

**The Virtuous Green Circle**

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**Fuel Efficiency**

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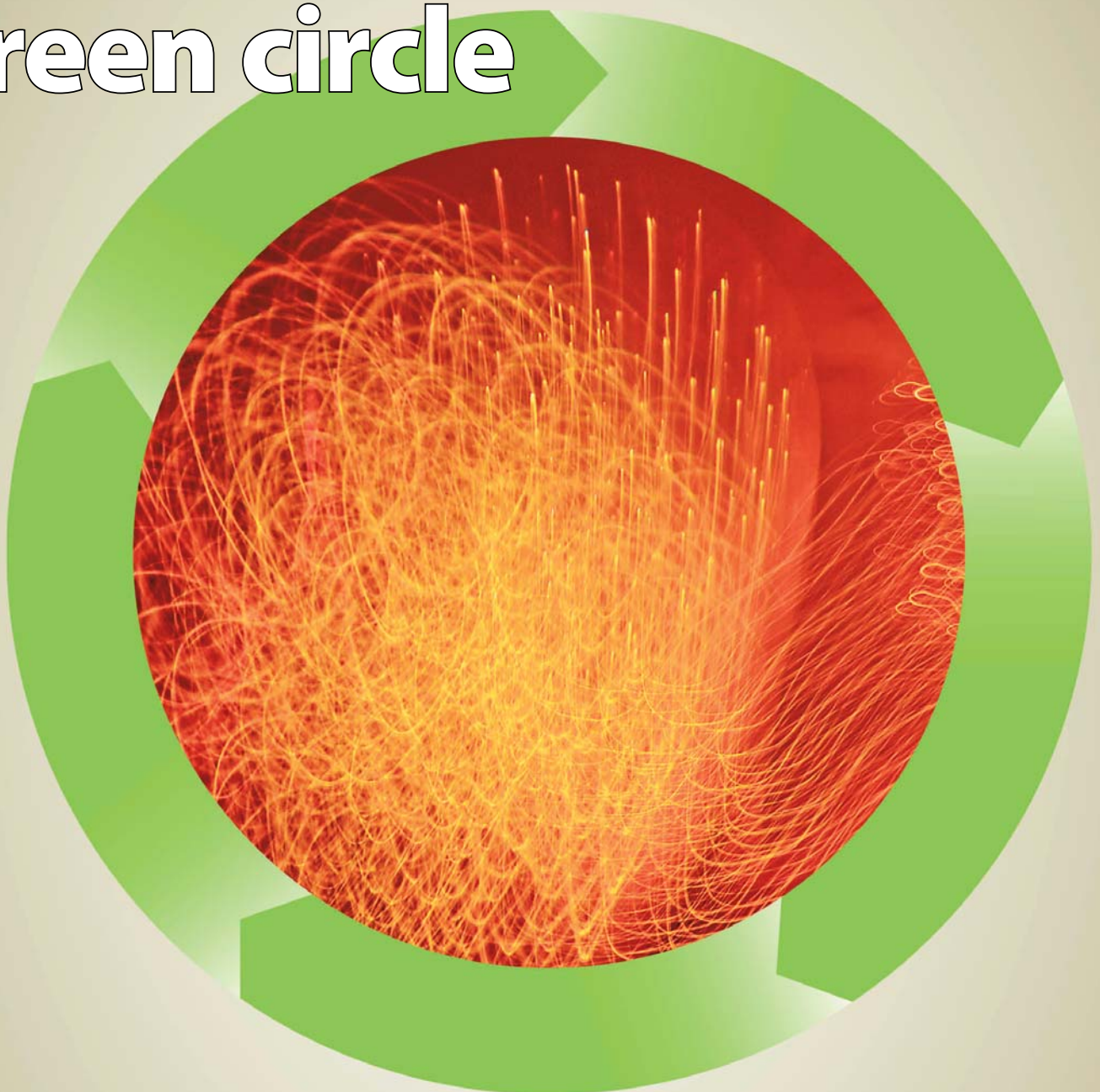
**Entrepreneurial council**

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**The Renewable Heat  
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# Creating a virtuous green circle



# Events diary

Date	Event	Venue
May 26	South West parks and street scene advisory group	Mercure Bath Hotel●
May 26	Southern refuse collection and street cleansing advisory group	Holiday Inn Oxford Circus●
May 27	Northern Region AGM	Radisson Blu, Durham●
June 02	Managing your time effectively	Manchester (APSE) ●
June 07	Highways and street lighting advisory group	Lord Mayors Parlour, Manchester Town Hall ●
June 07	Transport & Vehicle Maintenance Advisory Group	Committee Room 1, Manchester Town Hall ●
June 07	Using the public sector scorecard	Sheffield ●
June 09	Project Management in Leisure services	Glasgow ●
June 09	Delivering efficiencies through developing public partnerships	London ●
June 10	APSE Scotland AGM	Dundee●
June 14	Renewable Energy Masterclass	Leeds ●
June 21	Biomass one day seminar	Palace Hotel, Manchester ●
June 21	Developing your lunchtime supervisors	London ●
June 22	Central region AGM	Wolverhampton●
June 22	Transport & Vehicle Maintenance Advisory Group	Committee Room 1, Manchester Town Hall ●
June 23	Service Transformation Advisory Group	Manchester●
June 23	Building cleaning advisory group	Manchester Town Hall ●
June 23	Developing your lunchtime supervisors	Edinburgh ●
June 24	Catering advisory group	Manchester Town Hall●
June 24	CDM Regulations 2007 Refresher skills Master Class	Birmingham ●
June 27	Procurement in Northern Ireland Master Class	Down ●
June 28	Cemeteries and Crematoriums Event	Liverpool Cathedral●
June 28	Leisure advisory group	Manchester Town Hall●
June 29	Social care Advisory Group	Manchester Town Hall●
June 29	Refuse Collection & Street Cleansing Advisory Group	Committee Room 1, Manchester Town Hall ●
June 30	Wales one day seminar and AGM	Llandrindod Wells ●
June 30	Finance for operational managers	Preston ●
July 05	Project Management in Leisure services	Bristol ●
July 06	Street cleansing and street scene supervisory skills	Bristol ●
July 11	Tools for efficiencies and savings in street cleansing	London ●

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## Editorial

**Never has so much been owed by so many to so few!**

Over the past month or so, I have been discussing efficiency and service transformation with Association for Public Service Excellence members at events throughout the UK.

Most authorities appear to have their plans in place for the next few years, and have selected key personnel to make the cuts and lead the transition.

But one concern which has consistently niggled away at me after these sessions is the dependency that services now have on a few key individuals, who must get decisions right and have the energy, capability and tenacity to successfully implement them.

The approach of many councils is to de-layer management structures from the top downwards.

But how sustainable can this really be?

Where five heads of service existed in the past, we now often have two, dealing with a multitude of services – some of which they have no previous experience of running.

With a bit more time, the correct approach would be to redesign service processes from the users' perspective, and then decide on management structures, based on requirements. Instead, authorities are eroding capacity by culling experienced managers at a time when their knowledge and skills should come into their own.

With many facing upwards of 10% budget cuts in the next year, there is little scope to bring in external specialist support or invest heavily in management-development programmes to fast-track internal talent. Of course, resources need to be directed at frontline delivery, but services will not manage themselves and branding the over-stretched people who run them as incompetent, lazy 'fat cats' is an all-too-easy diversion from the reality of local government management at this difficult time.

If we really are 'all in this together', ministers should recognise the heroes who have stayed on to try to make huge savings while holding services together for the public who depend on them, rather than fuelling tabloid fires.

Best wishes

Paul O'Brien, APSE Chief Executive

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# The virtuous green circle: Creating a revolving fund for solar energy

*Following the launch of APSE's latest research paper 'The virtuous green circle' lead author Stephen Cirell shines a light on the financial and practical considerations.*



**T**he outlook for the public sector at the moment is harsh; morale in local government has dipped; employees worry about everything from their jobs to their local economies and the ability of their local authority to cope. There is very much a need for some light at the end of the tunnel.

Climate change is a pressing new agenda, but one that offers hope, particularly since the Government introduced new financial incentives for renewable energy last year. Local authorities need to be part of this agenda but many local authorities do not yet seem to have switched on to its significance. Every authority should understand the potential offered by this agenda and draw up plans to take advantage. Naturally, a corporate approach is vital in order to be most effective.

As part of the search to find some light at the end of the tunnel, APSE commissioned me to write a report on how local authorities could make the most of solar photovoltaic energy. The concept, that is today published in the document *The Virtuous Green Circle: creating a revolving fund for local authority solar energy*, was conceived during a number of different projects for APSE members to consider installation of solar PV facilities.

It became clear very early on in the analysis of the best way to go about this, that the old 'DLO' methodology was best. Why use external contractors to do something that the local authority can do itself? To develop into this work will require some new skills to be acquired but that is not a problem for organizations steeped in building maintenance experience. As an example, for a local authority direct services team to undertake this work, it needs to become an MCS certificated installer and to use products also certificated under the MCS. This will take some time to acquire but some local authorities are already on with this.

