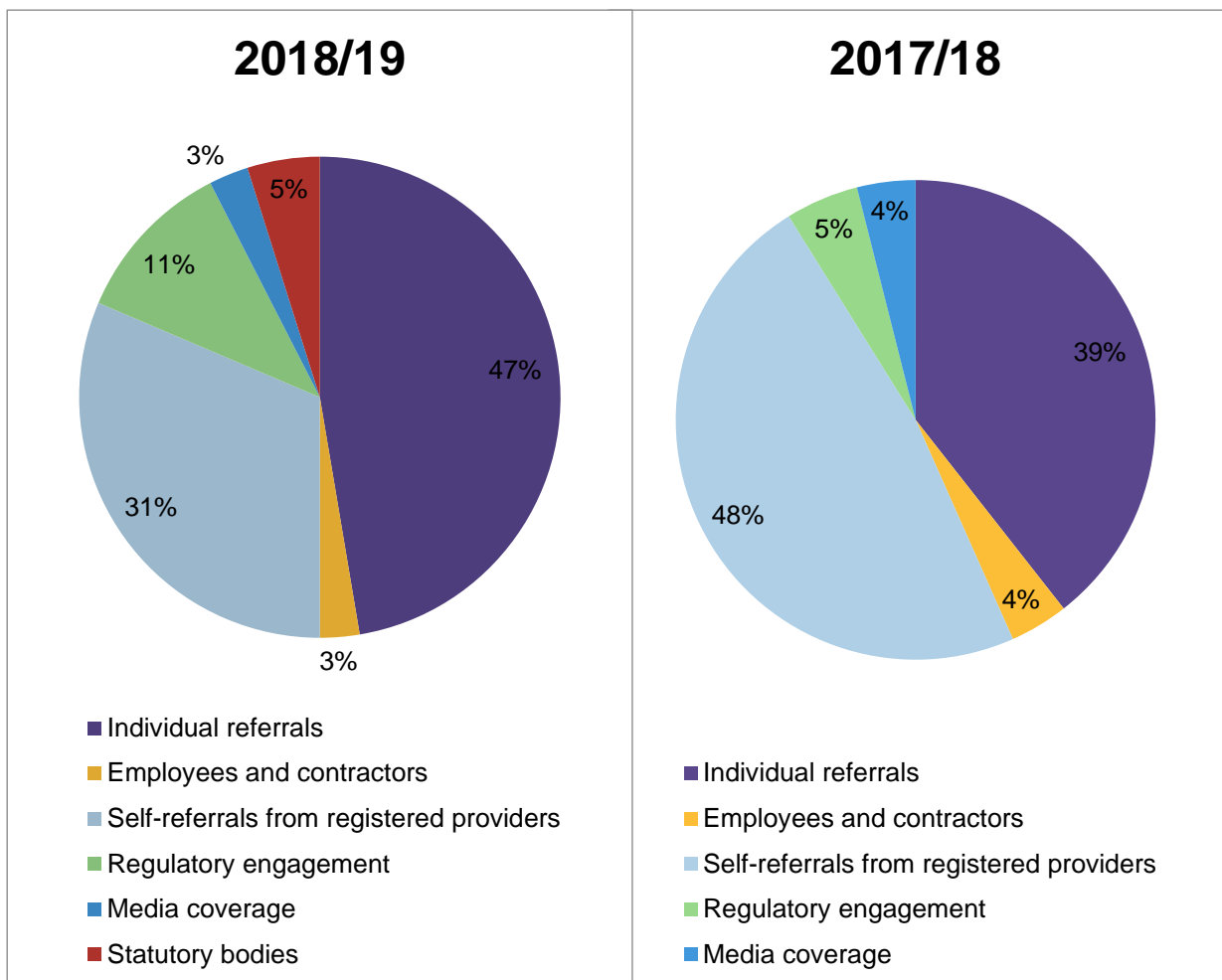
## Consumer Regulation Review 2018-19

- 12.4 The data shows that the overall number of referrals to the Regulator in 2018/19 declined slightly (502 in 2018/19 compared to 543 in 2017/18), but the total is in line with the average across previous years. The number of cases referred to CRP increased slightly on the previous year (45% compared to 38%) but we do not consider this to be a material change.
- 12.5 For the cases which were not escalated to Consumer Regulation Panel, there are a number of reasons why this may be the case. Often referrals are not within our remit, for example: they were made by homeowners or leaseholders, the issues raised related to private landlords or organisations which were not registered providers, or the issues raised did not fall under our regulatory standards. In a number of cases, tenants also sought advice on how to complain about their landlord. In response, we would signpost the tenant to their landlord's complaints process and the Housing Ombudsman where appropriate.
- 12.6 The number of cases reaching a stage 3 investigation increased from 77 cases (14%) in 2017/18 to 124 cases (25%) in 2018/19. This is a significant year-on-year increase. However, the rate of investigations for 2017/18 was low compared to previous years (for example, in 2016/17 we investigated 112 cases (20%), and in 2015/16 we investigated 98 cases (21%)), and the figures for 2018/19 year are more in line with previous years' investigation rates. We do not consider there to have been a material change in the Regulator's thresholds for investigating referrals, but rather we consider the presenting facts on each case before making a decision about whether an investigation is reasonable and proportionate.
- 12.7 Our data shows that of the cases we investigate, 33% are self-referrals from registered providers, 21% are from tenants or their representatives, 15% are issues identified through our regulatory engagement. The remainder are from a range of other stakeholders including MPs and Councillors, leaseholders or homeowners, or employees.

