

Scrutiny Panel

29 January 2019

Item

10

Report of	Assistant Director - Environment	Author	Richard Block
Title	Waste and Zones Futures Business Case		☎ 506825
Wards affected	All wards		

1. Executive Summary

- 1.1 This report outlines proposed service changes, financial savings and investment in front line services following a review of the existing Recycling, Waste and Fleet Service and Community Zones Service.

2. Action Required

- 2.1 The Scrutiny Panel should:

- Consider the proposed changes and whether from the information available, they will result in services that are fit for the future; and
- Scrutinise the financial savings and investment in front line services proposed.

3. Reason for Scrutiny

- 3.1 To ensure services are designed so they are fit for the future and that adequate financial savings in relation to the services being reviewed are achieved.

4. Background Information

Introduction

- 4.1 The senior management restructure which came into effect on 1 July 2017 included a clear intention to commence a series of service reviews to be known as “Service Futures”. These aim to drive out inefficiencies, progress further cultural change and take full advantage of our investment in Information Technology and more flexible ways of working.
- 4.2 A combined review of the Recycling Waste and Fleet Service and Community Zones Service under the theme of “Waste and Zones” was commenced in August 2018. These services are currently led by 2 different Group Managers but were brought together under the leadership of the Assistant Director for Environment in October 2018. This was because several links and potential benefits of bringing the services closer together had previously been recognised which is also why the areas were reviewed together.

Scope

- 4.3 The scope for this Futures Review was previously considered and agreed by Leadership Team and the Policy and Public Initiatives Panel. The Panel agreed the following parts of the services would be out of scope:
- Fleet – we are just going through a procurement for new fleet including both vehicles and maintenance so the decision about how we provide fleet is out of scope, but the overall management and operation of fleet are in scope
 - Grounds maintenance contract – is largely out of scope as it still has 5 years to run. However, we should still challenge some of the assumptions in this contract such as who does what and resulting duplication. Therefore, the internal resource should be in scope

They also agreed that the following issues would not be looked at as part of this work:

- Collection methodology for the Waste Service. This was comprehensively considered as part of the changes to the Waste Service last year and while there remain many options, this is not the focus of this review
- Outsourcing the overall service is not an approach that will be considered. There may be discreet parts of Waste or Zones that may be better delivered by external suppliers, but the overall direction is to retain the services in-house and to continue to look for better ways for working
- Charging for collection of green waste or for replacement recycling kit will not be considered

The Services

Recycling, Waste and Fleet

- 4.4 The Recycling Waste and Fleet Service provides recycling and waste collections to every household in the Borough every week. Currently the service carries out individual collections of residual waste, food waste, garden waste, paper, glass, cans and textiles from households and all the associated support activities. Fleet provision and

maintenance for all Council services is all also managed within the Service. The Service employs 132 full time equivalent (FTE) staff and has a gross budget of £4.5 million. The current organisational structure for Recycling, Waste and Fleet is shown at appendix 1.

Zones

- 4.5 Zones was created in 2009 to provide a single multi-skilled team to deal with a wide range of tasks, ranging from functional street cleansing tasks to community engagement and enforcement roles. In the following years Zones have also taken responsibility for Parks, Recreation, Open Spaces including management of the iDVerde Grounds Maintenance Contract, the Countryside Team including High Woods Country Park and the Cemetery and Crematorium. The Service employs 90.9 FTE and has a gross budget of £5.8 million. The current organisational structure for Zones is shown at appendix 2.