Solar photovoltaic panels to generate electricity are now one of the leading areas of renewable technology and this solution has been proved commercially successful around the world. Local authorities have everything that they need to make the most of this agenda: buildings to convert, workforces to undertake the work and the capacity to borrow money to fund such works. This is a chance to create a new opportunity and make changes that benefit your areas and are self-funding.

The best way of doing it is the 'DIY option' where the authority literally does it itself. This means it recruits and trains the people who will do the work, both preparatory and delivery; obtains the supplies and equipment itself, using its existing sustainable procurement processes; and gives active consideration to how the local economy can benefit at every stage.



But even so, the authority still wants to get the maximum value out of its project. To achieve this, it needs to create a revolving fund, where the original capital investment is recycled time after time to achieve maximum effect.

The report examines how this might be done and gives practical advice on how to go about it. Pioneer authorities are already on with this work, training up their staff and making plans for their housing, schools and other civic buildings to be fitted.

In the report, I have described this as a 'once in a lifetime opportunity'. There are still those who think that this is too good to be true. The problem might be that by the time they decide that they should be doing, the funding from Government via the financial incentives has run out. There is an urgency to get on with this and grab the opportunity now and hopefully this report will be a spur for every APSE member.

The virtuous green circle: creating a revolving fund for local authority solar energy was launched in Birmingham on the 17 May. Copies are now available from APSE.

This new publication provides practical guidance and explores how your authority can exploit the income generation opportunities. It also includes a model

business case and plan as well as sample financial models, to show how a project can be affordably developed at a local level.

APSE has already sent complimentary copies of this publication to APSE main contacts, chief executives and council leaders of our member authorities.

If you would like to order a further copy or copies please email Wai Lee at APSE on [wlee@apse.org.uk](mailto:wlee@apse.org.uk). Copies cost £40 for non-members and are priced at £20 for members. Five or more copies will be charged at £10 per copy but this offer is limited to APSE member authorities only.

For details on forthcoming innovation forums on solar PV please contact Debbie Johns on [djohns@apse.org.uk](mailto:djohns@apse.org.uk)

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# Moving Fuel Distribution into the 21st Century

***Pete Johnson of Wakefield Council explores how a Council Fuel Management System (FMS) Assessment has led to improved efficiencies and better management of fuel costs.***

Wakefield Council Transport Services recognise the importance of process and procedure in managing all aspects of operating a fleet of vehicles and plant. The fleet equipment is maintained in-house at our central workshop and fuelled at 6 depots across the district. Documented processes are supported by the Fleet and Fuel IT systems. IT systems are seen in the same light as other equipment, they are simply tools to enable the provision of safe and efficient services as possible. For example a Torque Wrench used in the workshop takes the guess work out of tightening bolts while an alert in the Fleet Management Software tells us when service or inspections are due.

Like all tools, software systems become dated, technology moves on, new requirements and standards for best practice emerge. In 2009 the Fuel Management system was showing signs of age in terms of reliability and manageability. The system comprised of Fuel Island Dispenser/Pump control units at each depot and a PC located in our Admin office. Communication was via either fixed telephone lines or GSM modem. Transactions were approved by coloured keys, assigned to the vehicles and drivers, and stored locally in the Controllers and then periodically sent to the central PC.

In order to monitor whole life costs fuel transactions were then subsequently sent to our Fleet Management System. With both systems requiring asset numbers and key numbers there was considerable data duplication. Inevitably data mismatches would occur, for example a key could be re-assigned in the Fuel system and not in the Fleet system causing transactions to be rejected.

We knew that we needed to replace our system but a key requirement was to achieve smooth transition with minimum disruption to the day to day business. The replacement therefore had to be as close in operational terms as the existing system whilst offering features and advantages that would enable long term benefits to emerge. Our choice of new system appears to have paid dividends.

We believe that the Fleet Management System (Fleetfocus M5) to be the most advanced fuel orientated Asset Maintenance and Management System available today. The system features a Fuel Management module which shares the same database as the Fleet functionality. It became apparent as we assessed the module that most of the static data, for example depot/tank records, were already defined in the system. With a full suite of programs to manage wet stock we realised that we have effectively been doing the same job twice in terms of recording fuel issues.

The conclusion was that we could easily transfer wet stock management into the central system simply by activating the necessary screens including dip readings. In order to cut out the additional Fuel database we would need a mechanism to enter transactions directly into the central database. To achieve this it would be necessary to re-new the island control units (ICU). Replacement ICUs are available as part of the Fuel Management Module of FleetFocus M5. These communicate real-time directly with the central database thus removing the need for an additional dedicated fuel system and ensuring that accurate data is processed at the time of fuelling.

Other immediate and future advantages of a single system soon came to light. By sharing the same system as the admin and workshop staff it is now possible to communicate directly with the driver at the point of fuelling. For example a vehicle is due an inspection so a request can automatically be displayed on the ICU for the driver to bring the vehicle into the workshop. Taken to an extreme this could even restrict how much fuel is dispensed giving just enough to get the vehicle to the workshop for well overdue safety jobs. Future available potential features include automated fuelling whereby the ICU recognises the vehicle at the pump and allows fuel to be dispensed to the vehicle without the need for operator keys or data entry.

One of the main advantages, real-time communications, of the new system also represented our biggest challenge. In order to catch transactions

'real-time' the ICUs must be on the Authorities computer network. Equally importantly what would happen if for some reason they lost connectivity? Some of our sites are remote in harsh working environments, digging up yards and running cables would prove too costly. To solve the problem we have deployed a private secure network similar to the technology deployed by vehicle telemetry systems. This network arrangement does not provide 100% guaranteed connectivity, just like a mobile phone, quality of connection can vary. To cover this each ICU can collect up to 100,000 transactions in 'offline' mode (i.e. whilst disconnected from the central System). When this occurs an alert is flagged up by 9 M5 digital dashboards (graphically presented real-time reporting mechanism). The ICUs are set up to re-connect automatically and will then 'upload' any stored transactions. New data files are automatically downloaded to the ICUs 3 times a day so that in 'offline' mode we are still carrying out validation on our fuel data.

There are of course other advantages to the new system which includes accurate wet stock management information and systems. We found a dramatic increase in the quality of our fuelling and meter reading data, this was because we were on a single system and did not have to try and map different data retrospectively. We found that our drivers were not too bad at entering meter readings and in some cases bad data was in our fleet management system. We were able to very quickly get the data accurate by giving warnings but still allowing fuelling, eventually our warning became less and less until we now force a valid meter to be entered.

With a single system with accurate fuel and fleet data we now have a greater confidence that we have very accurate MPG / KmPL figures and building accurate costing for our vehicles to enable us to make better decisions about our fleet.

A further core advantage was the ability of Wakefield Council Transport Services to 'future proof' our systems. The new integrated systems offers greater operational consistency along with a common reporting platform. The greater benefit to the authority is that we now have a platform on which to build improved flexibility, control and efficiency and take advantage of new technological advances as they emerge.

For example it Gives us the ability to issue other types wet-stocks, for example Hydraulic oil and to start to manage distribution and issue of alternative fuel types such as electric.

One of the contributing factors to the changeover going so well, was we all pulled together as a team. All of us seemed to be learning new technical & mechanical skills – on a daily basis! But the results are certainly worth the effort. The changeover to the new FMS has improved our views and ideas in managing the fuel requirements of our business. In the current environment that is a vital tool to effective and efficient service management.

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# Maintaining high standards in hard times

*Innovative road repair system within Telford and Wrekin Council delivers cost-savings without compromise*

**A**t a time when the public sector is having to operate in a financially demanding climate while still protecting frontline services and managing the expectations of road users, Telford and Wrekin Council is well-placed to maintain its high standard of road repairs with assistance from Nu-Phalt's cost-saving thermal repair system.

Telford and Wrekin is a unitary district with borough status in the West Midlands region of England. It is a popular tourist destination due to its heritage attractions and traditional market towns and as a result, the borough's 850km of carriageway is placed under considerable pressure each year.

In 2007 - faced with increasing road repair costs and needing a cost-saving solution - Telford and Wrekin Services, the DLO responsible to the borough, commissioned Nu-Phalt's patented BBA HAPAS and Gastec approved system.

An initial trial proved successful, offering seamless repairs without compromising on quality or longevity. Over four years later the Nu-Phalt process is still successfully servicing the borough, with savings of at least £5 per square metre over traditional methods.

To date, Nu-Phalt has completed over 19,000 repairs resulting in significant cost savings and an emissions reduction of 899 Tonnes of CO<sub>2</sub>.

## Meeting new challenges with innovation

After the ravages of the last two winters took its toll on a major bus and commuter route in the Leegromery area of Telford, the borough once again turned to Nu-Phalt.