### Sources of referrals

12.8 The Regulator receives referrals from a range of sources, most commonly from tenants and as self-referrals from registered providers. We also receive information from employees or contractors, and we identify referrals in the course of our regulatory engagement with providers.

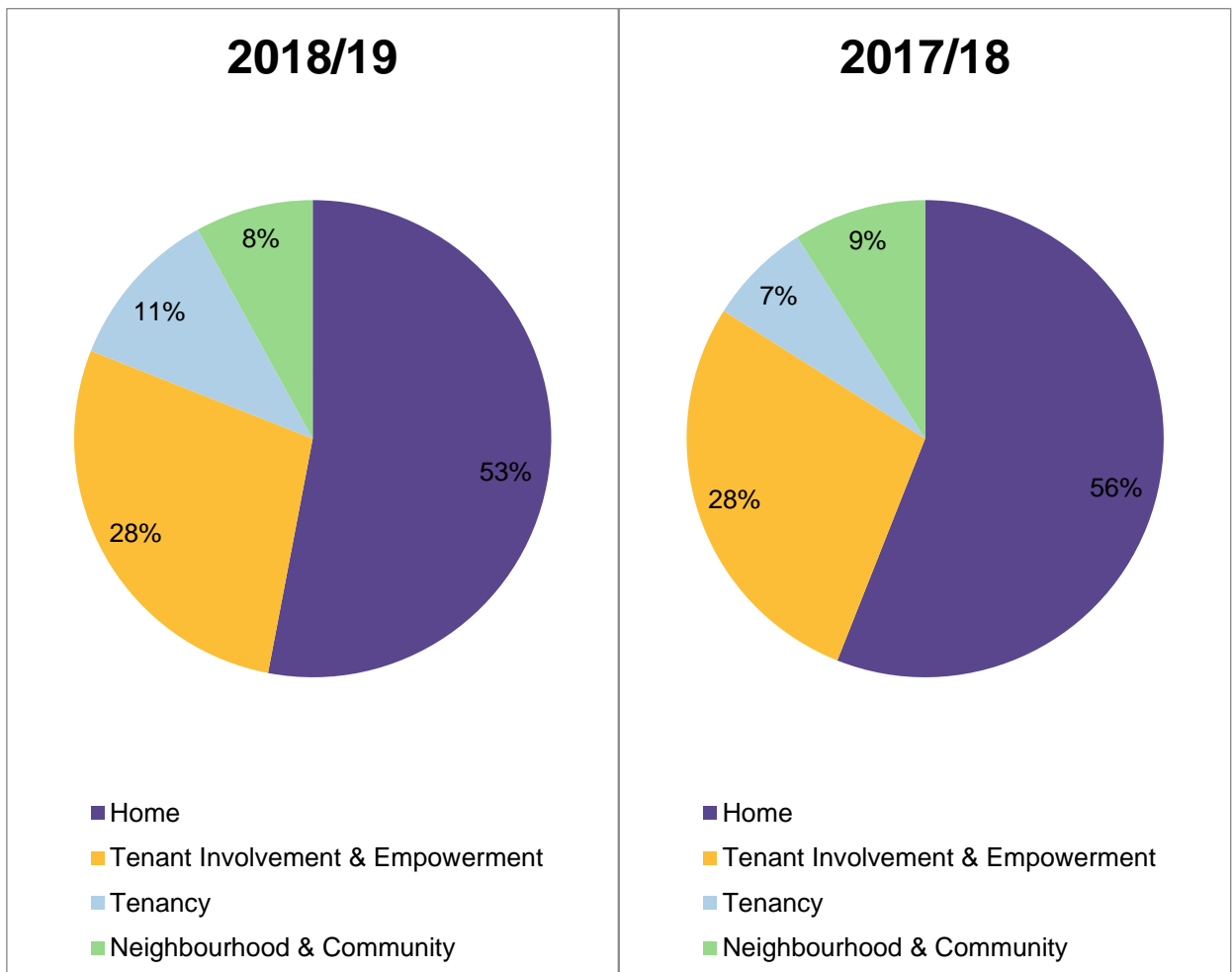
12.9 The charts below show that while the number of referrals to Consumer Regulation Panel remained relatively consistent, the number of referrals from individuals increased from 39% in 2017/18 to 47% in 2018/19, and this year, unlike previous years, 5% of our referrals were received from other organisations such as local authorities, NHS services and the Housing Ombudsman.



- 12.10 The number of referrals from registered providers decreased from 48% in 2017/18 to 31% in 2018/19. Our analysis shows that the figure for self-referrals the previous year (2017/18) was relatively high, and we attribute this to a number of referrals we received from registered providers in the immediate aftermath of the Grenfell Tower fire, notifying the Regulator of the presence of cladding on buildings and providers' plans to mitigate risks to tenants. Although the number of self-referrals we have considered has declined this year, it is in line with previous years' figures and represents a significant proportion of our casework.
- 12.11 We have also noted a correlation in some cases between the timing in which we notify a registered provider of our intention to carry out an in-depth assessment and their self-referral to the Regulator, accounting for 1 in 7 of all self-referrals. We therefore continue to remind registered providers of their co-regulatory responsibilities, in accordance with the requirements of our Governance and Financial Viability Standard, to communicate with the Regulator in a timely manner in all cases of potential non-compliance with our regulatory standards.
- 12.12 This year, we have also identified more consumer regulation cases through our planned regulatory engagement (an increase from 5% to 11% of our casework), and accounting for 32% of all regulatory engagement referrals. We attribute this partly to boards having an increased focus on compliance with consumer standards including health and safety requirements, and better reporting across all areas, which is subsequently identified by our Regulatory Operations team when reviewing board papers and information submitted to the Regulator during our in-depth assessments. Our in-depth assessment process focuses on the quality of governance and risk management in relation to a registered provider's key risks. The safety of tenants is usually amongst the top risks registered providers.