Findings of Review

- 4.6 At the start of the review, a series of staff workshops were undertaken involving staff at all levels to identify current issues and their ideas on how to respond to these. A notice board and confidential suggestions box was also made available to front line staff working from the Shrub End Depot for the same purpose. This extensive engagement resulted in several themes/issues being identified. These are shown in the table below:

Theme
With increasing housing growth capacity and resilience are issues across both services but are particularly acute in waste
There could be some ways to create more capacity by doing things differently
Waste and Zones have many shared purposes, but they often don't connect well when they need to
There are many opportunities for increased income although some will require investment and/or changes to the way we operate
Some processes could be improved and simplified
We could make some financial savings on our Grounds Maintenance Contracts without reducing service by eliminating duplication
The level of our resource used to manage and monitor the ID Verde Grounds Maintenance Contract is too high
Waste and Zones needs more support within the service to free up front line managers
The Shrub End Depot requires significant redevelopment to ensure it is fit for the future
Staff and management structures need to be reviewed

Identified Savings

- 4.7 It is proposed that a combination of new income/savings ideas and allocation of savings/income that has been previously identified but not budgeted for is used. This will enable frontline services to be protected.

A summary of the identified savings and additional income is shown in the table below:

Item	Comments	2019/20	2020/21	2021/22
Savings		£'000	£'000	£'000
Fleet	Savings associated with the decision previously made to purchase vehicles rather than leasing.	150	100	
Business rates for toilets	The recent Central Government budget resulted in Business Rates for public toilets no longer being payable from April 2019. Councils will also be compensated for any losses in business rate income.	12		
iDeverde contract savings	iDeverde currently conduct work that Zones also complete or could complete more efficiently e.g. locking and unlocking Castle Park resulting in savings in the Grounds Maintenance Contract cost.	40		
Management re-structure	By introducing an integrated management structure for Waste and Zones the overall number of managers can be reduced from 18 to 14.	130		
Income				
Fees & charges	This represents inflationary increases of existing fees and charges across all paid for services for each year.	30	30	30
Highwoods Country Park	The team at the Highwoods Park Visitor Centre believe there are opportunities for increased income from sales in the centre with very little additional investment i.e. provision of a credit card reader.	10		
Recycling credits	This was previously agreed by Cabinet and relates to getting a better deal from Essex County Council (ECC) for food waste recycling credits. We are currently in negotiation with ECC and if these fail a procurement exercise has been commenced to ensure we can claim recycling credits for food waste recycled by residents.	80	70	
Cemetery and Crematorium	This relates to new income from increasing the number of direct funerals. These are funerals with no associated service and can be fitted in before other funerals at the start of the day.	38		
Putt in the park	This is a new concession in Castle Park and a lease has been agreed. This new income is as a result of the lease.		18	
Castle Park café	This represents additional income from a new lease for this café over and above the levels already in the budget.	10		
Total		500	218	30

- 4.8 Most of the above savings/income proposals are self-explanatory but the most significant and the one that requires further explanation is the proposed new management structure.
- 4.9 It is proposed to deal with several of the identified the themes by a new integrated management structure and the proposed structure is shown at appendix 3. This will bring together Waste and Zones into a single, integrated service under one Group Manager. It retains the approach of zoning the Borough, makes no reductions in frontline staff and no changes to the geographical coverage of each zone.
- 4.10 It is clear from the review that Parks and Open Spaces is not truly integrated into the current Zones Structure. The proposed structure will result in full integration. It also joins up Waste and Zones by having a single front-line manager responsible for all issues in each zone. This then provides a single accountable point of contact for all issues in that area. Because of the additional pressures associated with managing the Town Centre Zone (Zone 2) which includes Castle Park, a deputy zone manager is proposed for that Zone.
- 4.11 The creation of a Specialist and Support element to the structure will free up frontline managers to manage frontline services in the Zone they are responsible for. The proposed structure will improve communication, result in less duplication and will build resilience across all services.
- 4.12 In the current structure there are 18 managers but by creating a new integrated service the overall number of managers can be reduced to 14 generating £130,000 of annual revenue savings, whilst maintaining frontline service levels.
- 4.13 The Cemetery and Crematorium does not fit well into this structure, so it is proposed this be moved to be managed in Communities. It is also proposed that the Zone Warden resource allocated to community engagement and development work (2 FTE) would move to be managed in Communities so this important work can be maintained and directly managed by the Community Engagement Team.