The damage was extensive. In excess of 800m of centre line joints on the carriageway had disintegrated allowing water ingress, which in its early stages resulted in 'crazing' followed by the formation of surface potholes. Most of the faults were caused by centre joint failure, ranging from 300mm to 400mm in width.

The engineering team at Nu-Phalt began the design of a bespoke heater using the company's innovative and patented heater technology.

The manufacture of a 2m x 0.5m heater, from initial conversations and site visits to a completed prototype model took just eight weeks. The narrow width heater ensured disruption was kept to a minimum while delivering a repair well away from the wheel tracks. As with previous operations, the work was completed in record time, with minimal disruption and carbon emissions.

The decision was made to complement the new heater with a system fuelled by Liquefied Petroleum Gas (LPG), which has recently become Nu-Phalt's standard market offering; LPG reduces the running cost of the system and further assists Health & Safety.



Steve Smith, Managing Director of Nu-Phalt, commented:

"Nu-Phalt is proud of its longstanding commitment to repairing the roads of Telford and Wrekin and we continually strive to deliver the best possible service to the borough. The introduction of our recently built 2m x 0.5m heater, working alongside the original 1m x 1m specification model, offers Telford and Wrekin Council additional flexibility for specific road defects; completed repairs remain well in from the tyre tracks, thus reducing impact on a high stress area. To date, the new unit has completed in excess of 800 linear metres of repairs.

"Our patented thermal road repair system delivers a seamless joint, which negates future water ingress and lengthens the life-span of the repair. Heat cycles remain at a market leading eight minutes - around half that of previous offerings - offering great productivity, reduced cost and sustainability savings."

Kevin Dodd, Highways Manager at Telford and Wrekin Services, evaluated Nu-Phalt's service and expertise:

"Our long-term partnership with Nu-Phalt remains a huge success, delivering both long-lasting, quality road repairs and cost-savings to the local tax payer. We are determined to get the most out of every pound spent and the Nu-Phalt process has proved that it can be relied upon to consistently carry out seamless pothole repairs that stay fixed.

What's more, the system is good for the environment as it recycles existing road material onsite meaning only a small amount of fresh material is needed for each repair. There are no excess lorries travelling back and forth from the site or quarry - further reducing carbon emissions beyond the inherent efficiencies of the system itself"

### Telford & Wrekin Council - Carbon Savings

19,000 repairs (approx.) completed by one system in under five years, resulting in a carbon saving of 899 Tonnes of CO2

Saving expressed in terms of cars:

Mondeo 2.0 TDCi (140PS) 5dr generates = 156g of CO2 / km

(Source of CO2 Ford UK)

Saving expressed in miles = 3,582,826 miles

Reduction based on average 12,000 miles pa = 298 cars off the road

Savings expressed in number of carrier bags:

Annual individual use (average 380) of carrier bags = 9.12kg of CO2 (Source of CO2 PlasTax website)

Savings expressed in carrier bags = 37,478,000 bags

Annually individual usage of carrier bags = 98,626 people

\*figures compiled using Nu-Phalt's online Carbon Calculator

For more information, visit [www.nuphalt.com](http://www.nuphalt.com) or call Robert Muir on 07774 222922

Contact: Robert Muir on 07774 222922 or visit [www.nuphalt.com](http://www.nuphalt.com)



# The vision for an Entrepreneurial Council

*West Lindsey District Council Chief Executive, Manjeet Gill explains how an entrepreneurial approach to transforming local services is set to pay dividends*



**W**est Lindsey borders North Lincolnshire and North East Lincolnshire to the north, East Lindsey to the east, North Kesteven and the city of Lincoln to the south, and the county of Nottinghamshire is to our west. We have a diverse geographic area and one of the Council's wards rates in the top 5% of the most deprived areas in the country. Despite having an already lean budget we also received one of the worst district council settlements on government funding in Lincolnshire and amongst one of the worst in the country. Over the next two years we need to find a staggering £2.5 million and another £250,000 from pressures such as the impact of inflation. That's a big ask on a council of our size!

Our budget settlement is very challenging but we did not want to approach this by simply 'salami slicing' service budgets. We have worked collaboratively between our elected members, council officers and our trade union representatives. We needed a different approach to deal with new challenges. The 'Entrepreneurial Council' is a phrase that is capturing hearts and minds of members, staff, and more recently, the media. As always, the media prefer more catchy phrases to describe our approach and have nicknamed us the Dragon's Den Council. Both terms capture the culture we are trying to create and the business model for our new *modus operandi*.

The Dragon's Den Council is about how we move from being an administrator of grant aid services or regeneration programmes to an approach that is about investment in the place. This requires a different set of leadership skills and an ability to gain maximum leverage from a variety of funding

streams and resources. It means being creative about resources other than simply cash.

The term 'Entrepreneurial Council' came from a feeling that we wanted to see the current financial challenges and the freedoms it brought from a large top-down state as an opportunity. An opportunity to innovate and be ambitious in working with the equally ambitious and excellent local partners, businesses and communities.

The Entrepreneurial Council with a social enterprise mindset helped us to focus on commercial skills and balance this with our social conscience. We will measure the success of our approach with the results we deliver. But it is not just the media who have been interested in seeing how we have enhanced services such as doubling our CCTV coverage whilst at the same time avoiding cuts in services, redundancies or using our reserves.

Our work was also recognised at the UK finals of the Social Enterprise Awards at the O2 in London attended by Leader of the Opposition Ed Milliband. West Lindsey was the only local authority to pick up a prize when we were named as the Social Enterprise Partner of the Year for our work with social enterprise Hill Holt Wood.

This partnership helped 130 young people – some at risk and some excluded from school – into work with the Future Jobs Fund as forestry assistants, gardeners, joiners, sawmill operatives and furniture makers. Lots of organisations do similar things to what we have done, but I believe we won this award because we involved so many other people in our vision, plans and future challenges. It is very encouraging that many people have told us that they hope more local authorities will embrace the way we are working.

The change in our approach is quite distinct. Just over a year ago this Council was being investigated by the Audit Commission for our corporate governance. As a new Chief Executive I have experienced a development in the relationships of councillors and officers from one where there was little trust to the point when a councillor was quoted recently as saying that the real partnership in the authority now was the one between politicians and officers. This reflects a strong relationship of mutual trust and respect.

So how did we do it? Our ambitious vision for the Council was crucial, as well as our vision for the district. We are keen to deliver our social objectives, be green, support vulnerable communities and do it in a way where we generate income and depend less on grants.



Two strategies are key to how we achieve this further in the next two years. The first is our income and trading strategy which has resulted in analysis of income from our capabilities, physical assets and investment in our local businesses. We have created a £3 million fund to invest in local small and medium size businesses and social enterprises where we feel the engine of jobs growth and innovation to improve our district lies. We are not the only ones who believe this. In February the Financial Times ran a series of articles on business growth and referred to SMEs as 'the gazelles of growth'. Where growth has occurred in the past it has been with the agility for innovation.

District councils are in a similar position. A year ago it was felt that unless we had large councils (bigger and economies of scale model), districts would not have the capacity to survive the level of cuts in grants. What was underestimated for councils such as ours is that size has given us the agility to adapt and change our culture so that more innovation can happen. This means developing new skills and capabilities such as business development, marketing, financial information that gives clear profit and loss statements and financial ratios.

The second strategy is our localism approach whereby we are focussing on area and neighbourhood management to ensure master plans and actions are relevant to need and enable more citizen action. Both strategies are resourced with a £4.5 million capital and investment fund and we have realigned 10% of our staffing resources to more community action and development in neighbourhoods and parishes.

Because of our innovative approach we were pleased to announce there will be no redundancies this year. We would not be in this position today if it was not for the fantastic support of staff, councillors and trade unions. Collectively they have embraced the councils' entrepreneurial vision opting to reshape services rather than scrap them. Savings of £138,000 have been made by not replacing staff and integrating their roles with existing staff. This requires not only better vacancy management but recognising staff potential and existing skills. Staff are being urged not to become complacent but embrace further changes to prevent redundancies in the future. Our financial situation is not going to get easier but tougher in the next few years so we will need to embrace new ways of working, flexible working, that will help us avoid redundancies and save money. We will need to embrace income generation by carrying out work for other councils and charging for pre-planning application advice, new green bins and renting out office space. We will deliver **£510,000 through making services fit for purpose** and negotiating contracts. We intend to redesign some services to ensure they are better delivered and by service rationalisation. These are all things we believe we can do and we have fully costed what we expect to save but it will be our entrepreneurial approach that will deliver the outcomes.

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# Keeping back the flood waters

***Phil Brennan, APSE Principal Advisor and author of APSE's new e-publication on flood and water management responsibilities explains the new responsibilities for councils to deal with flooding and water management***



The impacts of flooding on individuals and families can be life changing and the emotional and financial pain inflicted should never be underestimated although it is impossible for anyone who has not been through such an event to appreciate the implications. However local authorities also have a role to play and different councils have invested resources in preventative works whilst others are more likely to be dealing with the aftermath. The Flood and Water Management Act 2010 is a piece of legislation aimed at helping relevant organisations deal more effectively with severe weather events.