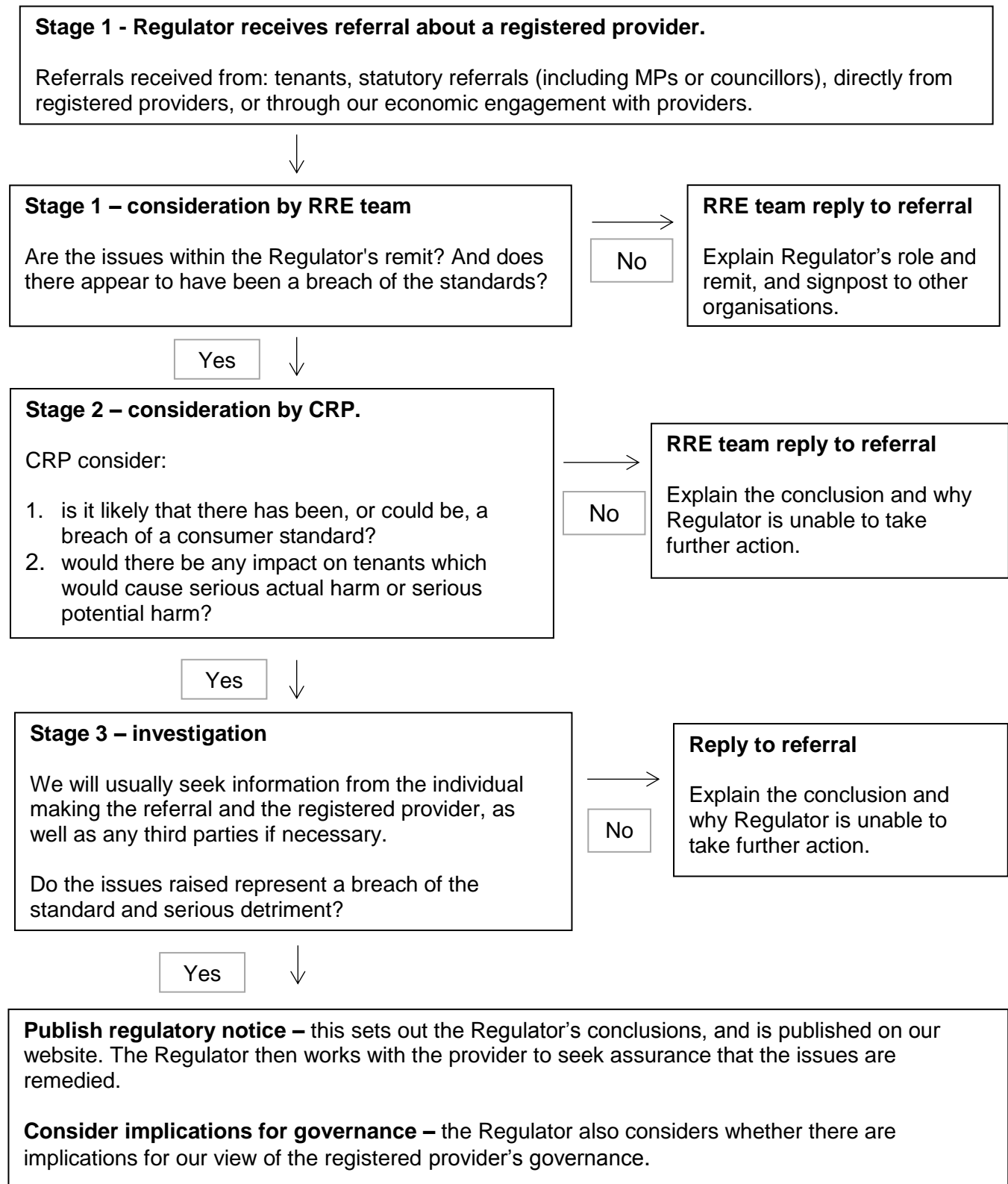
### 13. Cases referred to the Consumer Regulation Panel

- 13.1 As in previous years, the Home Standard continues to be the consumer standard which is most often cited. Although the percentage of cases in relation to the Home Standard declined slightly this year, it still accounts for more than half of all referrals considered by the Consumer Regulation Panel. Referrals across all standards have remained relatively consistent, with a slight increase in referrals relating to the Tenant Involvement and Empowerment standard, offset by a small decline in referrals relating to the Neighbourhood and Community Standard. The percentage figures and representative charts are set out below.
- 13.2 Our data shows that the majority of self-referrals from registered providers (88%) relate to compliance with the Home Standard, with only 9% of self-referrals relating to the Tenant Involvement and Empowerment Standard. In contrast, referrals from individuals such as tenants and their representatives are spread more evenly across the standards, with referrals relating to the Home Standard accounting for 37% of all referrals, and the Tenant Involvement and Empowerment Standard representing 35% of referrals.



## 14. Annex B – How we carry out our consumer regulation

14.1 Through this report, we have explained how we carry out our consumer regulation work and our consumer regulation processes. Below is a diagram which sets this out in more detail.



## 15. Annex C – Summary of previous lessons learned

15.1 This is our seventh Consumer Regulation Review and each year our reports set out the key messages we wish to share with the sector. Full versions of each of the reports are available on our website<sup>9</sup>:

15.2 Compliance with the Home Standard, including health and safety requirements and transparency with the Regulator, are recurring themes, but each year we identify new lessons that we wish to share with the sector. We have set out a short summary of these lessons below.