Other Areas Considered in the Review

Enforcement

- 4.14 A greater focus on enforcement of street environmental crime such as littering and low-level Antisocial Behaviour was identified as an outcome required from this Futures. We have seen excellent results from using a private company to conduct this enforcement through the Better Colchester Campaign. It is therefore proposed to continue the approach of using a private enforcement company through the Better Colchester Campaign until the level of Fixed Penalty Notices they issue starts to reduce significantly. Zone Wardens will also be developed and trained so they are able to conduct more enforcement.

New Technology

- 4.15 A number of areas of new technology including litter bins that communicate when they are full have been reviewed. At this stage the capital costs for such technology outweigh the savings made. Such technology will be kept under review as costs are likely to reduce resulting in the payback period for the initial investment reducing to an acceptable level.

Market and Street Trading

- 4.16 These areas are being reviewed as part of this Futures. Findings so far are that putting the market up and taking it down is a massive drain on Zone Operative time. We are examining alternative methods of operating the market and street trading including the potential of getting a private company to run it, including set up and take down. This would release around 70 hours of Zone Operative/Warden time adding capacity to the service. We still need to do more work before a final recommendation can be made.

Investment Proposed

Proposed Investment to Respond to Housing Growth

- 4.17 To enable services to keep pace with housing growth, it is proposed to invest to increase the capacity of frontline services. Waste and recycling collections are the service most impacted by this as a new round is required for every 1500 new houses built and at least this many have been built since the Waste Collection Service changes made in June 2017. We have been able to release some capacity during the review through simple changes such as allowing food waste collection crews to tip food waste at Shrub End rather than each vehicle travelling to the processing facility, but more significant investment is needed now and in the future.
- 4.18 It is proposed that a total of £187,500 is invested to provide an additional refuse and recycling collection vehicle and crew in May 2019 and a second new vehicle provided 6 months later. It is also proposed that a third vehicle is added in 2021/2022. If this investment is not made it will not be possible to provide waste and recycling collection services to new properties in the future. This has been included within the 2019/20 budget report.

Investment in Shrub End Depot

- 4.19 The Shrub End Depot is no longer fit for purpose and requires significant re-investment to provide the facilities and space to operate effectively now, and in the future. £800,000 has previously been allocated in the Capital Programme for the Shrub End Depot. It is anticipated that an additional £200,000 is required to redevelop the current site although further detailed work is underway to establish an accurate estimate. It is therefore, proposed to invest £200,000 of one-off additional capital funding in 2020/21 for redevelopment of Shrub End Depot. This has also been included within the budget proposals.
- 4.20 A table summarising the investment proposed is shown below:

	2019/20	2020/21	2021/22
Reinvestment to provide additional capacity in the service to respond to housing growth	£187,500	£62,500	£125,000
Investment at Shrub End Depot		£200,000	

Other Cost Pressures

Recycled materials

- 4.21 We have been reviewing the arrangements for processing and sale of dry recyclable materials collected from residents (Paper/Card, Plastic and Tins). The current contract with the existing processing company has come to an end and we have recently seen the financial position associated with the income received for recycled materials deteriorate due to challenging market conditions. Therefore, a procurement for a new contract has been commenced.
- 4.22 We recently held an open day with prospective recycling processing and sale contractors to help develop the specification for a new contract. All suppliers informed us on this day there is not likely to be a market for recycled plastic bags and film collected with other plastics in the foreseeable future. Therefore, if we were to continue to collect these materials from residents as recycling they would not actually be recycled. Removing these from the recycled material we collect from residents will also mean the net value received for materials under any new contract would be maintained.
- 4.23 It is therefore, proposed to no longer accept film, plastic bags and plastic wrappers in plastic collected from residents. These can be collected as refuse without adding any significant extra volume to black bag waste. An allowance has been made in the 2019/2020 budget for some increased costs in this area but also assumes that this is being mitigated through the steps proposed. If this change is approved an educational approach will initially be taken with residents rather than stickering and leaving bags of recycling.