The Act applies to England and Wales and gained Royal Assent on the 8th April 2010. The Act will implement several key recommendations of Sir Michael Pitt's Review of the Summer 2007 floods whilst the aim of the legislation is to reduce the likelihood and impacts of flooding, to clarify roles and responsibilities, to improve the efficiency and management of

the water industry and to reduce pollution and improve water quality.

Flooding remains a major risk and the Flood and Water Management Act will bring new roles and responsibilities to local authorities in England and Wales in an attempt to manage that risk. The approach and messages within it are also relevant for councils in Scotland and Northern Ireland.

APSE has produced an e-publication which outlined the context for the Flood and Water Management Act 2010 and those elements within it which are of particular relevance to local authorities. It looks at progress within different regions and at a number of case studies which provide readers with food for thought about how they may approach their own responsibilities. A range of functions are highlighted in the case studies which reflect the breadth of services relevant to and impacted by the risk of flooding. The context for managing flood risk is changing rapidly as financial pressure is transformed into budget cuts and there is also a regional aspect to this issue as different areas have different plans and arrangements in place.

Some of the main points from the Act address the following points

- Unitary and county councils will be the lead local authority with new statutory responsibilities for managing flood risk and a duty to bring together the relevant bodies.
- There is a power for local authorities to require information (of relevance to flooding issues) from any person

and to impose a civil sanction if information is not provided

- The Act enables the Environment Agency and local authorities to more easily carry out flood risk management works.
- Local authorities are given responsibility for surface water flooding.
- The Act requires the use of sustainable drainage systems (SUDS) in certain new development..
- The Act introduces new sewer standards.
- The Environment Agency, local authorities and IDBs will be able to ensure that private assets which help manage the risks of floods cannot be altered without consent.

The publication includes six detailed case studies of actions taken by councils addressing a range of issues and brief details of 2 of them are noted below. At Newcastle City Council, an opportunity was identified to introduce additional emergency systems following the adverse weather conditions and severe flooding in the area in September, 2008. As part of a review, the highways section introduced an emergency control centre equipped with a weather station, lap tops and computer equipped with Google Earth, megaphones, vehicle tracking system, notice boards, TV for weather news and a caged area within the depot equipped with sand bags, road closed signs traffic signs and flood signs. All emergency procedures will be managed from one location, it is manned by

managers from different sections enabling a coordinated response and it acts as the main source for information so improving communication.

Bolton Council has retained capacity in drainage engineering over recent years at a time when a number of other councils have seen this expertise and resource disappear as funds reduce or services alter.

The Council has invested a lot of resource into collecting and maintaining relevant asset data on items such as the location, type and condition of grilles, photos, asset information, dates of inspection and whether any future action is needed. They also keep a spatial database of all land drainage and flooding related issues, and has recorded detailed customer enquiries since 2000 (plus some additional historic flood records dating back over 50 years).

A risk-based decision matrix has been developed which provides an inspection schedule that ensures that assets are regularly checked at a suitable frequency reflecting the risk posed. For many years the team have collated and mapped the location of all known drainage assets within a spatial database which has continually evolved to include a great deal of asset data. This database will continue to be developed as further drainage assets are discovered. Extensive condition surveys of culverted watercourses have been undertaken, in particular those where the local authority is the owner or has liability such as the highway authority. The condition surveys have been utilised as the basis for making bids for capital

funding to replace or renovate culverts under highways, which has resulted in Bolton Council investing £750,000 in the rehabilitation of culverts under highway in the last 5 years.

Hull City Council have been a pilot for Surface Water Management Plans whilst Edinburgh City Council have applied lean thinking to dealing with blocked road drains and consequent flooding during heavy rain.

Newark and Sherwood District Council have put a lot of work into engaging with the public on flooding issues and partnership working with other organisations. North Tyneside Council have ensured that staff are kept up to date with issues including SUDS and are continuing to develop its flood risk management systems. Further details and contact details for all of these case studies are given in the e-publication.

Many councils have already developed appropriate procedures to handle flooding events and reduce the likelihood of them happening. They will be best placed to accept new responsibilities coming out of the Act and there are many examples for others to follow.

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# Turning up the heat on renewables

*Adam Davidson and Claire McFadden of Walker Morris solicitors explain the recently announced (and long awaited) Renewable Heat Incentive, setting out what the scheme covers and how you can benefit from it*

The Government has finally announced the long-awaited Renewable Heat Incentive (RHI). The RHI was initially proposed by the previous Labour administration and was due to come into effect in 2010. However, the Coalition Government delayed the implementation of the RHI pending the completion of the spending review and a further consideration of the consultation responses.

## What is the RHI?

The RHI will provide regular payments, for a period of 20 years, to organisations and individuals that install an eligible renewable heating system or inject biomethane into the gas grid. The RHI will be the first such renewable heat incentive scheme in the world and RHI payments are intended to cover the capital and running costs of renewable heat installations.

## Implementation

The Government intends to introduce the RHI in two phases.

Phase One will commence in July 2011 and apply to non-domestic renewable heat systems installed since 15 July 2009; it will include business, industry, public sector, not-for-profit organisations and district or common heating schemes where one boiler serves a number of homes.

Phase Two will commence in October 2012 and apply to domestic renewable heating systems installed since 15 July 2009. From July 2011 to October 2012, eligible domestic renewable heating systems will receive a Renewable Heat Premium Payment (RHPP) instead. In Phase Two, the Government will also introduce support for some other technologies and fuel uses.

## Eligibility criteria

The Phase One eligibility criteria for non-domestic renewable installations are that they:

- use an eligible renewable heat technology
- are not domestic installations
- are certified under the Microgeneration Certification Scheme (MCS) if they are up to 45 kilowatts thermal (kWth)
- were completed and commissioned on or after 15 July 2009
- were new at the time of installation
- generate heat that falls within the prescribed broad principles of use
- comply with specified metering requirements.

## Eligible technologies

The renewable heat technologies that will be eligible for the RHI in Phase One are:

- biomass boilers (including combined heat and power (CHP) biomass boilers)
- solar thermal installations
- ground source heat pumps
- water source heat pumps
- on-site biogas combustion (including anaerobic digestion, gasification, pyrolysis and including CHP processes)
- deep geothermal (including CHP processes)
- energy from solid biomass contained in municipal solid waste (MSW).

Support for additional technologies at later phases in the RHI are being considered by the Department of Energy and Climate Change (DECC); however the RHI will only support heat from renewable sources that can count towards the renewables target under the Renewable Energy Directive.



### Excluded technologies

The DECC has indicated that the following technologies will not be eligible for the RHI:

- co-firing of biomass with fossil fuel
- exhaust air heat pumps
- transpired solar thermal panels
- fossil fuel fired CHP
- waste heat from fossil fuel.

Heat used for electricity generation and process internal heat that is part of the efficient operation of the plant are also excluded from the incentive.

### Assignment and transfer

The DECC has explained in its FAQ document that, unlike feed-in tariff payments, RHI payments cannot be assigned and transferred. As it stands, the Energy Act 2008 would need to be amended to allow for payments to be made differently, which would delay the launch of the scheme. The Government's intention is that RHI payments should go towards installation costs and ongoing maintenance and running costs, and it therefore expects that the person operating the equipment will need to receive the RHI payment. The DECC's FAQ document states that it expects that contractual agreements between the parties should be able to deal with this issue.

### Change in ownership

In instances where the installation is sold, the new owner may receive RHI payments for the remaining period (out of the original 20 years), provided that it can satisfy Ofgem (as administrators of the scheme) that:

- ownership has been validly transferred
- all eligibility criteria (specified above) are still being met
- the new owner will comply with the ongoing obligations.

### Interaction with the Renewables Obligation

The Renewables Obligation (RO) forms part of the Government's support for large-scale renewable energy. Under the RO, Ofgem issues Renewable Obligation Certificates (ROCs) to accredited generators of renewable energy. Generators can sell their ROCs to electricity suppliers, who must submit evidence (which can be in the form of ROCs) to Ofgem, showing that they have supplied customers in England and Wales with specified amounts of electricity generated from eligible renewable sources.

A renewable heat installation that already claims support under the RO may also be eligible for RHI payments provided it is a CHP plant accredited for the RO from 15 July 2009 and it currently only claims the basic RO. CHP plants that have been accredited for the RO after 15 July 2009, but that claim the 0.5 ROC uplift for CHP, as well as the basic RO, will not be eligible for the RHI.

However, the Government will review this exclusion during Phase Two and it will consider giving CHP plants accredited for the RO after 15 July 2009 a choice between claiming the basic RO plus the uplift or the basic RO plus the RHI.

Generators would only be able to make this choice once, and would need to decide before 1 April 2013.

