



**Cabinet**

**Tuesday, 8 November 2022**

**Update on the Insourcing of Streetwise**

## **Report of the Director – Neighbourhoods**

### **Cabinet Portfolio Holder for Environment and Safety, Councillor R Inglis**

#### **1. Purpose of report**

- 1.1. At its meeting in February 2022, Cabinet took the decision to insource its wholly-owned grounds maintenance and street cleansing companies Streetwise Environmental Limited and Streetwise Environmental (trading) Limited with effect from 1 September 2022.
- 1.2. Cabinet requested that an update report be brought back to Cabinet on progress and asked the Portfolio Holder for Environment and Safety to provide oversight to the insourcing project. This report provides that update.

#### **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) endorses the work that has been successfully undertaken to insource the Streetwise operations; and
- b) monitors the delivery of savings achieved via the Transformation Strategy within the Council's Medium Term Financial Strategy over the next three years.

#### **3. Reasons for recommendation**

To date the insourcing project has been delivered smoothly and without loss in services or quality – indeed some services have improved in quality. However, there was also a financial business case to insourcing the services and progress against the savings anticipated should be monitored once the transition phase is complete.

#### **4. Supporting Information**

- 4.1. A Project Board, led by the Chief Executive was set up to focus on the operational insourcing of the services. The Board comprised representatives from the company along with other key services areas from the Council including the Council's Section 151 Officer, legal, human resources, and neighbourhoods teams. In addition, the work of the Board was supported by the

secondment of the Council's Streetwise Contract Manager into a Project Management role to help coordinate the transition. A fully documented Project Plan was prepared covering all key areas of the business such as operational delivery, human resources, asset management, contract management etc which helped to identify where action was required to necessitate a smooth transition. This Plan was reviewed on a fortnightly basis by the Project Board along with an associated risk register and the identification of mitigating actions.

- 4.2. Due to the rigour of the programme management and considerable work by several key officers including company staff the service effectively transferred back to the Council on 1 September 2022.
- 4.3. Work will however continue to ensure that the appropriate financial and legal steps are taken to facilitate the dissolution of Streetwise Environmental Ltd and Streetwise Environmental Trading Ltd. It is anticipated that this process will conclude in 2023, subject to accounts being completed and all debtors' and creditors' activity being closed down or transferred to RBC.
- 4.4. A key element of the transition has been open and regular communication with all colleagues working for Streetwise. This has been a particularly successful part of the transition with a range of measures being implemented including:
  - Monthly face to face briefings with all staff by the Chief Executive covering key transition messages.
  - Portfolio Holder undertaking back to floor type sessions to meet staff from all areas.
  - Group and individual meetings with Council management.
  - A monthly newsletter detailing key information to support the transition.
  - Ideas box for colleagues to put forward their thoughts for things that could be improved or changed.
  - The Director and Service Manager from Neighbourhoods working from the Bingham depot to provide visible and accessible leadership.
- 4.5. Clearly it is still very early days in terms of the transition process and the transition date of 1 September effectively marks a mid-point on the journey rather than the end, as there is much work still to do. However, in order to assess current progress, it is important to reflect on the core guiding principles for the transition that were adopted by Cabinet back in February. These are outlined in the following paragraphs.
- 4.6. **Protecting and improving frontline services delivered in house** – A range of actions have already been taken to ensure the consolidation of core service delivery and statutory functions. In addition, a key message to Streetwise colleagues during the transition has been the need to focus on ensuring that service standards for both Rushcliffe and private work are maintained. It has been pleasing to note that the service has continued to receive positive feedback for many of its activities and these are now routinely shared with staff to encourage the drive towards even greater service quality.