### 2012/13

15.3 This was the first annual Consumer Regulation Review. That year we published one regulatory notice for a failure to meet gas safety requirements.

15.4 In the report, we said:

- Registered providers are responsible for meeting statutory health and safety requirements. We recognise that, for good reason, registered providers prefer to work with tenants to secure access to properties. However, on occasion, registered providers may need to make use of legal mechanisms available to ensure the safety of tenants, and they should do so in a timely manner.

### 2013/14

15.5 In our second Consumer Regulation Review, we set out details of the three cases where we had found a breach of the consumer standards and risk of serious detriment. All three cases related to a failure to meet gas safety requirements. We also reminded registered providers of their duty to be transparent with the Regulator.

15.6 We said:

- Registered providers have a responsibility to communicate with the Regulator in a timely way. Where a registered provider becomes aware of a breach of the standard which might cause serious detriment, it must notify the Regulator promptly.

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<sup>9</sup> <https://www.gov.uk/government/collections/consumer-regulation-review>

### 2014/15

15.7 In 2014/15, we set out the details of six cases where we had found a breach of the consumer standards and risk of serious detriment. Four of those cases related to compliance with gas safety requirements but, for the first time, two of those cases related to the repairs and maintenance service provided to tenants.

15.8 In the report, we highlighted that:

- Responsibility for complying with the consumer standards applied to local authorities as well as private registered providers.
- It is important for registered providers to have in place good asset management systems. Where failures occur, we often find those systems are not fit for purpose, or that the board did not probe or challenge the assurance they were given.

### 2015/16

15.9 In our fourth Consumer Regulation Review, we set out the details of the four regulatory notices we published that year, all in relation to gas safety. One of those cases related to a registered provider who had contracted out delivery of gas safety compliance. We explained that that did not remove the responsibility on the landlord to ensure statutory compliance.

15.10 We said:

- Meeting health and safety obligations is a primary responsibility for registered providers. Contracting out the delivery of services does not contract out responsibility to meet the requirements of legislation or standards.

### 2016/17

15.11 In our fifth Consumer Regulation Review, published shortly after the terrible fire at Grenfell Tower, we again reiterated the importance of complying with statutory health and safety obligations, and for registered providers to have clarity over their statutory responsibilities. We also shared our view on the importance of good complaint handling and the need for transparency with the Regulator.

15.12 We said:

- Compliance with health and safety obligations and the consumer standards has always been a key responsibility for governing bodies of registered providers.
- Registered providers must be clear about what stock they own and are the landlord for, and must understand their responsibilities to deliver statutory compliance.



- Registered providers are responsible for ensuring tenants know how to complain, and for responding to complaints effectively. Boards should have access to the messages that tenants are giving them.
- Transparency with the Regulator is essential. Where consumer compliance problems come to light and the registered provider has failed to be transparent with the Regulator, this is a concern in relation to compliance with the Governance and Financial Viability Standard, and may be indicative of broader governance issues.

## 2017/18

15.13 In our last Consumer Regulation Review, we set out the details of five cases where we had found a breach of the consumer standards, and serious detriment. We reiterated the importance of landlords meeting their statutory health and safety obligations. We also set out the importance of providers having an effective complaints process, and listening to the messages their tenants give.

15.14 We said:

- Complying with health and safety obligations remains the most fundamental responsibility for registered providers. Registered providers should be clear about their responsibilities, including for properties that are leased or managed.
- Compliance with the consumer standards, including how tenants are listened to, reflects the culture of the organisation, and goes to the heart of why registered providers exist and their purpose.
- Providers are responsible for responding to complaints about their service, and getting the culture right on complaints handling affects the level of trust and confidence tenants have in their landlord. Registered providers must ensure they understand the messages that tenants are giving, and should probe where those messages indicate a significant or systemic failure.



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**RSH regulates private registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.**

THURSDAY, 19 DECEMBER 2019

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING SERVICES AND COMMUNITIES****UPDATE ON HOUSING REPAIRS & INVESTMENT CONTRACT****EXEMPT INFORMATION**

Not Exempt

**PURPOSE**

This report provides an update on progress to date in respect of the future delivery of the Housing Repairs and Investment Contracts.

This report provides an update on the development of the in-house call centre associated with the delivery of Housing Repairs and Investment Works.

This report provides information on the implementation phase of the Housing Repairs and Investment Contracts.

**RECOMMENDATIONS**

1. Members are asked to endorse the contents of this update in relation to the delivery of the Housing Repairs & Investment Contracts.
2. Members are asked to endorse the contents of this update in relation to the establishment of an in-house call centre associated with the delivery of the Housing Repairs and Investment works.
3. Members are asked to approve interim arrangements for the provision of the out of hours call centre for a period of twelve months.

**EXECUTIVE SUMMARY**

The current contractual arrangements with Wates for the delivery of the Housing Repairs and Investment Service comes to an end on 31<sup>st</sup> March 2020 with no option for further extension. On 20<sup>th</sup> December 2018 Cabinet approved the procurement of two new 10-year contracts for delivery of Housing Repairs and Investment along with the establishment of a new in-house call centre to deal with the receipt and deployment of all Repairs & Investment related calls. In the same report Cabinet delegated authority to enter into contract to the Executive Director (Communities) in consultation with the Portfolio Holder for Housing Services and Communities.

Given the value and nature of the contracts being let the Council was obliged to follow the requirement of OJEU and PCR2015 when undertaking the procurement exercise.

The contracts were split into two lots; Lot A will deliver predominantly works of a planned nature; Lot B will deliver predominantly responsive repairs with some

elements of planned works. Both lots were procured using the tried and tested National Housing Federation [NHF] schedule of rates [SOR] and the NHF form of contract.