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# Big Belly

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# A Case in Point

***APSE principal consultant Andy Mudd provides a real case study example of how a full service transformation review can help to meet the funding challenge.***



**T**he challenge of continuing to deliver vital services with less money is by now familiar to every local government manager in the UK. The last few months have seen swathes of people leaving council employment as the government cuts start to bite. There is a degree of genuine protection of front line services in Scotland and Wales but English authorities are looking at unprecedented in year reductions in resources and the medium term outlook is grim wherever you are in the UK.

The big question is how do we maintain vital services in the face of these reductions in resources. Some providers of consultancy support seem to think that the answer to the problem lies in better procurement and contract management with the private and voluntary sector taking on responsibility for actually delivering services. APSE does not think that we can rely on this approach given the absence of any evidence that it has worked to bring down costs in the past as well as the rather obvious point that, all other things being equal, a service delivered for profit is always going to be more expensive than one that isn't. Of course all other things are not always equal and there will always be things that can be done better or more cost effectively through an external provider but not as a panacea and certainly not as a default option.

The Consultancy does not see the so called 'salami slicing' approach as the answer either. Simply shaving arbitrary amounts from budgets on a cost centre basis risks running out of salami but also threatens to fall foul of the law of unintended consequences as cuts in one area are experienced as cost in others. This is particularly true of key support services such as facilities management and fleet maintenance where a reduction in service can have a deleterious impact on the use value and life time cost of

expensive assets. As an example it is perfectly possible to cut the cost of vehicle maintenance by reducing the number of mechanics but if this results in an increase in the time that vehicles spend in the workshop waiting to be serviced it could translate into a need for more vehicles, the cost of which could far exceed the saving.

The only approach that can genuinely and sustainably take cost out is one that is able to identify and then remove cost that does not contribute to the value outcomes of the service in question. The case study below illustrates how we are able to utilise APSE's unrivalled knowledge of front line service delivery, along with the vast amount of reliable benchmarking data held by Performance Networks, to swiftly identify potential for business process improvement and change to work systems. This is the first stage in implementing a process of transformation that is focussed on value not cost, which has optimisation of resource usage at its heart and which offers a real chance of separating baby from bathwater.

## **The approach in Large English Metropolitan Council**

The consultancy was commissioned to examine and report back on the potential for cost reduction across a range of service areas including all elements of hard and soft facilities management, transport, printing and catering.

### **First stage: data collection**

Ideally this means Performance Networks data. We might be biased but PN data is robust, genuinely comparable and can be used as a reliable indicator of the things we should be focussing on. Of course indicators are just that – indicators. Conclusions must always be verified and checked with those who actually provide the service. One of the key principles behind the methodology is that the people who do the work are most likely to know how to do it better but it is also the case that change is far more likely to stick if it comes from the bottom up and is evidenced by uncontested data.

### **Second stage: diagnostic workshop**

The workshop is the most important element of the information gathering process – it also a key mechanism for gaining the understanding and buy in of the service delivery teams. In this example we ran 9 separate events all designed to develop an understanding of the real demand for each service as well as the principal processes and work systems. The workshop days were intense and challenging but both participants and consultants gained a great deal from them in terms of developing their understanding of the part that each service plays in the delivery of the Council's policy and service objectives.

### Third stage: diagnostic report production

Following further data collection and validation as appropriate the team produced short reports for each service area. These reports home in on changes to business processes and work systems that can deliver short, medium and longer term savings. The short term savings projections come with a high level of confidence and are inevitably somewhat less ambitious than the longer term projections that are more likely to pose a challenge to the prevailing culture.

### Fourth stage: implementation of short term recommendations

Most of the service teams began to implement the initial recommendations before the ink was dry on the report. Typically these changes will lead to 10% or so reduction in cost. Clearly this is not enough but improvement must become a habit if there is to be any hope of achieving the sort of savings demanded by the cuts. In year savings are required to meet front loaded requirements but also to create some necessary momentum to tackle the bigger challenges ahead.

### Fifth stage: validation and due diligence

Before embarking on full blown service redesign, which the diagnostic work suggests could result in savings of up to about 30%, it will be essential to carry out further more detailed analysis of processes and systems. This is in order to be sure that there is a full understanding of the nature of demand for the service and that where savings potential is indicated through benchmarking that there is a genuine basis for comparison.

It is crucial to understand that change takes time and is far more likely to stick where it is generated by the people who need to make it work. For this reason we see the role of consultants and/or management as one of creating an environment in which people are able to propose and make

changes to the way that they carry out their work. This 'business case' driven approach is designed to foster both innovation and accountability to drive forward process improvement.

### Sixth stage: service redesign and implementation

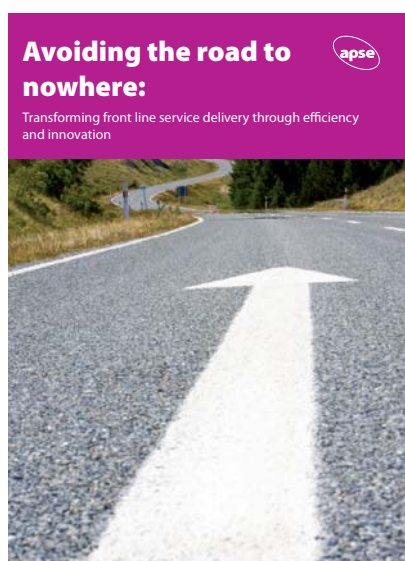
The consultancy will be available to assist with this if the Council makes the crucial choice to back its own service delivery teams rather than relying on the outsourcing gamble. In another authority where we are already at this stage we have estimated that the initial process of redesign will take 3 months and implementation will take place over a period of several years with the savings yield peaking in the 2nd year.

### Seventh stage: ongoing monitoring and continual improvement

Service redesign is in many ways the easy part of the transformation process. Making the change sustainable and embedding it into the culture of the organisation presents the biggest challenge. This is why we emphasise the need to identify appropriate measures of progress so that any tendency to slip back into old ways of doing things can be tackled early. It is critical that what is measured reflects value, rather than just cost and that unintended consequences of changes in one part of the overall service delivery system are identified and understood. Performance Networks is an ideal tool for this as it incorporates a range of service areas but utilises a common methodology.

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## Avoiding the road to nowhere: Transforming front-line service delivery through efficiency and innovation

A guide to using efficiency and innovation to transform services, on which communities rely, has been launched by the Association for Public Service Excellence (APSE) to support councils as they face severe budget cuts.

**'Avoiding the Road to Nowhere: Transforming front-line service delivery through efficiency and innovation'** brings together a series of briefings on how to deliver efficiency savings in front-line services, complete with case studies from across the UK.

APSE recently completed a series of road shows with our member authorities looking at best practice and innovation as councils come to terms with reduced funding and the need to continue to deliver excellent frontline services. APSE main contacts have already been sent a complimentary copy of this publication but you can also view this online. To read on-line or to download a free PDF copy please go to [www.apse.org.uk](http://www.apse.org.uk) and the go to 'research and campaigns' where you will find the download link. A limited number of print copies are also available to members. Please contact Wai Lee on [wlee@apse.org.uk](mailto:wlee@apse.org.uk). Non members will be charged £40 per copy.



# Wrexham County Borough Council goes green with Solar PV

*Jonathan Edwards of Wrexham Council explains why they undertook an ambitious and pioneering project to install photovoltaic panels onto 3000 properties*



**R**educing Carbon emissions and energy use is one of 3 Council priorities at Wrexham County Borough Council. A key component of this priority is to undertake a large scale, ambitious and pioneering project to install Photovoltaic (PV) panels onto more than 3000 Council owned domestic and non domestic properties.

The project offers a unique opportunity to significantly reduce the Carbon Foot print of the Wrexham County Borough, reduce energy bills for Council Tenants, and also provide the Council with a significant income stream for the next 25 years by taking advantage of the Government backed Feed in Tariff scheme (FIT).

## **Project Scope**

The scope, opportunities and benefits associated with the project are broad and far reaching. Phase 1 of the project will see 3000, out of a total stock of 11,500 Council owned domestic properties, being fitted with solar PV technology. 5 schools across the Borough will also have PV installed. Subsequent phases of the project will extend the number and type of non

domestic buildings that are installed with PV, as well as considering installations on at least 2000 more domestic properties.

## **Wrexham's approach**

In developing the business case and financial model to support the project, a co-ordinated, practical and pragmatic approach has been taken. The first key step has been to identify the number of properties that are suitable (southerly orientated) to have PV fitted. A simple exercise on Google maps covers much of this preliminary work. Subsequent 'on foot' surveys around the streets of Wrexham helped to confirm and qualify the initial desk based work, and to identify the size of PV system that can be installed.

A sample surveying programme is then required to assess whether properties are structurally suitable to have PV installed. This is coupled with an asbestos check, again on a sample basis. To test a number of the other anticipated issues/pitfalls, a number of pilot installations have been completed. These issues vary from liaising with difficult tenants, to on site health & safety issues, to uncovering bats in the roof space!

