

## THE EXECUTIVE

26 APRIL 2006

### REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES

This report is submitted under Agenda Item 5. The Chair will be asked to decide if it can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order not to delay the formal sign-off of Best Value reviews prior to a CPA Waste Management inspection audit.

<b>COMPLETION OF THE BEST VALUE REVIEWS FOR WASTE MANAGEMENT AND STREET SCENE SERVICES.</b>	<b>For Decision</b>
<p><b>Summary:</b></p> <p>The Street Scene Best Value review was completed and reported to the Executive on 19 February 2002. The Waste Management Best Value review was completed and reported to the Executive on 28 May 2002.</p> <p>This report outlines the challenges facing the Waste Management and Street Scene services at the start of the review, the action plans that were prepared to improve the services and the achievements of the services as a result of the review.</p> <p>This report seeks approval to formally class the Waste Management and Street Scene Best Value reviews and action plans as being complete and to highlight that continuous improvement will be provided by the Municipal Waste Management Strategy.</p> <p>Completed action plans summarising the work undertaken to improve the service are attached as Appendix A.</p> <p><b>Wards Affected:</b> All wards are affected by these services.</p>	
<p><b>Implications:</b></p> <p><b>Financial:</b> None.</p> <p><b>Legal:</b> None.</p> <p><b>Risk Management:</b> Formally closing the completed Waste Management and Street Scene Best Value reviews is an action intended to support our CPA inspection of Waste Management in May 2006.</p> <p><b>Social Inclusion and Diversity:</b> None.</p> <p><b>Crime and Disorder:</b> None.</p>	
<p><b>Recommendation(s)</b></p> <p>The Executive is asked to note the achievements of the service since the review started and agree that the Waste Management and Street Scene Best Value reviews and action plans are completed.</p>	

<b>Reason(s)</b>		
To report back in accordance with the Council's Best Value Review process on the completion of the Waste Management and Street Scene review action plans.		
To assist the Council in achieving its Community Priorities of "Making the Borough Cleaner, Greener and Safer", "Raising General Pride in the Borough" and "Developing Rights and Responsibilities".		
<b>Contact Officer:</b> David Woods	<b>Title:</b> Corporate Director of Customer Services	<b>Contact Details:</b> Tel: 020 8227 5700 E-mail: <a href="mailto:david.woods@lbbd.gov.uk">david.woods@lbbd.gov.uk</a>

## 1. Introduction and Background

- 1.1 As part of the Best Value review process, services have to report back on progress against their Executive approved action plans and advise of actions completed, delayed etc.
- 1.2 The original Street Scene service action plan was presented to the Executive on the 19 February 2002.
- 1.3 The original Waste Management service action plan was presented to the Executive on the 28 May 2002.

## 2 Community Priorities

- 2.1 Three of the Community Priorities impact on Waste Management and Street Scene most significantly:
  - "Making the Borough Cleaner, Greener and Safer";
  - "Raising General Pride in the Borough"; and
  - "Developing Rights and Responsibilities".

## 3 Issues For The Services Prior To The Commencement Of The Reviews

### 3.1 Street Scene

- 3.1.1 Prior to the Community Survey in 1999, Reactive Highways Maintenance, Street Cleansing and Street Lighting were separate services provided by the Council as part of its statutory obligations.
- 3.1.2 The Survey clearly indicated that the community had a high priority for a greener, cleaner, safer borough. This was the first major challenge to the way in which the services were provided and influenced the council to make them a priority for the first year Best Value reviews commencing in March 2000. It was sufficient also to influence management to 'reshape' these services.
- 3.1.3 Performance for service areas at the time was fair but with opportunities for improvement: cleansing performance indicators were inspected in-house and suggested good standards of cleanliness, and initial assessments of the condition

of our road networks suggested high performance levels using UKPMS methodology, with street lighting also showing good performance at the time.

3.1.4 Shortly after the commencement of the review, resources comprising “Street Scene” were integrated under one roof at Frizlands Depot under one management structure to provide a seamless service.