External support was procured to assist with the delivery of the procurement process; this was provided by RAND Associates [Technical] in partnership with Anthony Collins Solicitors [Legal].

Procurement followed a two-stage process with an initial selection process followed by the detailed assessment of price and quality along with an interview involving tenants and an assessment of the Contractors IT systems.

The split of Cost:Quality in the second stage of the procurement process was 30:70, the cost assessment was based on the contractors percentage adjustment against the pre-priced SOR. The quality element was assessed against a comprehensive set of questions covering, customer service, innovation, IT and Social Value. Contractors were interviewed by Officers, External Consultants and representatives from the Tenants Consultative Group.

Four Contractors submitted tenders for each Lot; all of the submissions were of a very high standard and as such there was very little to choose between them in regards to quality. Through their submissions all of the Contractors demonstrated an understanding of our needs and instilled confidence in their ability to deliver the service required of them.

Following the procurement process to its natural conclusion and subject to the outcome of any Leaseholder consultations the contracts will be awarded as follows:-

Lot A [Planned] – Wates Living Spaces

Lot B [Response ] – Engie

Given the value and length of these contracts the Council is obliged to formally consult with its Leaseholders if it is to seek to recover costs for qualifying works in the future, this is known as S20 consultation. By the nature of the way in which these contracts have been procured it is unlikely that any Leaseholder will have a valid reason for the Council not awarding to Contractors named above but formal contract award cannot take place until the consultation process has been completed, as such it is anticipated that contracts will not be formally signed until the first week in January 2020.

Once the contract documents have been signed during the first two weeks in January 2020 the process of demobilising the existing contract and mobilisation of the new contracts will commence. The Council will work closely with the contractors involved to ensure that the transition on 1<sup>st</sup> April 2020 takes place as seamlessly as possible. Representatives of the Contractors will need to work closely with Officers of the Council on a wide range of matters. A detailed demobilisation plan will be developed with Wates to ensure that all current jobs are properly closed down and accounted for and that all servicing jobs are transitioned seamlessly to the new Contractor. At the same time the new Contractors will work with us to develop a comprehensive mobilisation plan to ensure that they are in a position to commence delivery the repairs service to residents on 1<sup>st</sup> April 2020.

As with previous contract changeovers there will be a series of communications with residents to inform them of the changes and to offer them reassurance around the

continuation of service delivery.

Alongside the mobilisation of the two new contracts the Council will be mobilising its new in-house Call Centre. Work has already commenced on this project with the view that some of the team will be in place well in advance of the new contracts commencing to ensure the technology, processes and procedures are in place to deliver the service to both residents and the new Contractors.

Commencing April 2020, we will retain a dedicated Repairs Line to be managed by Tamworth BC via a Team of Specialist Repairs call handlers. The Team will comprise of:

- 1 x FTE Senior Customer Service Officer
- 3 x FTE Customer Service Officer (1 temporary for 2 years)

The Team will be trained specifically in diagnosing repairs, problem resolution and monitoring satisfaction. We will segment our satisfaction data to monitor all steps of the repairs journey to allow us to specifically target improvements that will impact on overall satisfaction feedback. This, in addition to potential provision of diagnostic software, will maximise 'first time right repairs'\*. Our approach offers improved quality of service for customers and a reduction in aborted calls/no access. Within 9 months of go live, we aim to provide the customer with an appointment for repair and will utilise text messaging to keep the customer informed. Furthermore, we will explore developing our Repairs Policy to simplify priorities into:-

- 1) Emergency
- 2) Mutually agreed appointment with the customer.

Additionally, by managing this in-house, the Council will have ownership of data which can be used to shape and enhance the service offer, including customer satisfaction information.

Restructuring the Customer Experience Team to accommodate a dedicated Repairs Contact Centre provides extra resource for satisfaction monitoring and troubleshooting. Whilst it is anticipated that repairs operatives will ask the customer to complete a satisfaction survey via a PDA handheld device on completion of repairs, we will task our Repairs Team with contacting customers to monitor satisfaction at all stages of the process. Satisfaction data will be used to further shape the service and we will publish outcomes of feedback via corporate and customer communications.

The incoming contractors through their tender submissions have committed resources to ensure the successful establishment of the call centre.

### **Out Of Hours Arrangements**

Further detailed consideration needs to be given to the arrangements for handling emergency housing repairs calls outside of normal working hours. Such calls are few in number and are generally identified as being genuine emergencies that require the immediate attention of the contractor. During the procurement process all of the contractors indicated that they were willing and able to take emergency repairs calls outside of working hours.

Within the scope of this Project, creating an in house emergency repairs service is

being explored. From Contractor reports, we are informed that an average of 78 out of hours calls are reported each month. Set up costs to create in house call handling provision for out of hours repairs are prohibitively expensive given current demand levels.

Considerations in establishing an in house out of hours call centre include:

- Training of additional staff to handle calls effectively
- Shift allowances
- European Working Time Directive – could impact on resource availability for day service, operating split shifts could prove expensive through on costs for employment of more staff
- Overheads – building security, lighting, heating

Taking the above into account it is likely that the Out Of Hours service would have to be provided by a dedicated resource of 4 x FTE call handlers with an estimated staffing cost of up to £108,808, not including shift allowances or security arrangements. In addition to this there would be an additional premises and technology related costs which are estimated to be in the region of £28k per annum. As such the total estimate costs associated with answering circa, 950 calls would be £136,808, this would need to be met from the HRA repairs budgets.

