



Agenda Item 8

Transformation of Roads, Grounds and Street Cleansing

Falkirk Council

Title: Transformation of Roads, Grounds and Street Cleansing
Meeting: Executive
Date: 30 November 2021
Submitted By: Acting Director of Development Services

1. Purpose of report:

- 1.1 To provide an update on the progress of work relating to the Council of the Future : Transformation of Roads, Grounds, and Street Cleansing project and to identify the next steps in taking the project forward.

2. Recommendation(s)

2.1 It is recommended that the Executive:

- 1) approves the vision and objectives outlined in part 3 of the report for the Transformation of Roads, Grounds, and Street Cleansing project.**
- 2) agrees to progress the approach to delivery of revenue budget savings options outlined in part 4 of the report as a basis for future Council budget decision.**
- 3) notes that a report to advise of progress will be presented again in one year.**

3. Background

- 3.1 The Transformation of Roads, Grounds, and Street Cleansing project is an important element of the Council of the Future programme and is integral to the Communities workstream of the Council's Business Plan. The project is intended to modernise and address inefficiencies in service delivery for these services and, in turn, deliver financial savings. The project vision is to deliver a more modern, flexible, and competitive service and workforce with the ability to recruit and retain quality employees. This will help deliver services that allow engagement with communities while fulfilling statutory duties and providing a quality service. The project will identify opportunities for increased commercial activity to generate income and maximise use of technology to increase efficiency in service provision. Specifically, the objectives are:-

- to create a flexible and multi-skilled operational workforce by redesigning terms and conditions for 3 teams – Roads; Grounds; Street Cleansing, by 2024 to meet service demands.
- to continue to increase internal, external, and commercial opportunities for income generation on an annual basis.

- to introduce and expand the use of digital technology to support service delivery by 2022.
- to work with communities to increase their support for delivery of service provision in roads, grounds, and street cleansing on a continual basis.

3.2 The project has made some key achievements to date:-

- APSE Consultancy, following a review of service provision in early 2020, made recommendations for improvements. The Executive Summary of the APSE report is attached as Appendix 1.
- employee focus groups have been set up to allow engagement and understanding of the project for whole workforce.
- commercial opportunities have been maximised to generate profit that offsets costs.
- an HR resource has been appointed to assist with Council of the Future transformational changes.
- a graduate has been appointed to assist with research work into land ownership titles where Grounds work is undertaken with no income.
- rollout of digital technology (hand-held devices etc.) to improve service efficiency across each operational unit
- separate budget codes have been established specifically for private commercial work to clearly identify profit/loss.
- collaboration with Planning & Environment Unit in relation to biodiversity and grass management has led to a reduction in estates requiring grass cutting and promotion of pilot sites for increased biodiversity.

4 Considerations

- 4.1 The approach to the generation of future savings options, anticipated to be achieved from the transformation project is anticipated from a combination of service efficiencies (particularly through increased use of digital technology); income generation and changes to the working patterns of staff in the roads and grounds units. This approach is outlined in Table 1, below:-

Savings Narrative	Total 2022/23 effect £000	Total 2023/24 effect £000	Total 2024/25 effect £000
DV08 Review of Street Cleansing Function	110	110	110
DV16 Roads Maintenance Budget Reduction (reorganisation & increased efficiency in working practices)	220	0	0
DV60 Income Generation from Grounds Maintenance operations	100	100	100
DV64 Income Generation from Roads Maintenance operations	200	200	200

DV66 Changes to Roads, Grounds and Street Cleansing working patterns	132	0	0
CHS106 Transformation of Customer and Business Support	25	0	0
Total Savings	787	410	410

Table 1 – Future Savings

It is intended that further work takes place on the delivery of these savings in order that formal approval to these can be secured from the Council when considering its future budget.

- 4.2 It is recognised that these savings will have an impact on the workforce and therefore trade unions have been actively engaged in the project from its outset. The intention is to avoid reducing the workforce as much as possible, focusing on efficiencies that can be gained through modernising terms, conditions and working practices with changes introduced to working hours, shift patterns and greater use of technology. These will be fundamental changes and it is anticipated these will help maintain service standards and secure efficiencies while sustaining workforce levels. Any change to terms and conditions will need to be agreed with trade unions and the workforce. Nonetheless a level of workforce reductions is anticipated. Wherever possible, these workforce reductions will be achieved on a voluntary basis through the use of vacancy management, voluntary severance and attraction of additional commercial income to meet staff costs.