3.1.5 This review took place against a background of structural change in the services and the location and manner in which they are provided.

## 3.2 Waste Management

3.2.1 Prior to the review, the service had good customer satisfaction rates, but performance in key areas such as missed collections and recycling needed to be improved.

3.2.2 The future of Waste Disposal before the review was still being considered, with the preliminary work for what became the ELWA partnership with Shanks in progress.

3.2.3 The future direction of waste legislation was not clear before the review began, which had implications on option appraisal and decisions about future actions.

3.2.4 National recycling targets were set and the service needed to respond to plan for recycling and waste minimisation in the long term.

3.2.5 Operationally a number of areas were highlighted for consideration:

- The number of missed collections;
- Cleanliness of the street following collection;
- Delays in collecting bulky waste;
- Missed/late collections of trade waste;
- Low levels of waste minimisation and recycling;
- Relatively high cost of service provision;
- Increasing volumes of waste;
- Type of receptacle used.

## 4 **The Scope Of The Reviews**

### 4.1 Street Scene

4.1.1 The scope of the review was set as including the following services:-

- Highways maintenance;
- Street cleansing;
- Street lighting.

### 4.2 Waste Management

4.2.1 The scope of the review was set as including the following services:-

- Domestic, trade, garden, bulky and clinical waste collection;
- Recycling operations including waste minimisation;

- The Operation of the Civic Amenity Site.

## **5 The Key Outcomes Of Implementing The Review Action Plans**

- 5.1 Both reviews had action plans developed for them that set out to address all of the concerns raised during the BVR process and to take the services forward in the next 5 years.
- 5.2 Action plans have been regularly scrutinised at Corporate Monitoring Group for the duration of their implementation.
- 5.3 In the intervening period, all actions have either been implemented successfully, exceeded or have been superseded by newer, more ambitious and challenging initiatives, most notably in the Municipal Waste Management Strategy that joins together waste management and street scene services and sets out a vision and actions to take the service forward until 2020.
- 5.4 The outcomes are set out in Appendix A (Street Scene) and Appendix B (Waste Management), which show the original action plans and our performance against them.

## **6 The Key Areas In Which The BVRs Improved Services**

- 6.1 Actions that originated in the reviews have been responsible for improvements in a number of key areas:
- 6.2 Improved reliability of refuse collection: missed collections now average 40 per 100,000 collections – less than half the level in 2000/1.
- 6.3 Recycling has rapidly improved from just over 2% in 2002-3 to a projected 16.04% in 2005-6 (BV82a & b) – an improvement of 800%.
- 6.4 BVPI84 shows that reduction in household waste has over the past 3 years (2002-3 to 2004-5) outperformed the London average of 5.05% reduction. We have achieved a 12.36% reduction in household waste over that period.
- 6.5 BVPI199 which measures cleanliness was introduced in 2004-5. In 2005-6 we improved our result in this indicator from 47% to 36% and we have also achieved a stretch LPSA target for the cleanliness of the Borough which will earn the authority reward grant.
- 6.6 98.94% of abandoned cars removed within 5 working days compared to 48% in 2003, and achievement of an LPSA stretch target for abandoned vehicles.
- 6.7 High satisfaction rates compared to other London Boroughs - an ALG pan-London survey in 2005 showed:
  - we had friendly and polite staff (78% - the highest in London);
  - 8% above average thought we were doing a better job than a year ago;
  - 6% above average thought we provide value for money;
  - refuse collection and recycling both scored 10% higher than the London average with 76% and 63% satisfaction respectively, the 1<sup>st</sup> and 3<sup>rd</sup> most highly rated service provided;

- Street Cleansing scored 48%, some 5% higher than the London average and 9% above the outer London average.