It is proposed that the Council take advantage of the opportunity to make use of the Contractor's out of hours service for an initial 12 months, whilst the day to day and planned maintenance contracts are embedded during which time we determine a value for money option for out of hours repairs provision long term. The benefits of this approach are consistency and control of service delivery and cost savings.

The intention is to employ the same performance management approach for out of hours service requests as with the main contract during this period, to include the in house Repairs Team surveying tenants. During the first year of contract, we can implement measures to reduce the volume of out of hours service requests via strategic communications with customers and further develop our digital self-service offer via the customer portal. In addition we will work with the contractor to further develop the out of hours call handling service so that it meets the expectations of the Council and its customers.

## **OPTIONS CONSIDERED**

No additional options have been considered in the preparation of this report in relation to the procurement of the Repairs & Investment Contracts. This report sets out progress to date and provides information on the implementation phase of the project.

It has already been established that the Call Centre for receipt of repairs related calls and for the deployment of contracts will be delivered in-house with effect from 1<sup>st</sup> April 2020. There are however three options that have been considered in relation to the provision of Out Of Hours call handling services:-

Deliver in-house – as set out above this would prove to be very costly when taking into account that the average number of calls received outside of normal working hours is in the region of 950 per annum. In addition an objective of further developing the call handling service is to review the out of hours calls received and

communicate with our tenants to provide them with information to better inform them of the service we provide. We would not want to encourage any increase in demand for an Out Of Hours Service as this would serve to increase expectation and could drive up contractor costs. The key advantage of providing the service in-house is that it would operate seamlessly with the in-hours service. It should be noted that there would still be a requirement for our in-house call centre to make contact with the contractors out of hours call centre for the deployment of operatives, this would introduce an additional party to the process.

Outsource call centre – there are a number of companies operating in the private sector who would be capable of providing an Out Of Hours call handling service. There would be an annual charge for providing this service, the charges are generally based on the number of properties in management with some companies also charging on a per-call basis. Based on our current call rates costs are estimated to be in the region of £12,000. As with the in-house process there would still be a requirement for the call centre to make contact with the contractors out of hours call centre for the deployment of operatives, again introducing an additional party to the process.

Contractor operated – during the procurement process all of the contractors indicated that they would be able to operate the out of hours call handling service at no extra cost. All contractors already operate a call centre arrangement for the receipt of calls and deployment of operatives outside normal working hours. Making use of this arrangement would keep the costs of the service to a minimum and would remove the ‘middle-person’ from the process that would occur with the other two options as the customer would be in direct contact with the person who would be deploying the operative.

Of the three options the Contractor Operated call centre should provide the most cost effective solution whilst at the same time providing a more direct line of communication between the customer and the operative being deployed to undertake the work.

## **RESOURCE IMPLICATIONS**

It has been 3 years since we last procured this contract and the market has changed. There are fewer Contractors operating in this market and this was reflected in the interest received when procuring.

The SOR has been developed since we last procured the service and the latest SOR is more comprehensive and is priced more realistically but at the same time is more expensive in some areas to reflect material and labour costs. It was always anticipated that we would see an increase in costs from this procurement exercise, in part this is due to a changing market, but in addition to that there is an element of risk and uncertainty around the future market, our new contracts also require an element of Social Value which isn't included in the current contract.

Policy Changes have been identified to reflect the anticipated cost implications of this procurement process. Costs will be closely monitored and managed through the delivery of the contract and further we expect to undertake a detailed review of all repairs and investment related policies to ensure that they remain fit for the future. It is anticipated that the costs may increase by approx. £870k or 35% over the current costs.

Resources related to the In-House Call Centre have been separately identified through policy changes. Appointments and Staffing Committee have approved the addition of 1 FTE Senior Customer Service Officer and 1 FTE Customer Service Officer from 1<sup>st</sup> December 2019 to support the development of the service. It is anticipated that TUPE may apply and therefore no further appointments will be confirmed until the impact of TUPE has been fully realised.

The costs associated with the delivery of an in-house out of hours call centre have been set out above and are estimated to be in the region of £166,000 per annum. These costs would have to be met from the HRA repairs budget and would serve to reduce service elsewhere.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Formal contract award and contract signing cannot take place until formal consultations with Leaseholders have concluded.

Although it is unlikely that Leaseholders will have any valid reasons to do so they may seek to prevent the Council from entering into contract. In mitigation of this the Council has duly consulted and has followed an OJEU & PCR2015 compliant tender process. Whilst there is an obligation to consider Leaseholder representations the Council does not have to accept their validity and can proceed to award of contracts. The risk in doing so is that at some later date a challenge from a Leaseholder if upheld may result in the Council not being able to collect charges.

As with any OJEU/PCR2015 compliant procurement process the Council is obliged to issue a Contract Award notice and must then wait for 10 days before contracts can be signed and the process of contract implementation begins. During this period any unsuccessful contractor may seek to issue a legal challenge against the proposed award, should this occur the Council would not be able to award the contract. The Council has followed a robust procurement process which should minimise the chance of a challenge but it remains a risk. In such an event immediate legal advice would need to be sought and discussions with the existing Contractor would need to commence.

As Wates will be losing some of their existing contract it is likely that TUPE will apply. Where TUPE is between Contractors it is a risk for them to manage and this will be addressed through the mobilisation process. It is also possible that some of the Wates staff will be eligible to TUPE to the Council to work in the Call Centre. This process needs to be carefully managed through the demobilisation/mobilisation phases of the contracts.