- 4.7. **Strengthening the focus on maintaining a high-quality public realm** – A full review of operational activities and schedules has already commenced, and changes were made during the summer to improve grass cutting and pitch maintenance. Further work is ongoing to review high speed road cleansing, detritus management and programmed litter/dog bin emptying. In the meantime, the main focus in the coming months will be tackling the autumn leaf fall and ensuring the Council's tree and hedge maintenance work is completed.
- 4.8. **Strengthening the voice of staff and protecting their employment status** – The Council has closely followed its management of change policies during the transition which clearly reflect current employment law and good practice. Furthermore, the Council has sought to fully engage Unions and create a Staff Working Group to help listen to and support all colleagues.
- 4.9. **Strengthening the delivery and value for money of environmental services** – The Council is already seeing improvements in the working relationships between Streetwise and key service areas such as estates, facilities management, country park management, and the events team. These relationships will only grow stronger over time and help to ensure high quality, efficient and value for money maintenance of Council owned estate and assets. Furthermore, a business plan is currently in development which will ensure the delivery of discretionary services on a chargeable basis to target markets across the Borough and beyond.
- 4.10. **Enhancing the opportunities for joint working across key partners e.g. Town and Parish Councils, Via, Highways England** – The Council has been in direct communication with all key partners and contract holders to make them aware of the transition and provide appropriate reassurance over service delivery. Moving forward, the Council is working with a range of public sector partners to explore how we can work better and more efficiently to manage and maintain public space standards. This work is potentially very promising, and the Council will play a full role in its development.
- 4.11. **Protect the brand of Streetwise** – The Streetwise brand has been officially registered and the revised logo has been incorporated along with the Council's 'shimmering R' logo on all clothing, vehicles, and other appropriate assets. This will help to ensure that the Streetwise brand remains an important and well-known sight within the Borough.
- 4.12. **Protect the joint and close working with the voluntary and community sector** – The new Streetwise operational structure has a partnerships role clearly embedded within it, which helps to emphasise moving forwards that the Council is keen to enhance the existing and very successful arrangements with the third sector on topics such as community litter picking groups and supporting 'friends' groups.etc
- 4.13. **Protecting and maintaining our assets** – The Council has undertaken a fully documented asset review of all Streetwise vehicles, equipment, and any other assets. Where appropriate, disposals have been made including cessation of leases for vehicles and equipment that are not required for business delivery.

In addition, the Council has also been able to negotiate the early departure from the company leased Sproxton depot site in Lincolnshire. Following a full structural review by the Council's estates team and considering future business delivery it was deemed to be a non-viable location. This early decision has allowed all operations to be centralised at the Bingham depot and will support the cost-effective delivery of the Council's operational and business plan moving forwards.

- 4.14. **Streamline the bureaucracy and processes to focus on frontline services**  
– Good progress has been made with the Streetwise service now integrating into the Council's existing business and financial support systems including appropriate software access.
- 4.15. Looking ahead to the end of 2022, the management and office structural review will have concluded and the next steps for the transition project will be to launch a comprehensive Cultural Change Programme which will be in place for the next six to 12 months. This Programme will seek to continue to drive improvements and change across the service to ensure that the Council's existing values and behaviours are fully embedded.

## **5. Alternative options considered and reasons for rejection**

- 5.1. At its meeting on 2 February 2022, the Council's Cabinet reviewed a range of different options for the future delivery of the Council's street cleansing and ground maintenance service, and these were set out in detail within the report.
- 5.2. Given that the Council's decision at that time was to 'in source' the service there are no further alternative options to be considered at this point in the project.

## **6. Risks and Uncertainties**

- 6.1. A key element of the Transition Project Plan has been the creation and maintenance of a risk register. This process and oversight by the Board, with reporting through to the Cabinet Portfolio Holder has allowed live risks to be effectively controlled through identifying and deploying mitigating actions.
- 6.2. By way of example, key risks that have been effectively controlled include the following:
  - The transfer of contracts for Streetwise works with private clients.
  - The transfer of contracts for vehicles and equipment used by Streetwise.
  - The early cessation of the lease for a collection of farm buildings used by the company in Sproxton, Lincolnshire.
- 6.3. Moving forwards, it is clear that the highly competitive nature of the grounds and tree maintenance sector remains and many of the Council's contracts inherited from the company are relatively small and only cover a 12-month period. Therefore, to mitigate these uncertainties the Council's operational focus for Streetwise and the associated business plan for the short to medium term will seek to ensure we have the right resources to focus on the Council's

own work and ancillary contracts within an appropriate geographical area from the Bingham Depot.