- 6.8 Extended cleansing operations means the Borough is cleaner for longer: we have introduced a late shift and seven day working.
- 6.9 Community Engagement – through improved communication with our stakeholders we have been able to get the community involved in our services. A participation rate of 53% in our orange bag scheme is the highest of the ELWA boroughs for example.
- 6.10 Through close liaison with Customer First, we have jointly been able to build a customer contact service to be proud of, which deals with 90% of all calls on a “Done In One” basis and answering 100% of calls within 20 seconds.
- 6.11 We have used benchmarking and value for money exercises to raise our self-awareness of the services and to identify the future direction that the service needs to take, captured in the Municipal Waste Management Strategy. An example of how we are planning to improve value for money is through co-collection of domestic refuse and recyclables, which will save over £400,000 per year in waste collection which can be reinvested in high priority cleaner, greener initiatives.
- 6.12 Development and staff management: we have invested in staff and in managing our services well. The service achieved IIP in 2004, and the Council corporately achieved it in 2005. Our Basic Skills Centre has been nominated for awards in Learning and has helped develop the workforce to provide stronger customer care, equalities and diversity awareness as well as operational skills.
- 6.13 The services achieved ISO 9000 and ISO 14001 for quality and environmental management.

## **7 The Position on Market Testing**

- 7.1 Providing efficient, effective, customer focused services that demonstrate value for money is our main objective for our waste management and street scene services.
- 7.2 In the Street Scene final report (although not part of the action plan) reference was made to investigating future feasibility of market testing:

“Market testing of all or part of the service should be delayed until the reviews of other related services in year 2, namely waste management and Streetsafe, are completed.”

- 7.3 By benchmarking with other similar boroughs, we know that our costs compare favourably and our performance has shown improvement, some rapid in the areas of waste reduction and recycling, but we have not achieved the performance levels set by some boroughs.
- 7.4 The comparison has shown us that we tend to not make the same investment in street cleaning and enforcement as high performing boroughs. Through the medium term financial strategy we have been able to address this by investing £380,000 in March and £518,000 in June last year.

- 7.5 Clearly, this additional investment has not had time to fully realize the expected benefits but our early indications are that this new approach has been noticed by our community as we now receive higher than average scores for customer satisfaction.
- 7.6 Market testing has been a key consideration in our value for money assessments. Nevertheless to date it has not been considered appropriate to undertake this process because we have:
- 7.6.1 Allowed BVR action plans time to realize the intended benefits;
- 7.6.2 Made genuine improvements in levels of the services' performance, which in any event is comparatively low cost.
- 7.6.3 Undertaken a comprehensive restructure of Council to deliver excellent services across the Board.
- 7.6.4 The ELWA PFI contract provides most of the infrastructure needed to meet the aims of the Waste Management Strategy. Until the contract was concluded and the plant delivered it would have been impossible to enter into a contract for Waste/Recycling collection with an acceptable degree of certainty and risk transfer.
- 7.6.5 Market testing is clearly an option for the Council to consider in the future and is referred to as such in the Waste Management Strategy. However it is unlikely to be a real option over the next 3 years or so because
- Contracts need to run for 5 – 10 years to be profitable and we could not consider a contract of this length until decisions are made and the implications assessed of future patterns of collection and recycling.
  - The Waste Management Strategy planned step change in performance over the next two years in all areas. These changes will include the introduction of single status and reform of street cleaning and the full integration of the workforce across all aspects of waste management. These improvements are unlikely to be delivered against the background of market testing which in itself take a minimum of two years to complete from specification to contract.
  - There are significant risks associated with the possible transfer responsibility for waste collection and recycling to the Greater London Authority. Specifying a service and entering into a long-term contract might prove counter-productive and close down other options for service delivery in the future.
  - Most importantly we are aiming to build an 'end to end' service covering all 16 aspects of a Waste Management Service as defined by the Institute of Waste management. Any market test must reflect that requirements in full and actively contribute to it. It is doubtful whether the current private waste sector could meet this challenge at present.
    1. Waste collection services (household, industrial, commercial)
    2. Recycling collection services (kerbside and bring)
    3. Waste minimization

4. Civic amenity sites (Household Waste Recycling Centres)
5. Street scene
6. Cleanliness of other areas affecting the street scene
7. Street sweeping
8. Gum removal
9. Fly-tipping
10. Street washing
11. Abandoned cars
12. Graffiti
13. Fly-posting
14. Public conveniences
15. Street trading
16. Enforcement and street wardens

7.6.6 Market testing should be fully and properly researched as part of delivery of the Waste Management Strategy. Preliminary advice on this has been obtained from J R Knowles on the issues to be addressed on researching this area. Further reports will be presented as part of the implementation of the Waste Strategy.

