

SCRUTINY COMMISSION – 1 MARCH 2012

REPORT OF CHIEF OFFICER: BUSINESS, CONTRACT and STREET SCENE SERVICES

RE: STREET SCENE SERVICES – VALUE FOR MONEY REPORT

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To provide Members with an Annual Report on the value for money of Street Scene Services.

2. RECOMMENDATION

- 2.1 That Scrutiny Agree that Value for Money has been demonstrated by the Street Scene Services.

3. BACKGROUND TO THE REPORT

- 3.1 The waste, street cleansing and grounds maintenance contracts were brought 'in house' on 29th September 2003, after 14 years of being outsourced. The services were market tested at that time and as a package provided the council with a significant saving to the overall cost of the previous contracts. On the proviso that an Annual Report is produced that demonstrates that value for money has been provided the Services will remain 'in-house' until at least 31 March 2018.
- 3.2 Since September 2003, a number of changes and improvements have been experienced by the services. The population of the Borough has grown:

Year	Additional Properties
2003/04	421
2004/05	583
2005/06	454
2006/07	438
2007/08	398
2008/09	474
2009/10	353
2010/11	227
Total	3,348

There are currently 46,713 households in the Borough. There are an additional 2,544 properties scheduled over the next five years.

4. INTRODUCTION

- 4.1 The in – house contracted services deliver three of the council's top priority services namely refuse collection, recycling and street cleansing. In summary the services provided are:
- Recycling – The collection of 'green' waste is undertaken by Street Scene Services. The "Dry Recycling" collection service that collects paper and cardboard, tins and cans, plastic, glass, drinks cartons, textiles and shoes is outsourced to Palm Recycling.
 - Refuse – The collection of residual (Black Bin) waste on an alternate week basis.

- Street Cleansing – The Service is operated in accordance with statutory legislation. The service cleanses the borough based on ‘footfall’ and public priorities.
- Grounds Maintenance – Provides maintenance to Council owned parks and open spaces including grass cutting, floral displays and hanging baskets, shrub maintenance, litter collection, weed control and tree works to parks, sports pitches, countryside sites, housing land, allotments, and burial grounds.

4.2 The Business Delivery Plan identifies a three-year vision for the service. The service vision is:

“Business led, customer focussed”

5. VALUE FOR MONEY (VFM) SERVICES

5.1 The Council’s Value for Money Strategy is to provide services that:

- (A) Perform well in comparison to other organisations
- (B) Are economic with spending in proportion to the communities priorities
- (C) Satisfy the needs of the community

This report demonstrates the service’s contribution to value for money services.

A) Perform well in comparison to other organisations

5.2 The performance of Street Scene Services has continued to improve. To assist with the demonstration of value for money, the service benchmarked the Street Cleansing and Waste Management Services using the Association of Public Service Excellence (APSE) Service. In the context of the Council’s VFM Strategy the service has performed as follows:

Performance

- 50.6% recycling rate for 2010/11 this is Top Quartile performance against the APSE Benchmarking Group (the Borough recycled 34.5% in 2004/05)
- 99.99% access to kerbside recycling services
- 99.9% of waste collections take place on the scheduled day of collection there are approximately 2.2 million wheeled bin collections per year
- Staff Attendance for Waste Collection and Street Cleansing represented Top Quartile performance against the APSE Benchmarking Group
- Litter within the borough for 2010/11 was down to 1% of sites not meeting the Grade B Cleanliness Standard
- Detritus within the borough for 2010/11 was down to 3% of sites not meeting the Grade B Cleanliness Standard. This has been achieved by increasing the use of Road Sweepers.
- Combined, the level of Litter and Detritus for 2010/11 represented Top Quartile performance against the APSE Benchmarking Group
- Graffiti within the borough for 2010/11 was down to 2%
- Fly posting within the borough for 2010/11 was down to 1%
- All reported Fly tipping for 2010/11 was collected within 5 working days
- When Borough maintained Parks and Open Spaces were assessed against a set of quality criteria was 77% (this improved by 4% on last years 73%)
- Hollycroft Park retained its Green Flag Award (for excellent parks) from the Keep Britain Tidy Group following external verification.

Service Delivery Achievements

- In response to public feedback a new dual stream dry recycling collection service was introduced in January 2011. The new service also increased the number of materials that could be recycled at the kerbside with the introduction of drinks cartons and household batteries.
- The introduction of Recycling Sites where small electrical items can be recycled.
- The replacement of paper recycling banks with a new re-processor which generate an income
- Set-up a dedicated service that has improved the response time for the delivery of waste containers and the collection of bulk items from households
- Continued an effective partnership working with the Probation Service to improve the local environment.
- The Council agreed to the In-house provision of the Housing Repairs Service. The Service commenced and the initial introduction of the new service has worked well. A separate report on the first 6 months of the service will be produced separately.
- Because of the high benchmarking performance of the Street Cleansing Service it was a finalist for the APSE “Best Street Cleansing Service Award”.
- Improvements to the standards of cleansing in Barwell and Earl Shilton resulting in a reduction in requests from residents for cleansing.
- Road sweeping frequency increased to every 7 weeks.