Underpinning Wrexham's approach is a proactive communications strategy and action plan. To effectively deliver the project requires early engagement with all stakeholders affected by the project. The key to this strategy is not only engaging with those tenants having PV, but perhaps more importantly those tenants who will not be having it!

## **The benefits..... Who, what and how?**

A PV project on this scale presents a multitude of benefits on different levels and to a variety of stakeholders. The key stakeholders benefitting from the project will include:

- The Environment – The project will help to reduce 3000 tonnes of CO2 each year.
- Council Tenants – The installation of solar PV panels will help to reduce electricity bills for Council tenants. Savings are expected to average between £100 - £300 per property, per year.
- The Council – Generating renewable energy will enable the

Council to claim the Government backed Feed in Tariff payments. This guaranteed and sustained income is expected to generate an average of £1m a year for the next 25 years.

- The local economy – It is hoped that the project will generate local jobs via both the supply and installation of PV equipment for this project. Local MCS approved contractors will be in a strong position to install/maintain a large proportion of the equipment on behalf of the Council.

#### **Benefits don't come without risks.....**

The appeal and value of the benefits and opportunities associated with the project are of course surrounded with risks and pitfalls. The added complexity with this project is the short timescales available to complete the installations. Uncertainty surrounding the future payment of the Feed in Tariff, and the impact that this has had on the still maturing PV market, makes it difficult to effectively plan and co-ordinate with real confidence. At this stage it remains unknown what the feed in tariff levels will be come April 2012, but with the Government already intending to reduce the tariff for large scale/land based solar schemes, there is a concern that smaller sized installations will ultimately see a reduction in the tariff.

In addition to having a restricted time frame, an equally important issue concerns the equity of distribution of the PV equipment. Overcoming and addressing the concerns of the 8500 tenants who will initially not have PV, is a difficult but essential task.

Much thought and preparation is being given as to how best to deal with this issue. Exact arrangements have yet to be agreed, but there is general agreement that reinvestment of the money claimed via the Feed in tariff is the most equitable and sensible solution to ensure that ALL tenants benefit from the delivery of the project.

Aside from timescales other risks include:

- Grid connection issues (Distribution Network Operator)
- Vandalism
- Tenant Cooperation
- Inaccurate/changing financial models
- Complex and lengthy procurement processes
- Insufficient capacity/expertise to deliver the project
- On site Health & Safety issues

It is clear that a PV installation project of this size offers benefits on a number of different levels, as well as ticking all of the right boxes in relation to renewable technology and 'the Green Deal'. Succeeding in delivering the project is difficult however and only well managed, well planned, well prepared and a resilient project team will ensure the benefits are realised.

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# Switch your thinking to achieve positive workforce changes

*Dave Rippon, Head of Organisational Development at Sunderland City Council explains how their internal jobs market has helped avoid redundancies and deliver real workforce changes.*



Like any local authority the current financial climate attention has focussed on how we can create efficiencies whilst managing significant workforce changes. In the recent past external recruitment has often been regarded as the best method to fill the gaps in skills, knowledge and expertise that natural wastage creates, but every external appointment made during the coming months would be a step in the wrong direction, and would potentially limit the chance of realising efficiencies resulting from staff leaving the authority.

Like most councils in the past we have used external recruitment freezes but, as many of you will have experienced this can often have a significant impact on service provision. These issues led us to ask specific questions:

- How can staff mobility across the council be encouraged so that the vacancy eventually lies in an area where we can manage a reduction in staffing levels?
- How can we ensure that we don't always end up with the eventual vacancies being entry level posts?
- How can we maximise our ability to manage staffing

reductions necessary for public sector spending cuts based on a 5% staff turnover?

The solution we developed in Sunderland comes from a fundamental principle of organisational psychology, in particular Gert Hofstede's theory of personal change that describes the different elements that contribute to a person's success at work and their susceptibility or otherwise to change.

In simple terms, Hofstede asserted that personality factors and preferences plus cognitive ability are central to success in any role and very resistant to change. Other aspects such as experience and qualifications, while still important factors for success, are less resistant to change and can be acquired by a person with the right core strengths.

As a result of this, the Internal Jobs Market (IJM) was conceived as an innovative way of matching employees to vacancies without any artificial barriers, such as prerequisites for direct experience or 'nice to have' qualifications. By evaluating person specifications and job descriptions, a Strengths Framework was developed. This was then mapped against an online assessment to give a resulting framework of 12 personality attributes and two cognitive ability elements.

With guidance, managers are invited to select the six strengths that they feel are key for each IJM role and these strengths form the matching criteria. A software system has been procured, capable of storing, matching and ranking the strengths required for a vacant job against the strengths of over 5,000 employees who will undertake assessment.

Although some staff will opt not to apply for particular posts, the individuals who best match the core requirements of a role are then invited to express an interest, and from these a shortlist is developed for interview.



With the necessary assessment and software services in place, the IJM was launched on 25th February 2010. Online assessment went live on 17th March 2010 and by end April 2011 over 3,000 employees had applied to the IJM, 2,500 employees had completed assessments and 206 jobs had been processed. Comparing the IJM approach to the previous approach, we have realised efficiencies of over £2,000,000, in addition to savings in external advertising.

The biggest perceptual shift is employees knowing that they can apply for any vacancy. Joining the IJM means an individual is considered for all vacancies. If they are not asked to express an interest in any job, it simply means that there were others who were a better fit for that position.

As the process has developed, other opportunities have emerged. As we restructure parts of the organisation, displaced employees are taken into our SWITCH team ("staff working in transition and change"). While in this team, employees work on a variety of temporary projects and tasks, acting like an internal agency, covering maternity leave and long term sickness, helping deal with peaks in workloads and supporting one-off projects, including a range of efficiency projects. SWITCH people also get direct one-to-one careers support and are prioritised for matching to permanent roles as they arise.

We've been able to use our IJM assessment process to identify other opportunities which match people's personal strengths. We found that many employees demonstrated "entrepreneurial" qualities and the council's "be your own boss" scheme now has nearly 50 employees working towards starting their own business.

This not only supports our turnover, it also helps us to generate new businesses in the City and the region, which supports our economic masterplan. A shortage of foster carers in Sunderland led us to look amongst our workforce for people who might have the right strengths for this very special role and now a small number of employees are looking seriously at this as something they could consider doing. We continue to look for other opportunities for the workforce, the council and the City.

Clear leadership, communication, employee engagement and union involvement have been vital to ensuring that employees, managers and unions fully understand both the new processes and the reasons behind the IJM, and Sunderland City Council is committed to taking the whole workforce on this journey.

This is an exciting change to the recruitment process within the council and we are already starting to see great successes. By getting people moving around the organisation, and being open to moving into new areas or developing into different roles, we are confident that

we can achieve efficiencies whilst avoiding redundancies and playing to the individual strengths of our employees. Whilst avoiding redundancies and delivering efficiencies may seem something of an HR panacea it is possible to develop new ways of tackling workforce changes if there is a real commitment to think and act differently. I think Sunderland City Council is on its way to proving that our theory is now taking shape in practice:

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### **Case study: Carol discovers hidden talents in SWITCH**

When Carol Forsyth received the news that she was displaced from her role last year, at first it seemed like the end of the world. Having worked for 19 years in the Catering Division at Sunderland Tennis Centre, Carol was not sure what to expect from becoming a SWITCH Project Officer.

However Carol was determined to remain positive. Her first SWITCH role was in the Corporate Procurement section, processing and validating shopping carts and orders within the SAP system. Far from being daunted at the prospect of working in an office, especially in front of a computer, Carol has relished the prospect of learning new skills.

As well as on the job training, she has taken advantage of the opportunities available within SWITCH for self-learning, and has also received training support from the union herself becoming a Union Learning Representative.

Carol admits: "I am now more comfortable with computers and the move into SWITCH has been a breath of fresh air for me. When I found out I would be going into SWITCH I really wanted to see what else was out there and challenge myself. I feel 25 again, refreshed and excited to come to work."

Graham Kelly, Carol's supervisor within the Procurement Section, has acknowledged her contribution to the team. Graham was looking for a SWITCH Project Officer to cover the workload during a busy period, and with Carol's enthusiasm and willingness to learn quickly, there has been positive feedback on both sides.

Carol would urge anybody who might need to be in SWITCH to see it as an opportunity. She said: "Find out as much information as you can, talk to people, and don't be scared. You'll be surprised at the opportunities available and think upon it as a new challenge."

# Stewardship of place

**Neil McInroy, Chief Executive of the Centre for Local Economic Strategies explores why councils will still play a critical role whatever the future shape of local government**

**Y**ou know what, I am not sure I got into local politics to just manage contracts'. This statement, uttered to me a few weeks ago by an experienced local (Conservative) councillor, goes to the nub of fears around the future of local government.

Should local government and elected members just outsource all service contracts to the 'big society' and commercial deliverers of services and/or should it play a democratically accountable place stewardship and coordinating role? I would argue that too much of the former, fetters the latter. Some areas may be fast approaching this tipping point and we need a much deeper debate about the consequences.