## **7. Implications**

### **7.1. Financial Implications**

The report to Cabinet in February 2022 highlighted that the insourcing of the Streetwise companies would deliver anticipated budget efficiencies, and this will be reported upon once the transition phase is complete and operating activities have been transferred to the Council. However, since the decision was made to insource the Streetwise companies, there has been a high level of volatility in the economic environment with significant rises in inflation and pay costs. This will have a negative effect on the efficiencies that can be achieved; however, it should be noted that these cost pressures would have been present had Streetwise remained outsourced. Financial progress will be monitored as part of the Council's normal financial reporting to both Cabinet and Corporate Overview Group.

### **7.2. Legal Implications**

7.2.1 Governance arrangements of the Streetwise companies have evolved, most recently the Oversight Board, which currently provides governance of the Streetwise companies with Councillor and Statutory Officer representation to represent the interests of the Council and to provide strategic oversight of the companies' activities will cease to be necessary once the companies are wound up. These arrangements will fall away and shall be removed from the Council's Constitution when appropriate.

7.2.2 The Council is the sole shareholder of the Streetwise companies holding 100% of the shares, the transition shall therefore need to consider the obligations this presents and take any steps appropriate to company law. The remaining administrative steps needed to dissolve the companies, have been delegated to the Board by way of written Board resolution. The Council has a general competence powers in s1 Localism Act 2011 which empowers it to undertake the actions recommended in this report.

7.2.3 The winding-up process must be carried out in accordance with the Companies Act 2006, and any tax implications for both the Council and the Streetwise companies as a result of dissolving them should be considered with specialist advice being obtained.

7.2.4 Novation of all contracts held by the companies will continue and continuity of service provision to existing clients will be maintained.

### **7.3. Equalities Implications**

There are no immediate implications from the report recommendations and the Transfer of Undertakings (Protection of Employment) Regulations 2006 were fully observed during the transition process.

#### 7.4. Section 17 of the Crime and Disorder Act 1998 Implications

In addition to ensuring that Rushcliffe public spaces are tidy and well cared for, which helps to create an important foundation for a positive community safety feeling, the Streetwise service includes several functions such as fly tipping removal which have a direct impact on crime and disorder investigation and prevention. These functions will continue to be consolidated under the new arrangements and where necessary strengthened.

#### 8. Link to Corporate Priorities

Quality of Life	A clean, tidy, and well maintained public realm is a key foundation that should positively enhance our local residents quality of life.
Efficient Services	The ongoing review of operational service delivery will help to ensure that the Streetwise services are organised and appropriately resourced in an efficient and effective manner to maximise their service delivery impact.
Sustainable Growth	A key element of the Streetwise Business Plan will be to continue to explore opportunities to work closely with developers and other public and private sector partners to deliver environmental services which support sustainable development and growth.
The Environment	Streetwise's core service functions including cleansing and grounds maintenance have a significant and positive impact on the Borough's environmental quality. In addition, the operation and delivery of the service to meet environmental standards and the Council's carbon management commitments will be of paramount importance.

#### 9. Recommendation

It is RECOMMENDED that Cabinet:

- a) endorses the work that has been successfully undertaken to insource the Streetwise operations; and
- b) monitors the delivery of savings achieved via the Transformation Strategy within the Council's Medium Term Financial Strategy over the next three years.

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<b>Background papers available for Inspection:</b>	Report to Cabinet 8 February 2022 Future Delivery Model for Grounds Maintenance and Street Cleansing Services
<b>List of appendices:</b>	NA