5.3 The achievements provided above have been attained without the benefit of external funding or increased budget. The Council’s Performance Management Framework requires services to report corporately on progress with service delivery on a quarterly basis against local and national performance indicators.

B) Are economic with spending in proportion to the communities priorities

5.4 Each of the services reported were tested in the open market and won on a commercially competitive basis. Out of the 47 services provided by the Council, refuse, recycling and street cleansing are ranked within the top 5 services by the public.

Service Cost

- Cost of household waste is £39.57 for 2010/11 (£42.21 in 2004/05) the best quartile cost for all Councils was £44.50 in 2007/08. This is particularly significant if you consider that RPI from December 2004 to March 2011 is 23%.
- Cost per household for Refuse and Recycling for 2010/11 in the lowest 10% of councils compared to the APSE Benchmarking Group
- Cost per household for street cleansing is £18.68 for 2010/11 in the lowest 10% of councils compared to the APSE Benchmarking Group
- Grounds Maintenance income was £64,000 higher than budgeted for 2010/11.
- The renegotiated Dry Recycling Service is provided at £25 per tonne less than the previous contract
- Recycling credits received as a result of a successful recycling service amounts to £927,0000
- By reducing the number of collection rounds required as part of the Waste Collection Review there has also been a reduction in vehicle hire costs of over £100,000 per annum
- Sorting and negotiating the reprocessing of recycling material to generate £75,000 of external income in 2010/11
- Increased external income from miscellaneous Street Cleansing works by £8,000
- In comparison to the APSE Benchmarking for 2010/11 for both waste collection and street cleansing Central Establishment Charges (CECs – Support service costs) were in the bottom quartile and amongst the most expensive.

Trading Account Performance (prior to refunding the Client)

	07/08	08/09	09/10	10/11
Waste Management+	(£56,525)	(£176,648)	(£285,381)	(£333,263)
Grounds Maintenance	(£3,345)	£52,174	£16,675	£1,003

(+) signify surplus + includes Street Cleansing and Markets

Service efficiencies

- Reviewed the route and number of each Collection Round to reduce fuel usage by 50,000 litres and subsequently CO2 emissions from January 2011 – November 2011 (as well as offset increasing fuel costs)
- Reviewed the frequency of Bring Site collections to reduce expenditure by approximately a Full Time Equivalent
- De-commissioned the baling operation following securing equivalent market prices for non-baled materials from local re-processors.
- Increased capacity for the Grounds Maintenance Service through rationalisation of works, investment in staff training and machinery means that the service has carried out the majority of the extra works required internally rather than using external contractors. This has included works for other council services.
- The new Commercial Waste and Recycling Service generated £17,000

C) Satisfy the needs of the community

5.5 As the majority of the services are public priorities they are by definition high profile. The annual satisfaction figures are provided below:

	SATISFIED WITH SERVICE annual trends				
	2010/11 a	2009/10 b	2008/09 c	2007/08 d	2006/07 e
Cleanliness standard in your area	71%	76%	75%	70%	69%
Household collection of waste	93%	87%	80%	73%	64%
Waste recycling facilities (local)	92%	80%	72%	70%	64%
Parks and open spaces in the Borough	90%	68%	64%	64%	71%

a Source: Citizens' panel, Winter 2010/11; b Source: Citizens' panel, Winter 2009/10; c Source: Citizens' panel, Winter 2008/09; d Source: Citizens' panel, Winter 2007/08; e Source: User satisfaction Survey 2006/07

6. CHALLENGES FOR THE FUTURE & SERVICE DEVELOPMENTS

6.1 Street Scene Services are committed to the continual improvement of their services. Although much has been achieved the service has a number of challenges to conquer in the future including:

1. Deliver high quality services within the challenging financial context of the Council's Medium Term Financial Strategy
2. Improve the public perception of the Street Cleansing Service and integrate this with environmental enforcement
3. Embed the Housing Repairs Service
4. Further develop profitable commercial operations

Improvements to Waste Collection Services

6.2 The Council agreed to an improvement in the recycling containers provided to our citizens. This change which is being introduced from February to April 2012 will allow everybody to have a blue lidded wheeled bin with an internal caddy to store their dry

recycling waste. This change increases the households recycling storage capacity, makes it easier for the public to recycle and as a result should increase the amount of materials that are recycled. The new container will also improve the presentation of the dry recycling when presented at the kerbside and reduce the amount of litter produced as a result of inclement weather. A further reduction in the price of £29 per tonne has been negotiated with the Contractor Palm as part of this service improvement, which equates to over £200,000 as included in the MTFS.