5 Milestone Plan

- 5.1 The Milestone Plan is attached as Appendix 2. Over the next 12 months the project has the following milestones that will be achieved :-
- identify the new workforce model
 - hold focus group meetings with employees to discuss transformation
 - hold regular trade union liaison meetings to discuss the transformation and the new workforce model
 - ensure commercial support is in place
 - consider the wider application of biodiversity and grass management pilot methods on Grounds Maintenance resources
 - undertake process mapping task to identify and close gaps that are creating inefficiencies
 - digital technology to be established in all operational areas – Roads, Grounds, Street Cleansing and Street Lighting.

6 Measures of Success

- 6.1 The Transformation of Roads, Grounds & Street Cleansing aims to deliver a more modern, flexible, and competitive service and workforce with the ability to recruit and retain quality employees. This will help deliver services that engage fully with communities while fulfilling statutory duties and providing a

quality service. A set of key performance indicators will assist in monitoring and measuring the success in delivering the key milestones of the project. The key measurements for the initiative are listed below:-

- efficiency of operations/number of digital devices in use – a more modern and flexible workforce will bring increased efficiency, through use of digital technology
- maximisation of capacity/number of external contracts achieved.
- level of community engagement in supporting roads, grounds and street cleansing services, e.g. litter strategy campaigns/winter warden scheme/community growing initiatives.

7 Implications

Financial

- 7.1 The budgets for each of the operational units over the past four financial years is as follows:

Roads -	2021/22	£2,360,500
	2020/21	£2,337,410
	2019/20	£3,378,980
	2018/19	£3,218,010

Street Cleansing -	2021/22	£2,260,700
	2020/21	£2,261,700
	2019/20	£2,057,870
	2018/19	£2,274,850

Grounds -	2021/22	£1,447,960
	2020/21	£1,506,080
	2019/20	£1,508,420
	2018/19	£1,346,270

The Roads budget has diminished significantly over the last 4 years as efficiencies have been made across the Service.

- 7.2 The current staff numbers delivering these services are as follows:-

Roads	123 FTE
Street Cleansing	50 FTE
Grounds	58 FTE

- 7.3 The approach to the transformation of roads & grounds project builds on an existing programme of efficiencies agreed as part of the budget process for 2021/22. The revenue savings agreed in 2020/21 are as follows:-

Savings Narrative	Total 2021/22 £000
DV60 Income Generation from Grounds Maintenance operations	120
DV66 Changes to Roads, Grounds and Street Cleansing working patterns	50
DV67 Reduction in overtime – Grounds Maintenance	13
Total Savings	183

Table 3 – 21/22 Savings

- 7.4 The approach to delivery of savings for 2022/23 and beyond is summarised in the table in para 4.1 and, if agreed, will be included in the Council's proposed Business Plan.

Resources

- 7.5 The approved staff resource reductions achieved in 2020/21, principally from vacancy management, were as follows:-

FTE Savings	Total 2021/22
Road Maintenance Operational staff	1.00
Grounds Maintenance Operational staff	3.75
Total staff saving	4.75

Table 4 – Future Employee Resource Saving

- 7.6 The employee resource impacts of future savings proposals will be identified as part of the budget process. It is noted that any changes to establishments are proposed to be achieved by voluntary means.

Legal

- 7.7 At this time, work is ongoing to review historic legal agreements in place for grounds maintenance works. In particular, legal guidance is being provided in relation to maintenance "in perpetuity" clauses that could hinder stepping away from maintenance work where no income is received.

Risks and Dependencies

- 7.8 The risks and issues identified include:-
- uncertainty of outcome from the review of grounds maintenance legal agreements in private estates.
 - uncertainty of the extent of potential commercial market opportunities.
 - risk the service needs to be outsourced to ensure the ability to deliver a competitive service and meet budget requirements
 - negotiations with trade unions on workforce package are underway corporately. The level of changes anticipated may impact on the ability for this project to deliver the level of savings that have been identified.
 - locally, if trade unions and workforce do not agree new workforce package, savings will not be achievable.
 - equality - changes to one element of the Council's workforce could have an impact on other areas of the Council.