## **8 How The Services Will Continuously Improve**

- 8.1 The principles of integration flagged up in the original BVRs have been continued further in the new restructure which has brought together enforcement, environment and customer services functions to further provide a seamless, integrated solution to waste and street scene services.
- 8.2 Members have a clear vision for all council services to reach excellent and back the re-organisation of the Council to deliver this action. They have also supported Waste Management Services with investment in Street Cleaning, Recycling and Enforcement in July 2005 totalling some £560k
- 8.3 Management capacity has been strengthened and clarified by the Council's restructure and the Chief Executive has taken strong action to deal with under-performance. The Council has well embedded performance management framework which is clearly understood by Members, managers and staff.
- 8.4 Funding made available for the Waste Strategy will enable increased investment in developing the Council's workforce as well as meeting the requirements of single status. The Council has a strong track record in implementing basic skills training and the manager responsible for this in Waste Services received the prestigious Public Servant of the Year Award in 2006. The workforce will be enabled to move on from a level of basic skills to mature, competent and versatile workforce, able to provide a service which is genuinely joined up and pro-active on the front-line. The Waste Strategy anticipates this development and the improvement which it will bring in delivering the most effective, efficient and high quality service. The facilities from which training will be provided are being extended and refurbished and the financial provision for extended training is included in the Waste Management budgets. All of this has been developed in strong partnership with the GMB Union.
- 8.5 Members have supported the Waste Strategy and its fully costed implementation plan. This sets clear milestones to achievement which will be monitored through

our comprehensive performance management framework. The strategy shows clearly how outcomes will improve for the diverse community of Barking & Dagenham and set out how service users will be consulted and their views taken into account in implementation.

- 8.6 The infra-structure to deliver many of the improvements in the Waste Strategy is already in place. The £43m PFI deal with Shanks will already deliver at least £5.3m in efficiency savings over the 20 year life of the scheme. The ability of the new plant to separate recyclables and permit co-collection of waste will see the Council reach upper level performance on recycling within 2 - 3 years. Significant savings in co-collection being introduced in September are being re-invested by the Council from 1<sup>st</sup> April 2006 in an improved service.
- 8.7 Customer Services Department will produce a Corporate Customer Services Access Strategy by September 2006 as well as a strategy for consulting on service standards across the board. The new department will have the project programme business process re-engineering and other skills to support the planned improvements in Waste Management.
- 8.8 The Council has met its BVPI 157 e-government targets. Investment in Waste Management will include IM&T systems to complement the customer relationship management software and call centre technology and improve service planning mapping and performance measurement.
- 8.9 The Council was selected for a local area agreement pilot and this is now in place. The Council has attracted increased waste performance grant from DeFRA for 2006/7 and 2007/8. This is being used to deliver some of the aims of the Waste Strategy. Neighbourhood Renewal Fund (enforcement through street wardens) and funding from the London Recycling Forum have now been mainstreamed by the Council 2006/7. In addition the Council has attracted funds from London Remade for community composting initiative at Marksgate.
- 8.10 Charging policies are being reviewed in the Waste Strategy. This money will be used to improve and enhance services in areas where customers have expressed dissatisfaction and will also ensure enhanced service delivery for the disadvantaged members of our community.
- 8.11 The service is being inspected as part of the CPA "Harder Test" process in May 2006. The recommendations and learning opportunity from this inspection will be welcomed and our plans and actions will take account of suggested improvements made by the Audit Inspection.

#### **Background Papers Used in the Preparation of the Report:**

- Best Value Review of Street Scene, Report to Executive item 345, 19 February 2002.
- Best Value Review of Waste Management: Final Report item 5, Report to Executive, 28 May 2002.