It must be recognised that bringing the call centre back in-house will bring with it some risks of its own. Other than the TUPE implications set out above we will also be working with a new contractor so will need to establish robust interfaces with their systems to ensure that the deployment of operatives is effective. The existing Contractor already uses the Council's IT systems for logging jobs and this is a continuing requirement of the new contracts, this is a proven approach and all contractors have demonstrated that their back office systems will integrate with ours. All Contractors indicated a willingness to place their own staff into our call centre during the early establishment period to ensure that there is a consistency in approach and that all parties have clarity around the receipt, diagnosis and



deployment of repairs calls. There will be a robust and detailed implementation programme that will ensure that the in-house call centre will be operational and able to receive calls and deploy operatives on day 1. The project plan will also set out further developments for the service.

The risks associated with the establishment of an in-house call centre that operates during working hours are limited, out of hours is a different issue and mainly relates to staff. As there would be a very limited number of staff employed to work the out of hours shifts covering any periods of absence, particularly those at very short notice or those occurring during the course of a shift would prove very difficult. In using either a an outsourced call centre or the Contractors own out of hours arrangements these risks would be mitigated as the call centre operator or contractor would need to provide the resource and cover. As these are going to be dedicated 24/7 call centres covering a wide range of clients there will be a larger pool of staff that they can call upon.

## **EQUALITIES IMPLICATIONS**

No specific equalities implications have been identified as a result of entering into these contract arrangements.

## **SUSTAINABILITY IMPLICATIONS**

The new contracts are being let for a period of 10-years. This is a sufficient period of time to allow for all parties involved to develop a long-term sustainable partnership type arrangement.

## **BACKGROUND INFORMATION**

Cabinet 20/12/2018

## **REPORT AUTHOR**

Paul Weston, Assistant Director Assets

## **LIST OF BACKGROUND PAPERS**

## **APPENDICES**

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Communications	Establish a plan – Project Team, across business, with customers	Via Repairs Project Team & Comms/PR
Location of Team	Explore Hub arrangement for co-location of repairs technical team and call centre staff	To be progressed via Repairs Project Team – exploring provision on 6 <sup>th</sup> Floor wc 9 <sup>th</sup> Dec involving ICT
Receive Call	Telephony in place, dedicated line or change outgoing message?  How will deal with mails from website link?	Transfer current dedicated line for continuity  Process to be developed once Contractor appointed
Advice & Support	Dedicated Team, recruitment of Senior plus 3 call handlers (1 x temp), plus advisor  To have knowledge of Repairs Policy/Understand Recharge procedure	Recruitment in progress  Defined in Job Profiles
Diagnose Repair	Need scope: contractor commitment eg. deploy trade who will diagnose/repair? Contractor diagnostic provision  Will there be provision for inspection before logging repair if needed? (to maximise right first time) (as at T&D)	HQN Training arranged for 4 <sup>th</sup> March 2020  Depends on contractor provision
Log Repair	On existing Orchard system	
Deployment of Contractor to Attend	Need to determine provision for interface with Orchard Will we have specific appointment slots or am /pm?  Need to consider HAT markers and other customer info eg disabilities	Depends on Contractor Provision  Establish points of contact and define process once Contractor appointed
Follow Up Advice & Liaison with Contractor	Key points of contact  SLA between Teams	Establish points of contact and define process once Contractor appointed
Satisfaction Data	Transactional surveys and quick reaction to expressions of dissatisfaction  Contract management/ complaint resolution to be contained in SLA	

Out of Hours Service	Depends on Contractor provision/SLA for this service	Options Appraisal being produced for Directorate
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**Growing the Service**

Accessibility	Webchat Repairs Self Serve in Reception (staff on hand to assist)	To be developed via Customer Experience Team & Project Group
Appointments	Depends on Contractor provision (their IT and their offer)  Scheduler – to include auto text messaging 'On Way' texts	To be developed via Customer Experience Team & Project Group
Satisfaction Data	KPIs Comparative data Communications Complaints monitoring	To be determined by Project Group
Self-Serve	Design repairs process/form – assists in data analytics, customer insight App Portal – log repair and confirm appointment Tenant diagnosis tool Contractor provision for back office functions Upload photos	To be developed via Portal/Digital Project
Out of Hours Service	Monitor and Review	KPIs to be developed by Project Group
Commercial	Pay as you go private repairs service	Include in service development plan with Contractor
Excellence	Service Improvement Groups Tenant Scrutiny Benchmarking champions Accreditations	Include in service development plan with Contractor

## TAMWORTH BOROUGH COUNCIL

**BUSINESS CASE ASSESSMENT MANDATE TEMPLATE  
2020/21  
REVENUE & CAPITAL PROPOSALS**

PORTFOLIO SPONSOR : Cllr M Thurgood

REF	ASSESSMENT CRITERIA QUESTIONS (TO BE RETURNED IN ELECTRONIC FORMAT)
1	<p><b>WHAT</b></p> <p><b>Ongoing budget for the repairs call centre to include:</b></p> <p><b>Staff</b>            1 x FTE Senior Customer Service Officer Grade E (£33291.00 including on costs) plus Essential Car Users allowance £1239.00            3 x FTE Customer Service Officer Grade D (£81930.27 including on costs)            1 x FTE Customer Service Officer Grade D Temporary for 2 years (£27310.09 including on costs)</p> <p>Total Staffing Costs £143,770.36</p> <p><b>Training</b>            HQN handling repairs for non-technical staff ( £1000 for an onsite course)</p> <p><b>Uniform</b>            £1000 year 1            £600 year 2 onwards</p> <p><b>Equipment</b>            ICT equipment cost to be confirmed</p> <p><b>Software and associated costs</b>            M3 Housing Diagnostic Tool (£13,195 initial cost plus £4710 annual subscription)</p> <p><b>Out of hours service</b>            Approximately £7000 per annum – subject to confirmation</p> <p><b>Total amount requested</b> £166,565.36  <b>Current budget</b> £117,000  <b>Required Budget</b> £49,565.36</p>
2	<p><b>WHY</b></p> <ul style="list-style-type: none"> <li>• To deliver an in house call handling service for housing repairs as agreed by cabinet in December 2018</li> <li>• To support and enhance the customer experience in relation to the delivery of the repairs service.</li> <li>• To monitor and manage customer satisfaction data to support service improvement</li> </ul>
3	<p><b>BACKGROUND :</b></p> <p>The repairs service is currently out to tender for provision of the repairs from 1 April 2020 onwards. The call handling aspect of the service has in the past been delivered by the repairs contractor; however Cabinet resolved that the Call Centre be brought back in-house which in turn would give greater control of the end to end process of delivering repairs and enables the Council to drive service improvement. It is expected that the Call Centre will engage with customers throughout the repair process and will be used to capture post completion customer satisfaction data.</p>