- Council structure changes may impact on the demands on the team currently leading this project.
- commercial support is vital to delivery of key aspects of the project

Work to address these risks is a key element of the ongoing project work.

Equalities

- 7.9 An EPIA will be undertaken as part of the Council of the Future project work being undertaken and for any service savings anticipated.

Sustainability/Environmental Impact

- 7.10 This project will helping drive resource efficiency, and mitigate against unnecessary wastage in our processes - including carbon consumption through the following:

- data will be analysed to shape service delivery e.g. preventing unnecessary journeys
- recycled and recyclable materials will be used where appropriate
- wider application of biodiversity and grass management (including community growing)
- introduction of smart sensor technology

8 Conclusions

- 8.1 The transformation of roads, grounds and street cleansing project will modernise the way that this operational work is delivered for communities. Service delivery will be more responsive and innovative, with the ambition to expand the service offered into the commercial market, thereby safeguarding jobs.
- 8.2 The approach to delivery of budget savings involves more efficient practice, commercialisation and the use of new digital technologies. Organisational culture will improve through more inclusive dialogue with staff and this in turn will prove motivational for the workforce. Closer community engagement and opportunities for volunteering will also be promoted and this will enhance their participation in the local environment. Through this combination of changes it is anticipated that the service will be better focused to meet its future challenges and community needs.

Acting Director of Development Services

Author: Dorothy Reid, Acting Head of Roads, Design and Transport
Date: 18 November 2021

APPENDICES

Appendix 1- APSE Transformation Review Report: Executive Summary

Appendix 2 - Milestones

List of Background Papers:

Project files.

1 Executive summary

- 1.1 Falkirk Council's 5-year business plan aims to deliver transformation and savings while achieving the best possible outcomes for its communities. By 2024 Falkirk will be a smaller council with fewer employees, assets and delivering fewer services with some of these services being delivered in radically different ways. As a result, there will be a need to reshape spending to ensure resources are used in the best possible way
- 1.2 Falkirk Council amalgamated its Roads and Grounds services in 2018. The new service has to make savings as part of the council's transformation plan, currently £3.482 million of an overall council budget reduction of £79.3 million.
- 1.3 As part of achieving the transformation and savings, APSE have been selected by the council to review the transformation required, in addition to exploring the potential for commercialisation to make up some of the deficit. The latter is subject to a separate report.
- 1.4 APSE have undertaken a fairly high-level diagnostic review in order to reach the conclusions and recommendations contained in this report, including analysis of current processes, performance and working practices.

Benchmarking (see section 3)

- 1.5 The council is a long-standing member of APSE's Performance Networks for benchmarking and regularly contributes data for both Roads and Grounds. The results of the most recent submissions for 2018/19 data led to the council being shortlisted as finalist for both "Best Performing" and "Most Improved" council for Roads/Highways. For this service, APSE also partner with the Society of Chief Officers of Transportation in Scotland (SCOTS) to share data across the 32 Scottish councils, which shows Falkirk consistently above or around average across the range of performance indicators.
- 1.6 Expenditure on carriageway repairs has been consistently below average for the past 6 years. Despite this, condition surveys show improvements in the standard of class 'A' carriageways. However, planned maintenance of these has been regularly below average in comparison to reactive maintenance. Last year saw the ratio reduce slightly, but it is still an area for further improvement given the disruptive nature of reactive work on work planning.

- 1.7 Expenditure costs per gully are comparatively very low, but anecdotally the programme is not being achieved currently and needs reviewing.
- 1.8 Response times for 'making safe' when road defects are reported were 100% within target, although there were very low numbers of reports. This itself is indicative of the effectiveness and importance of the planned programme of maintenance.
- 1.9 The amount of salt used for the winter maintenance operations is almost twice the average of the participating councils. Whilst this can be hard to compare due to the inconsistency of weather in different locations, the council has recognised this issue and invested in new technology that will result in better calibrations of salt distribution this current winter.
- 1.10 Falkirk has a comparatively large amount of land that requires grounds maintenance. Because of this, the cost per hectare maintained is well below average, but the cost per household is just above the average.
- 1.11 The number of hectares maintained per front-line employee is high and increasing regularly with cuts to overall staffing levels, showing a high level of productivity from the workforce, but increasingly becoming difficult to sustain. The council has already had a report on a "Naturalised Grass Maintenance" regime, which would help reduce grass cutting and increase carbon capture (something to consider following the council's Climate Change Emergency declaration), and this should be revisited, including the options around wild flower planting as an alternative to cutting grass.
- 1.12 Additionally, the number of non-front-line employees per hectare is less than half the average, showing a very lean back office function.
- 1.13 There are no quality inspections currently taking place. Reductions in the number of grass cuts per annum has seen output specification results decrease in recent years. APSE's Local Audit Management System or an equivalent self-inspection system should be considered as part of the performance management process.