The cuts have created a dynamic and head of steam which make outsourcing a strong option. Firstly, the big society and commercial delivery are perceived as more efficient. Secondly, it gets the costs isolated as part of a contract and reduces the liabilities. These factors have created a dynamic where direct service delivery responsibility is moving away from Local government.

I am not suggesting that the use of the private and social sectors in service delivery is a bad thing. Quite the reverse, some services have always been delivered by a blend of public, private and social sectors. A plurality of service delivery is a good thing. However, there is a key place stewardship role, which too much willy nilly and short term outsourcing will kill.

This place stewardship role is about the qualities and values of public service. It is the ability to ensure a sense of fairness, and equality of access to services. It is also about governance and connecting up different services in creative ways. And fundamentally, its about sovereignty and maintaining direct democratic accountability over a service.

As a resident, in inner city Manchester, I quite like the fact that I can speak to my local councillor about a range of local services, knowing that she and local cabinet colleagues are accountable for them. Even if I don't like how the service is run, I can even make a vote for an alternative candidate and party. I have a connection, I understand the connection, as does the councillor and all my fellow residents. In contrast, how would I influence a service, if all the local council does is manage a contract, I can't vote against the CEO or the board of a large commercial company?

Also, are we weakening the power of local government to act as key lynchpins and actors in times of stress? All places are at the vagaries of unpredictable events and ongoing

environmental, economic or social shocks. When these shocks occur, the strategic place steward role of local government is to mobilise quickly, harness resources, relationships and reshape services and activity accordingly.

Furthermore, what about opportunities? A major investment opportunity or securing a major sporting or cultural event, is achieved through strategic capacity across a range of partners, drawn together by local government.

Can these fundamental stewardship roles be achieved if all or the majority of our services are outsourced and part of legally binding contractual arrangements? It could well be that outsourcing on a grand scale, weakens the stewardship and strategic role of local government. In doing this we are making our places vulnerable to adverse change, and leaving our places weakened in attempts to realise fleeting moments of opportunity. This issues cut to the heart of the debate about plurality of service provision but plurality should not be seen to be an end itself.

For CLES, plural service delivery and the associated contracts and service relationships need to be forged on the basis of delivering high levels of social, economic inclusion and environmental justice. Many advocates of the big society, and some in local government have lost sight of this. Local government must work with the VCS in ways which are not solely based on service competition, price and efficiencies.

They need to be forged on the basis of creative partnerships, networks and relationships, which have effective and progressive outcomes for service employees and citizens at their core. Mistrust and acrimony are the enemies of this.

Many of these issues are absent from present debate, and the localism bill is silent on them. The future has to be about a strong local government which creates the conditions and ensures the health and wealth of local places, communities, businesses and residents. It can't do this alone, but it must retain the capacity to lead and steward place. Local communities and local economies will be all the better for a strong and committed local elected leadership which can act as the effective steward of place.

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# A shared vision for Scotland's Six Cities

***A new partnership approach highlights the importance of giving cities more power and flexibility to respond to challenges in Scotland's core cities***

Representatives from Scotland's Six Cities have joined forces to sign a pledge in support of a shared vision of success for Scotland. At a historic meeting in Stirling, civic leaders from Aberdeen, Edinburgh, Dundee, Glasgow, Inverness and Stirling met to launch Scotland's first Six Cities: Shared Vision pledge.

The Vision pledge focuses on their shared economic ambitions and priorities – and pinpoints six key areas for partnership with the Scottish Government to deliver long-term and sustainable growth.

The pledge states: "We the undersigned recognise the essential role Scotland's Six Cities play in creating and delivering a successful economic future. We will work individually and collectively in partnership with government, stakeholders, and citizens to drive forward our shared vision of a successful, inclusive and sustainable Scotland."

The Vision focuses on:

- † building infrastructure that delivers economic impact;
- † developing innovative finance and investment models;
- † developing cities as the creative centres of productivity, knowledge and innovation;
- † cities being at the heart of Scotland's sustainability;
- † recognising the cities' economic contribution to Scotland;
- † creating international trade and tourism strategies which recognise the cities as gateways to Scotland.

The shared vision of a successful, inclusive and sustainable Scotland aims to make the cities stronger on the international stage, provide more opportunities and maximise the potential of their educational institutions.

Councillor Kate Dean, convener of Enterprise, Planning and Infrastructure, represented Aberdeen City Council at the signing ceremony. She said: "Aberdeen is one of the major drivers of the Scottish and UK economies, with a world-class concentration of technological and academic excellence and a highly skilled workforce.

Scotland's six cities act as hubs for business, tourism, social and cultural life. Evidence is growing on the importance of cities to creating sustainable economic growth while governments and investors see cities as key drivers of both regional and national economies, offering solutions to the social and environmental challenges of the 21st century.

Despite accommodating just 27% of Scotland's population, Scotland's cities produce:

- † 47% of Gross Value Added – more than £44 billion
- † 43% of business turnover
- † 40% of jobs
- † 36% of research and development

In November 2010, SCDI's Cities Conference was attended by more than 100 delegates, including business leaders, senior civil servants, politicians, academics and local authority representatives to focus on the role of Scotland's cities individually and collectively as key drivers of the nation's future economy. Key issues for cities identified and debated at the conference included:

- † How do they compete effectively on a UK and international basis?
- † What will ensure they are vibrant and successful places to live, work and visit?
- † How do we maximise their combined strengths yet celebrate their diversity?
- † How can Scotland's cities become a powerhouse of new innovation, and a major support for Scotland's businesses?
- † How can Scotland's cities be sustainable and meet carbon reduction targets?
- † How do Scotland's cities maximise their connectivity with each other and with international markets?

Professor Duncan MacLennan, of St Andrews University, made the case at the conference for a clearer, more concise articulation of city policy for Scotland and greater strategic decision-making to deliver competitiveness and social justice.

The Centre for Cities report, *Cities Outlook 2011*, identified Scotland's major cities as being in better shape to avoid a double-dip recession than those elsewhere in the UK. The report highlighted the importance of giving cities more power and flexibility to respond to challenges and identify and support growth.

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Contact:



# Report back

## *A round up of APSE lobbying and events on behalf of our members*

April and May have proved busy months for APSE with a range of conferences, meetings and lobbying activity on behalf of APSE members.

## England

### Up the Villa

APSE hosted an innovation forum at Aston Villa Football Club on Friday 13 May to explore issues with the Localism and Decentralisation Bill and the impact of this on local authority trading and charging. Speakers included Julie Muscroft of Walker Morris Solicitors, Mark Davies of Lancaster City Council and Sharon Clay of Hull City Council. Delegates discussed amongst other issues the possibility of 'unintended consequences' of attempting to legislate for third sector involvement in public services when councils already have a history of collaborative working.

### Delegation not relegation at Birmingham City Football Club

The impact of solar PV and the prospect of income generation for local councils was the topic occupying the APSE delegates at Birmingham City Football club on Tuesday 17 May. The event was also the launch of APSE's most recent research publication on 'The Virtuous Green Circle' looking at how councils can generate income and green energy from installing solar PV panels to council buildings and other assets such as social housing. The event was opened by Paul O'Brien, report author Stephen Cirell with speakers Neil Saunders from Swindon Commercial Services and Tim German of Cornwall Council. The report demonstrates a business case as to how you can undertake renewables projects in local government on a self financing basis.

### Aboard the QEII

APSE Chief Executive Paul O'Brien addressed a conference at the QE11 centre in London on Outsourcing and Shared Services speaking about the failings of outsourcing over the past twenty years in England and why so many authorities are now in fact insourcing services.

### Space to think green

APSE participated in a meeting of Greenlink in London on Friday 13 May, the body bringing together organisations involved in the parks and open spaces sector, which is an area that has been particularly hard hit by budget cuts. Paul O'Brien attended on behalf of APSE and pressed the case on the risk of skills erosion and the perceived reduction in Government support for the importance of quality green space.

### Leaning on Lamp Post ....

At Formby Hall, Sefton delegates at a special APSE membership forum discussed St Helens Council's approach to innovation in street lighting design and efficiency. The Council has been part of a pan-European study exploring how better design and consultation with communities can help to develop not only 'greener' street lighting but produce tangible benefits for communities and real efficiencies. Paul Sanderson, Environmental Protection Director at St Helens Council addressed delegates.

## Wales

### Avoiding the road to nowhere

APSE held symposiums in North and South Wales on 15 and 18 March 2011. These were focused on APSE's research on 'Avoiding the road to nowhere' and transforming front line services through efficiency, entrepreneurship and innovation. They featured presentations from Reg Kilpatrick, Deputy Director of Local Government Policy, Welsh Assembly Government on the Efficiency and Innovation programme, APSE's Chief Executive on APSE's research on the ensuring council, as well as case studies from authorities. Following on from these symposiums, a round table event was held in Llandrindod Wells on delivering services in times of financial austerity on 7 April and a newsletter from this event will be circulated to all APSE Wales contacts. A major one day event will be held on 30 June 2011 on 'A route map of service transformation' which will feature the Review of Local Authority service delivery (the Simpson Review), the latest research on charging for services in Wales and on procurement, as well as case studies on different models of service delivery.