<b>4</b>	<p><b>OBJECTIVES :</b></p> <p><b>a) What are the objectives :</b></p> <ul style="list-style-type: none"> <li>To provide high quality repairs call handling service</li> <li>To improve customer satisfaction for repairs call handling and overall service delivery</li> <li>To improve the effectiveness of the repairs call handling service</li> </ul> <p><b>b) Identify measurable deliverables linked clearly to the contribution to the Corporate priorities :</b></p> <p>This approach will improve the overall service for the handling of repairs calls and will add value in terms of capturing additional customer satisfaction data which will in turn drive service improvements, contributing to the following corporate priorities:</p> <ul style="list-style-type: none"> <li>To work collaboratively and flexibly to meet the needs of our communities</li> <li>To ensure our service delivery is consistent, clear and focussed</li> </ul> <p><b>c) What is the Output / change in service / benefit to residents (the so what test) :</b></p> <ul style="list-style-type: none"> <li>Improved service levels for tenants</li> <li>Improved customer satisfaction</li> </ul>
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<b>5</b>	<p><b>BUSINESS CASE :</b></p> <p><b>Demonstrates that this will produce a net benefit to the Council's priorities :</b></p> <p><b>Key areas arising from the proposal / good idea (+5 / -5):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0ffe0;"><b>Opportunities :</b> (e.g. annual process efficiencies of £10k +3)</td> <td style="background-color: #ffffe0;"><b>Risks :</b> (e.g. changes dependent on negotiations with staff, unions etc. -4) (e.g. reliance on 1 system / individual -2)</td> </tr> <tr> <td style="background-color: #e0ffe0;">To review and improve on current provision providing added value +3</td> <td style="background-color: #ffffe0;">Loss of key personnel – 2</td> </tr> <tr> <td style="background-color: #e0ffe0;"><b>Benefits / Income Generation :</b> (e.g. Integrated system (no interface costs) +4) (e.g. Increased annual income of £25k, payback in 3 years +5)</td> <td style="background-color: #ffffe0;"><b>Costs : -4</b></td> </tr> <tr> <td style="background-color: #e0ffe0;">Increased customer satisfaction +3</td> <td style="background-color: #ffffe0;">Salary £143,770</td> </tr> <tr> <td style="background-color: #e0ffe0;">Less complaints +3</td> <td style="background-color: #ffffe0;">Uniforms £1,000</td> </tr> <tr> <td style="background-color: #e0ffe0;">Current budget of £117K +3</td> <td style="background-color: #ffffe0;">Equipment</td> </tr> <tr> <td style="background-color: #e0ffe0;"></td> <td style="background-color: #ffffe0;">Software £13,195</td> </tr> <tr> <td style="background-color: #e0ffe0;"></td> <td style="background-color: #ffffe0;">Out of Hours Service £7,000</td> </tr> <tr> <td style="background-color: #e0ffe0;"><b>Total: 12</b></td> <td style="background-color: #ffffe0;"><b>-6</b></td> </tr> </table> <p><b>Evaluation Summary (impact of above criteria): 6 <span style="background-color: #e0ffe0;">positive impact/net benefit</span></b></p> <p><b>Is this the preferred option : Y</b></p> <p><b>Comments :</b></p>	<b>Opportunities :</b> (e.g. annual process efficiencies of £10k +3)	<b>Risks :</b> (e.g. changes dependent on negotiations with staff, unions etc. -4) (e.g. reliance on 1 system / individual -2)	To review and improve on current provision providing added value +3	Loss of key personnel – 2	<b>Benefits / Income Generation :</b> (e.g. Integrated system (no interface costs) +4) (e.g. Increased annual income of £25k, payback in 3 years +5)	<b>Costs : -4</b>	Increased customer satisfaction +3	Salary £143,770	Less complaints +3	Uniforms £1,000	Current budget of £117K +3	Equipment		Software £13,195		Out of Hours Service £7,000	<b>Total: 12</b>	<b>-6</b>
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	Out of Hours Service £7,000																		
<b>Total: 12</b>	<b>-6</b>																		

<b>The business case should clearly identify the implications of :</b>	
<b>A) Do nothing :</b>	Elected members have agreed that the repairs call handling will be conducted in house therefore this option cannot be considered
<b>B) Do something :</b>	This is the preferred option as it meets the requirements of the project and also elected members
<b>C) Do something else:</b>	Other options were considered within the main project and deselected

**The recommended option is logically the one which generates the greatest benefit in line with the Corporate priorities.**

<p><b>Identify the project sponsor – ie group / individual able to sign-off the resources / risk assessment.</b></p> <p><b>Director :</b> .....</p> <p><b>Date :</b></p>
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