Diagnostic Review (see section 4)

- 1.14 APSE carried out diagnostic workshops with front-line staff and management, compiled workforce questionnaires and undertook critical examination of key tasks on both services to review current processes and practices.

- 1.15 Analysis suggests that each of the services consider that they perform well with the resources available, although low morale is an issue. Due to high costs, a stop on overtime was in place at the time of the review and this was raised by both groups as one source of discontent. Inconsistencies in overtime allowed for others (supervisors have an hour each morning historically) and the application of flexitime rules around additional leave are also contributory factors. Both of these would be addressed with potential changes to working time arrangements (see below).
- 1.16 Roads and Grounds operate largely independent of each other with a 'silo mentality' said to exist. Closer amalgamation would bring greater flexibility, but grading is a stumbling block, Roads staff being graded higher than Grounds. Creating more generic job descriptions would be a solution, with a corresponding broader range of pay scales between the two services to provide more flexibility, aid motivation and provide for succession planning.
- 1.17 Staff are told only to carry out work on CRM job lines and telephone requests. They understand time limitations on each job but given that a "Council of the Future" aspiration is for staff to become more responsive, a policy to adopt a greater public realm ethos should be considered.
- 1.18 With this in mind and with the impact that both Roads and Grounds operations have on Street Cleansing, this is an area where improved efficiency and standards could result from further amalgamation into a street scene type arrangement, as now seen operating in many other councils in the UK, particularly the Grounds/Street Cleansing combination. This is a much more common fit than Roads and Grounds in other local authorities, although not every council has highways responsibilities in England. (See section 5 – Service Delivery Models)
- 1.19 A joint offering across these services also increases commercial opportunities by creating a competitive edge. It is seen as key though that if the council chooses to explore this further, the appointment of a dedicated business development role needs to be considered.

Grounds

- 1.20 There was a low level of responses to the service improvement questionnaire, however a number of comments supported increasing summer working hours for Grounds staff to get more work done. Currently, staff on Grounds work summer/winter annualised hours based on 26-weeks each. This is clearly not enough to cover the growing season in summer. There is also anecdotal evidence that the service is under-

employed in the winter months, despite a small reduction in hours worked.

- 1.21 There are many different ways to plan alternative working time arrangements to increase summer hours. By retaining the same amount of current summer hours in total (by extending the summer period and the length of the working day) and reducing winter hours (when daylight is an issue anyway), it is possible to cover the hours without employing the ten seasonal workers currently taken on every summer, thereby achieving a potential saving of around £100,000 per annum. (See section 6 – Working Time arrangements)
- 1.22 Such arrangements could also be extended to some of the Roads functions, such as Gully Emptying which also relies on daylight. The opportunity also exists to look at start and finish times within the working hours models, where it may be more apt to have some staff starting earlier and others finishing later to provide longer cover across the day.
- 1.23 There are a number of shrub beds in the Falkirk area requiring maintenance, many just an annual cut back. Removing some of these would reduce the cost of maintenance and potentially improve appearances in some areas too. Alternatively, it may be possible to hand over their maintenance to interested community groups.
- 1.24 The diagnostic review found few complaints with the quality of small plant, but there were issues over the performance of the small plant workshop within Fleet Services, particularly the low priority it appears to command. This operation would be better relocating to within the Grounds service itself for greater control, with the person responsible also given associated duties around monitoring Hand Arm Vibration Syndrome.
- 1.25 The weed spraying operation is currently outsourced, bringing difficulties in scheduling the work for optimum performance. The council should consider insourcing it again in order to improve standards. Although there would likely be no cost saving, it would increase control and thereby the effectiveness of the operation. However, the council should also be mindful around the growing lobby in the UK around use of Glyphosate and other chemicals and start to investigate alternative means of treating weed growth.
- 1.26 A hedge reduction policy also needs to be investigated as, over a period of time, hedge sizes increase making them more difficult to maintain. The council should prioritise those that create obstructions on pathways etc.