Recycling Kit

- 4.24 Apart from Garden Waste Sacks, we currently have limited control over replacement recycling kit for residents. A roll of 62 clear sacks is delivered to every household and top up supplies of clear sacks and recycling boxes/containers are available at a range of stockists across the Borough. This has resulted in expenditure forecast to exceed the budget by £170,000 (77%) this year which is mainly due to clear sacks. If no changes are made for next year, there will be a similar budget pressure. It is therefore proposed to introduce a downloadable voucher system for all replacement recycling kit. Where it appears a greater amount of replacement recycling kit is being requested than could feasibly be used, further investigation will be undertaken and the request for a voucher could be refused. This will allow greater control over stock whilst still allowing residents to obtain replacement recycling kit free of charge.

Conclusion

- 4.25 Significant annual budget savings are generated by the proposals in this report whilst maintaining frontline services and investing in them, so they can grow to respond to additional demands created by new housing.
- 4.26 The proposed integration of Waste and Zones will create more efficient, effective and resilient services facilitating a reduction in management posts to protect frontline services. The proposed structure will also allow other themes identified through the review to be tackled effectively in the future.

5. Equality, Diversity and Human Rights implications

- 5.1 The proposals have no equality, diversity or human rights implications. No service reductions are being proposed. Additional controls are being proposed over how residents can obtain replacement recycling kit, but the system proposed is the same as

that is issued for replacement garden waste sacks and this has presented no implications in these areas.

6. Strategic Plan References

- 6.1 The services that have been reviewed through this Futures are wide ranging and as such contribute to all of the themes of the [Strategic Plan 2018-21](#). If the proposals made in this report are implemented the resulting services would continue to have this wide-ranging contribution.

7. Consultation

- 7.1 A formal consultation process is currently being undertaken with staff affected by these proposals to get their views on them. Staff workshops early in the review also helped to inform the proposals.

8. Publicity Considerations

- 8.1 If proposals to ask residents to dispose of plastic bags and film with other refuse and to introduce a voucher system to obtain all replacement recycling kit are approved, Borough wide publicity will be required.

9. Financial Implications

- 9.1 Reviews carried out under the Futures Programme make a key contribution to savings identified in the medium-term financial plan. If all the proposals in this report are approved a cumulative annual revenue saving of £738,000 would be made by 2021/2022 with no reduction to frontline services.
- 9.2 This Futures Review has also identified the need to invest in frontline services to ensure they grow to meet the needs of new housing growth and to ensure the Shrub End Depot is fit for purpose. If approved this would mean that by 2021/2022 a total of £375,00 additional annual revenue funding and £200,000 of one-off capital is invested in these front-line services.
- 9.3 If the steps proposed above to control recycling kit and to remove plastic film from recycling are not taken, this will create further financial implications which have not been allowed for in the budget proposals for 2019/2020.

10. Community Safety, Health and Wellbeing Implications

- 10.1 The proposed changes and structure would ensure services continue to play a key role in delivering Community Safety, Health and Wellbeing. The proposed Neighbourhood Zone Managers and Zone Wardens would play a key role in ensuring Community Safety in the Neighbourhood Zones.
- 10.2 Moving some Zone Wardens to Communities will ensure their work continues to be closely aligned with identified community needs.
- 10.3 It will be vital to ensure that excellent links are maintained between Neighbourhood Services and Communities as there are many areas where both services need to work closely together to ensure Community Safety, Health and Wellbeing objectives are achieved. Multidisciplinary Projects such as the Town Centre Action Plan provide a useful example of how this can be achieved.