## Scotland

### Take the Highroad

APSE Scotland's annual Fleet, Waste and Grounds Services Seminar, will take place on the 23-26 May 2011 at Aviemore and APSE has also been Invited to the Scottish Government Roads Summit on the state of Scotland's roads

### Christie Commission

APSE Scotland has continued a series of meetings with Cllr Pat Watters, COSLA President on the Christie Commission on reform of public services in Scotland. Further briefing sessions have been arranged. APSE also put a full submission into the Christie Commission with further briefing planned on new Scottish Governments Policy Programme. Linked to reform APSE has also been invited to be a member of Audit Scotland study group into using cost information to deliver Best Value.



## Northern Ireland

### Performance Management Workshops

Four workshops were held in Derry, Banbridge, Ballymena and Omagh in March and April attracting over 50 people to discuss NI councils needs with regard to developing performance management and benchmarking. In view of statements in the DoE Policy Proposals Paper and ICE Case for Change Paper, the workshops were an opportunity to consider specific issues, the wider context of performance in local government and the use of APSE's Performance Network model across public service providers. APSE is setting up a 'Champions Group' to take this agenda forward. All who are interested in being involved should contact Phil Brennan at [pbrennan@apse.org.uk](mailto:pbrennan@apse.org.uk).

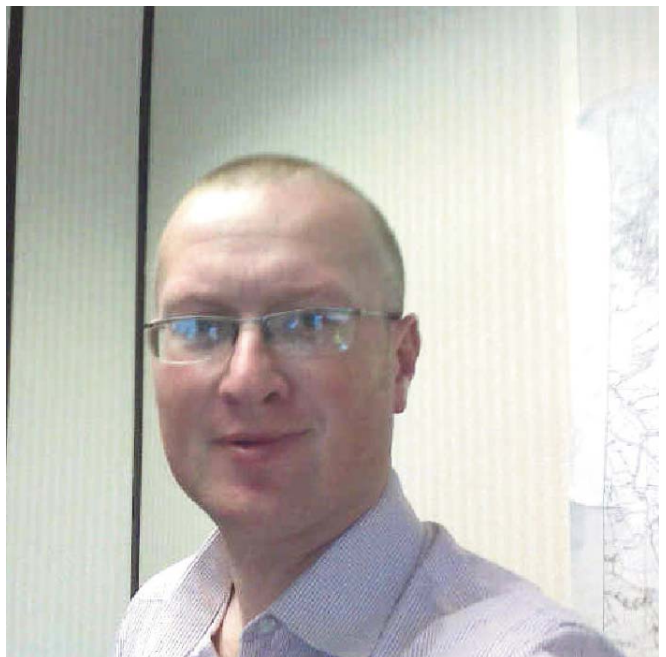


Image text from top:

Julie Muscroft of Walker Morris, Mark Davies of Lancaster City Council and Sharon Clay of Hull City Council



# Localism and Decentralisation Bill

## *The views of APSE members on the proposed 'Community Right to Challenge'*

**D**uring late February and March 2011 APSE surveyed members using an online system. Although the Decentralisation and Localism Bill, in the context of the 'Community Right to Challenge', applies only to English local authorities we extended the survey to ensure opinions and experience could be gathered from across the UK.

Whilst respondents were predominantly based within English authorities, representing 78.6% of all respondents, 12.9% of respondents were based within Scottish local authorities, 5.0% in Wales and 2.9% within Northern Ireland.

There was an even spread of respondents across different service areas within local government, averaging around a 15% response rate for service areas across refuse collection, leisure services, housing, building maintenance, community and civic venues and soft facilities management. The lowest sector specific response came from within social care at 3.6% and the highest sector group was parks and public realm at 20.7%.

During the survey APSE also facilitated a range of discussions at round table events organised through the APSE advisory group networks and at a regional events. These additional opportunities for discussion have provided APSE with an opportunity to gain a more detailed understanding of the core issues. These issues have been used to inform this paper in reporting the views of APSE members and informing the debate on the 'community right to challenge' and the use of the third sector in the delivery of public services.

The results of the survey and the roundtable events, were used to inform APSE's response to the Government consultation on the 'Community Right to Challenge'.

The key findings of the APSE 'Community Right to Challenge' and the Localism Bill roundtable events were:

- There is a strong perception amongst APSE members that whilst localism should be about greater local autonomy in decision making the policy agenda is being set centrally, therefore undermining localist principles. This is evidenced by the introduction of the Community Right to Challenge and Community Right to Buy. These mechanisms will be reliant on further statutory guidance by the Secretary of State rather than locally determined responses.
- The third sector is a valuable addition to public services, particularly in specialist or niche areas of work. However there are genuine concerns about the maturity of the third sector market. This is further hindered by lack of evidence of service delivery outcomes particularly in relation to staff mutuals or cooperative options. Concerns include financial capacity and long term sustainability.
- The third sector should not be treated more leniently than any other contractor simply by virtue of the third sector 'label'. Service

delivery and outcomes for service users need to be safeguarded as should public funds spent in providing services through the third sector. Contracts and proportionate procurement arrangements should be in place to safeguard the public sector purchaser and the third sector provider. Procurement practices should not create unnecessary barriers to the involvement of third sector providers.

- Core capacity to deliver services should be retained within the public sector. There is a need to minimise risk and put in place contractual safeguards in the event of contract failure. Fragmented service delivery may end up increasing costs to the public purse or having an impact on what services can be offered. Consideration should be given to the impact on service delivery planning processes.

- Mutual and cooperative delivery options would still need to provide commercially viable arrangements. They share some of the characteristics of charitable organisations including questions over financial viability and sustainability and future service delivery risk. Governance and democratic accountability may be undermined as with any form of outsourced contract arrangements. Future 'sell offs' are a concern and there is a need to ensure these models are not merely used as means to transfer staff and assets outside of the public sector.

- Engagement with the third sector, coops and mutuals in a framework of budget reductions will be a significant hindrance to development. 'Seed funding' would be potentially necessary to get schemes off the ground.

- In developing responses and considering 'Community Right to Challenge' proposals local elected members should have broad powers to determine local responses, driven by value for money considerations for local tax payers, as well as the ability of would-be providers to demonstrate service improvements.

- Collaborative arrangements with third sector providers have provided valuable outcomes allowing the level and types of services to be determined between the parties (public sector 'purchaser', service users or customers and the third sector provider). Collaboration is a more assured route to develop effective service delivery than unforgiving procurement arrangements.

- The 'Community Right to Challenge' should not herald a return to some form of Compulsory Competitive Tendering approach to public services and local public service delivery

**The full survey findings and detailed analysis can be downloaded free of charge at the APSE website go to [www.apse.org.uk](http://www.apse.org.uk) then visit membership resources / briefings and then simply click on the link to download briefing number 11/21.**

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Contact: [mbaines@apse.org.uk](mailto:mbaines@apse.org.uk)



# Ship shape and Bristol fashion



This year's APSE annual seminar 2011 will be held in the stunning City of Bristol on the estuary of the River Avon, the City boasts an excellent array of conferencing venues. APSE delegates are assured of a warm South West welcome. This year's conference will be directed at helping our members move forward following the austerity budgets and exploring new ways to save money, generate income, maximise productivity and of course continue to deliver excellent frontline local government services.

**Note the dates in your diary! Wednesday 7 and Thursday 8 September.**

**For commercial sponsorship opportunities please contact Louise McMillan on [LMcMillan@apse.org.uk](mailto:LMcMillan@apse.org.uk)**

## APSE briefing notes update

Briefing notes and research reports produced since the last issue of Direct News

11-27	Street Cleansing State of the Market Survey	May 2011
11-26	Refuse service State of the Market Survey	May 2011
11-25	FIT's March 2011	May 2011
11-24	Party Manifesto's	April 2011
11-23	Merchandising in Leisure	April 2011
11-22	Charging for School Meals	April 2011
11-21	APSE member views on the community right to challenge	April 2011
11-20	Highways, Street Lighting and Winter Maintenance State of the Market Survey	April 2011

For more information on the briefing notes and research reports, contact the APSE office on 0161 772 1810 or visit our website at [www.apse.org.uk](http://www.apse.org.uk)



# National Cemeteries and Crematoria Seminar 2011

**Bookings for this event are now being taken!**  
Contact Joe Sparrow at [jsparrow@apse.org.uk](mailto:jsparrow@apse.org.uk) for a booking form or visit the  
APSE website at [www.apse.org.uk](http://www.apse.org.uk) for a copy of the full programme and  
booking information.

APSE one day event on Cemeteries and Crematoria, Tuesday 28 June 2011 at Liverpool  
Cathedral, St James Mount, Liverpool, L1 7AZ

Tuesday 28 June