- 1.27 The pay grades for the current tree teams are lower than their colleagues, despite a previous evaluation being carried out and finding in their favour. As this affects recruitment and retention of staff in this area, it needs to be looked at again.
- 1.28 Tree management needs to be reviewed across the whole council, to include the introduction of a formal policy of tree inspections (which is likely to identify work that will need to be undertaken over a 5- year period) and the introduction of a comprehensive computer programme to record and store all inspections and public enquiries with a clear audit trail. The role of the tree inspectors may be better placed within the Planning service where expertise is currently needed. Given the demand and backlog for tree work that this would most likely identify, the impact on future staffing levels for the arborists should be considered.
- 1.29 The Grounds service has a range of specialist equipment to undertake pitch maintenance which is not being fully utilised. Analysis of the wider local market should be undertaken to identify if there is external demand for this work. Additionally, within the Council, investigation into whether there is the will to increase investment or seek alternative funding for pitch maintenance to improve quality should be carried out. This will determine the extent of any commercial opportunities.
- 1.30 The “Rover” Robot Flail is an important piece of equipment in terms of health and safety for cutting grass banks that are too steep to be done with normal pedestrian mowers. However, it appears to be only around 50% utilised currently. Utilisation could be improved by looking for other customers (neighbouring authorities, other public bodies, private areas with difficult to access grass banks) to help offset the cost.

Roads

- 1.31 There is a different reporting structure for Roads for reactive maintenance and the remainder of the service. This is causing issues with ensuring enough cover for the Quick Response Teams in the reactive element to enable them to meet internal targets. Moving all the services under the operations side would provide more flexibility within roles and ensure that cover is available when required.
- 1.32 To help facilitate the changes and take pressure off operational managers, there needs to be a greater onus on the roles of team leaders to take over some basic administrative duties currently undertaken by inspectors, in turn giving them more time to carry out their primary inspection role. The Team Leaders need to be empowered to make decisions around

managing the work on site, particularly regarding flexibility if a later finish time would see a job completed that day rather than setting up again the next.

- 1.33 The introduction of better mobile technology should be sanctioned to make the Team Leader role easier and to make the service more efficient, including electronic timesheets and holiday requests as well as job tickets from the CRM system.
- 1.34 In addition to Grounds, the review has looked at the working time arrangements for the Roads service where a 4½ day working week and a reliance on overtime for weekend work (on high speed roads etc.) is currently in place. Three options have been included of the many different shift rotas that could be used to bring weekend work into the basic working week. They are based on traditional 4 on/4 off and 5 on/3 off patterns, as well as a mix through weekdays to allow weekend working one in every four weeks. Within the three options, again the opportunity exists to look at the start and finish times, if it is felt that having some staff starting earlier and others finishing later would be beneficial.
- 1.35 There is potential scope for extending resurfacing work to take in trunk roads and motorways for Transport Scotland as part of a commercialised approach, although it would require investment in staff and resources beyond current capacity.
- 1.36 One of the other areas that would benefit from greater use of technology is gully emptying, to provide a data-led programme that ensures regularly servicing of problem gully's (flooding etc) are attention at the right frequency for the rest.
- 1.37 Fleet maintenance currently takes place predominantly in normal working hours which leads to vehicles being off the road when they are needed by the service. The council need to look into the feasibility of night working for the fitters to ensure better availability. In the meantime, the servicing schedules for Roads vehicles are fairly close together having been purchased at the same time. These need to be amended to ensure that they aren't off the road at the same time.
- 1.38 Purchasing a JCB (or adapting one of the tractors) with a "breaker" on the back would reduce the requirement to use jack hammers. As well as being more efficient, this would also have advantages for control of Hand Arm Vibration Syndrome.