11. Health and Safety Implications

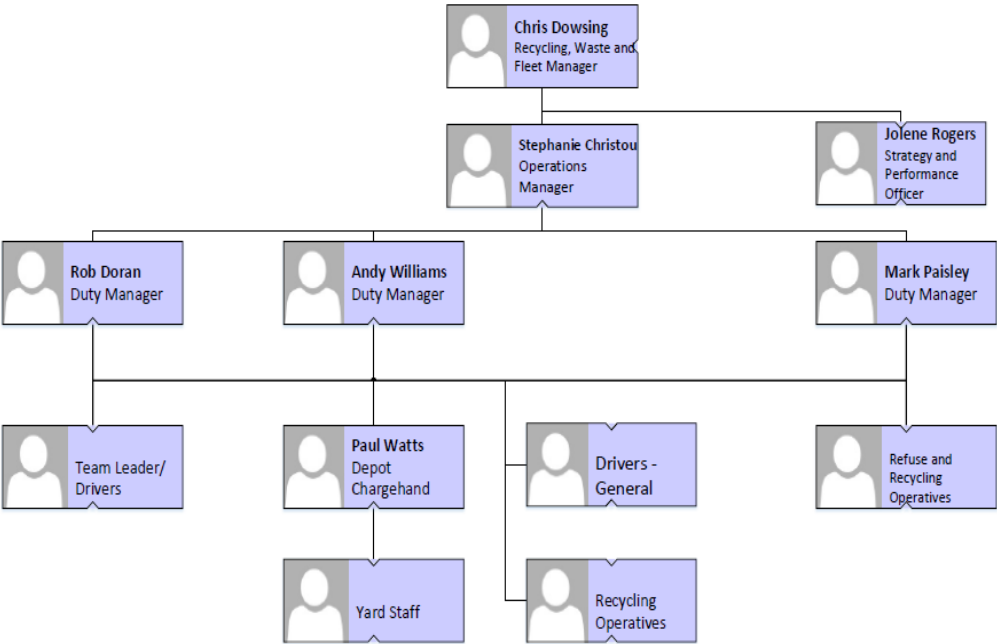
11.1 There are no health and safety implications.

12. Risk Management Implications

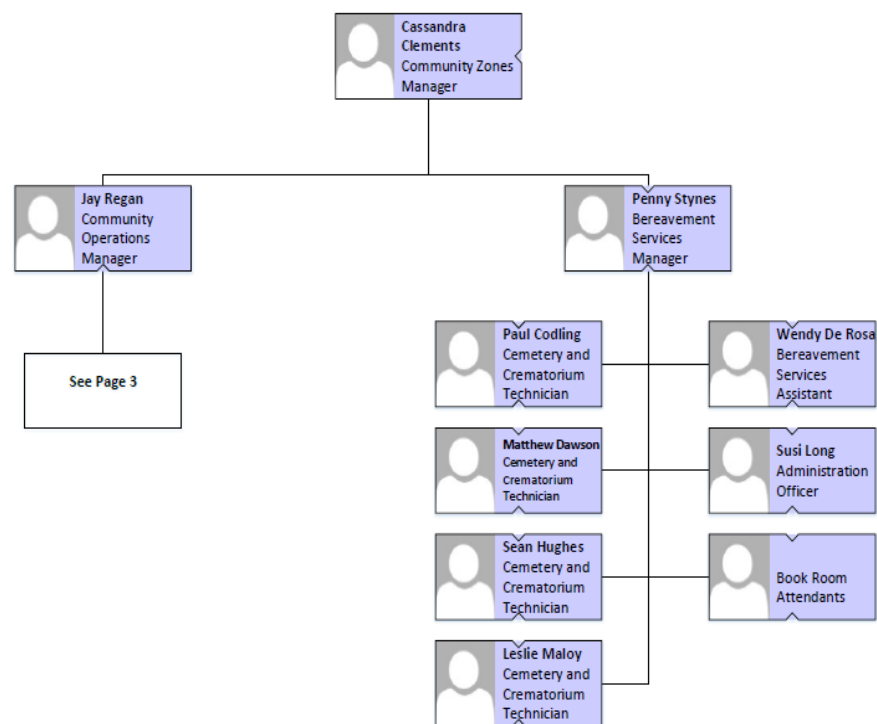
12.1 The proposals above will result in reduced overall management capacity, but this is mitigated by the new integrated management structure reducing duplication and creating greater synergies and alignment of services.