Improvements to Street Cleansing

- 6.3 Following the disappointing reduction in public satisfaction, a further review of the Street Cleansing Service has been carried out. The review included surveying 220 residents and holding focus groups across the Borough to identify reasons for the mismatch between public perception and performance. It has identified the following key messages:
- The service compares very favourably to other Councils (see Section 5);
 - There is a lack of understanding surrounding the responsibilities of the Borough Council and the County Council e.g. Gully Emptying and weed spraying which were high areas of dissatisfaction;
 - The cleansing service standards used to tackle litter, dog fouling, fly tipping etc. were assessed as 'good' by the public. However areas such as mechanical road sweeping were now seen as less of a priority;
 - A need to improve the consistency of the street cleansing service with regard to the cleansing of pathways, grass verges and to increase the number / frequency of emptying of bins; and
 - There was a clear desire for the Council to increase and raise the profile of environmental enforcement, and to increase the support for communities to take responsibility for the cleanliness of their neighbourhoods (litter picks, litter volunteers etc).
- 6.4 To address the findings of the review, and improve the service further the following will be implemented:
1. Improved communications to clarify roles and responsibilities of different agencies
 2. Improved education, increased community support, and effective promotion of successful environmental enforcement to change the behaviour of residents who litter etc.
 3. The amount of mechanical road sweeping will be reduced from a 7 week cycle to a 10 week cycle (but the level of service provided will still be far in excess of minimum statutory responsibility of 13 weeks) and resources will be adjusted to increase pathway sweeping.
 4. A shift from the current 'if its not dirty don't clean it' philosophy to clear service schedules that identify the cleansing frequency for different areas
 5. The combining of the Street Cleansing and Neighbourhood Warden Services to a Clean Neighbourhoods Service to ensure integration of both functions and enhanced supervision for the service.

These changes will commence from April 2012.

Housing Repairs Service

- 6.5 The In-house Housing Repairs Service was successfully introduced from 29 September 2012. The priority for the first 6 months is to ensure a satisfactory introduction for the service and to operate within the Business Plan agreed by Council in December 2010. From April, the service will begin to introduce further service improvements and improve service standards further. £150,000 of

expenditure has been allocated to introduce these improvements. The service has already begun to reduce the level of work in progress (incomplete work at the end of a month) with performance better than the average during the previous contract.

Commercial Operation

- 6.6 The introduction of a commercial waste and recycling service is beginning to become established. It is the plan to further develop this service so as to provide additional income for the Council. In addition, the Service plans to introduce a wheeled bin cleaning service as a new business venture.

Grounds Maintenance

- 6.7 The Grounds Maintenance Service will be externally benchmarked next year to assess its relative position against other Councils. The service also needs to start generating income from external services rather than just internal, and sustain a trading surplus position as well as increasing the number of recognised 'Green Flag' Sites.

7. FINANCIAL IMPLICATIONS (TO)

- 7.1 There are no further financial implications to those contained in the Report, which are self-explanatory.

8. LEGAL IMPLICATIONS (AB)

- 8.1 None raised directly by this report

9. CORPORATE PLAN IMPLICATIONS

- 9.1 The issues covered in this report relate to, and support the achievement of the Council's:

- Council's Strategic Aim: Cleaner & greener neighbourhoods;
- Corporate Plan Strategic Outcome: Clean Neighbourhoods for everyone

10. CONSULTATION

- 10.1 The services are provided and enhanced based on feedback from the Citizens Panel, Council tenants, service surveys, Parish Forums and Focus groups.

11. RISK IMPLICATIONS

- 11.1 It is the Council's policy to proactively identify and manage significant risks, which may prevent delivery of business objectives. It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this report have been identified, assessed and controls are in place to manage them effectively within the service's risk register.

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
The requirement for corporate savings requires a reduction or removal of key frontline services	1) Provide VFM Services 2) Exploit opportunities for external income	Michael Brymer

Management of significant Opportunities		
Opportunity Description	Mitigating actions	Owner
Increase in public satisfaction	See Section 5 & 6	Michael Brymer
Provision of additional services at less cost to the Council	See Section 6	Michael Brymer
Improved service outcomes	See Section 6	Michael Brymer

12. YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

12.1 Included throughout the report and specifically referenced in sections 5 and 6.

13. CORPORATE IMPLICATIONS

14.1 The report has the following corporate implications:

- Community Safety Implications – Tackling environmental crime
- Environmental Implications – Considerable contribution
- ICT Implication – None directly
- Asset Management Implications – Limited other than a potential new operational headquarters
- Human Resources Implications – Limited in the context of this report.

Background papers: Previous Value for Money Reports

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