- 1.39 An exercise should be undertaken to establish how much Drainage work is being undertaken out of hours for Housing, at enhanced rates, with potential savings to be made. An idea for saving on overtime payments for out of hours work is to introduce an agreement whereby the first few hours (maybe five) of any additional working are paid at plain time.
- 1.40 Roads need to investigate the feasibility of having a stocked trailer for traffic management emergencies. A proper inventory and allocation system for signs is also required. This could be part of a formal system with proper plans showing placement locations for signs for each scheme.
- 1.41 Because it isn't effective in low temperatures, the "Jet Patcher" is currently under-utilised, standing for long periods of the winter. The council may wish to investigate whether selling it and hiring in (as previously) may be more economical.

2 Introduction

- 2.1 Falkirk Council is one of 32 unitary council areas in Scotland. It was formed on 1 April 1996 from the exact boundaries of Falkirk District Council. The council area borders with North Lanarkshire, Stirling and West Lothian and across the Firth of Forth to the northeast, Clackmannanshire and Fife.
- 2.2 The Council covers an area of 297.4 square kilometres with a population in 2018 of 160,340.
- 2.3 The Council wants to be “the place to be” where people want to live, work and visit. The Council of the Future (COTF) change programme was agreed by the Council in September 2017 to transform how they do business.
- 2.4 The 5-year business plan sets out how Falkirk Council will deliver transformation and savings while achieving the best possible outcomes for communities. It sets out a journey of transformation through to 2024. This plan means that by 2024 Falkirk will be a smaller council with fewer employees, assets and delivering fewer services with some of these services being delivered in radically different ways. As a result, there will be a need to reshape spending to ensure resources are used in the best possible way.
- 2.5 This will mean the Council will have to make savings of £76.3 million over the 5-year period.
- 2.6 The Roads and Grounds services are part of this plan and will need to contribute £3.482 million through savings or increased commercial activity. Some of these savings need to be delivered in financial year 2019/20.
- 2.7 The current respective budgets are £11 million for Roads and £3.7million for Grounds. The savings required equate to approximately 24% of the current budget.
- 2.8 The Roads and Grounds service is part of the Development Services Department and consists of the council’s roads maintenance and asset/infrastructure management, street lighting and grounds maintenance functions. The Council amalgamated its Roads and Grounds services almost 2 years ago.

- 2.9 The combined service currently has a total workforce of 156.5 operatives (94 in Roads and 62.5 in Grounds). As yet the combined services have not achieved parity in areas such as terms and conditions.
- 2.10 The current structure for the combined service is attached as Appendix 'A'.
- 2.11 There are still separate operational management arrangements in place and while both services are run from the main Earls Road Depot, Roads and Grounds largely operate independently of each other across the Council.
- 2.12 As part of achieving the transformation and savings, Falkirk Council sought an independent body to come in and carry out a whole service review of the Roads and Grounds services. To this end APSE have been selected by the council to review the transformation required alongside exploring commercialisation. There is a separate report exploring the commercialisation aspects.
- 2.13 In September 2019, Falkirk Council declared a climate & biodiversity emergency setting out ambitious plans to put biodiversity and sustainability at the heart of the council's agenda. This includes a new target and action plan to be carbon neutral and to put sustainability, biodiversity and carbon reduction at the heart of the council's agenda going forward. APSE's review has been conducted mindful of this emerging agenda.
- 2.14 This report identifies options for transforming the Roads and Grounds services and recommendations around other potential improvement areas identified. The review was conducted by APSE Associate Consultants Dave Henrys and John Marsh between October 2019 and February 2020.

Milestone/action reference	Milestone/Action Description	Start date	Due date	Current status*	Prioritisation*
MS-1	Introduction of more flexible workforce.	01/01/2021	31/03/2024	In Progress	High
MS-2	Commercial support and HR support in place	01/03/2021	30/09/2021	In Progress	High
MS-3	Biodiversity and grass management pilot	04/01/2021	31/03/2022	In Progress	Medium
MS-4	Wider application of biodiversity and grass management proposal (including community growing) across whole estate	04/01/2022	31/03/2023	Not Started	Medium
MS-5	Transfer responsibility for maintenance of areas to communities	31/03/2021	31/03/2024	In Progress	High
MS-6	Introduction and expansion of use of technology	01/06/2020	31/12/2021	In Progress	High
MS-7	Completion of LED Street Lighting project		01/03/2022	In Progress	Medium