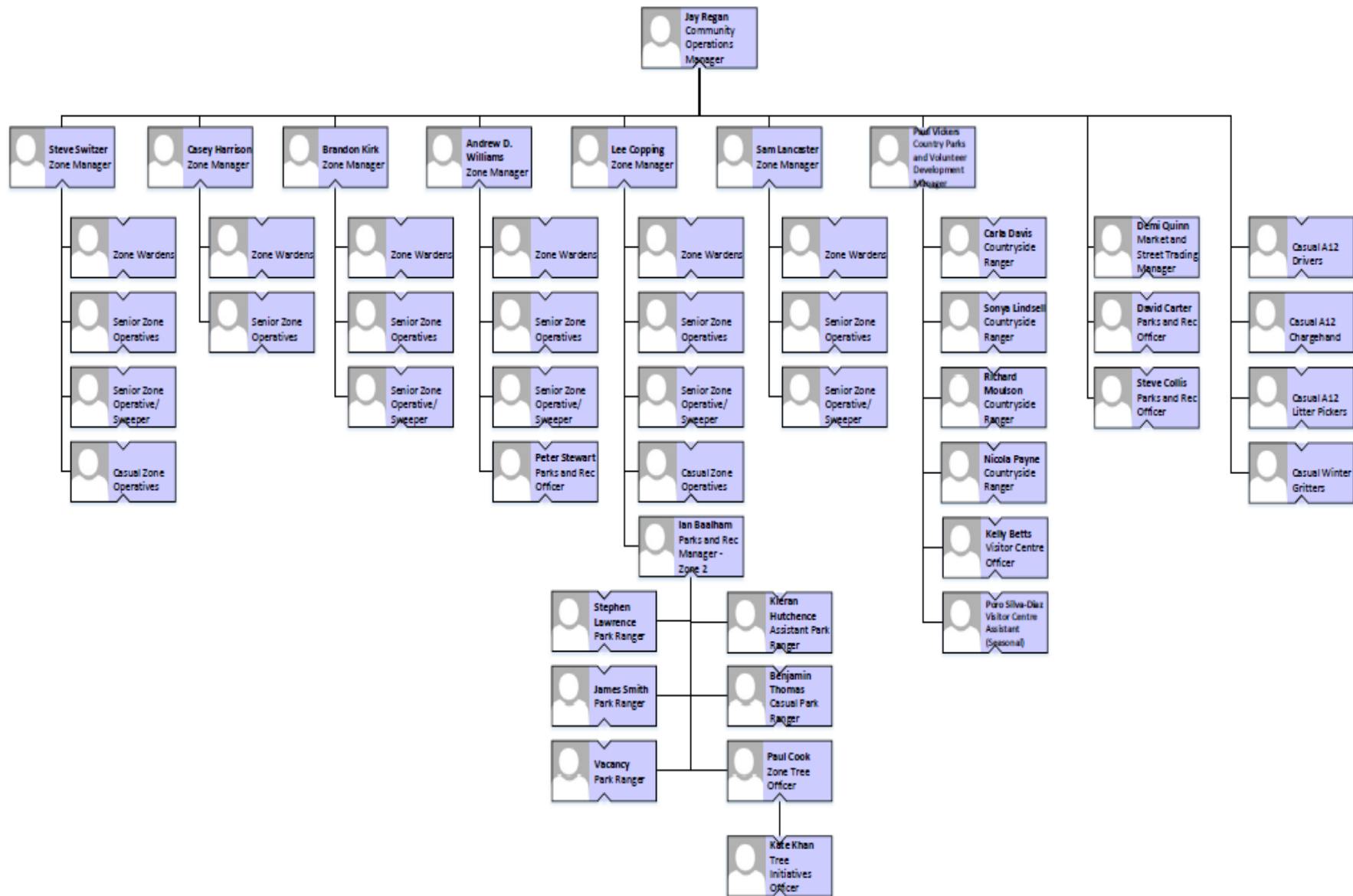
12.2 There is a risk that the level of savings and new income referred to above is not achieved although some are already guaranteed as they are underpinned by contracts or legislation. Other estimates are minimum expected levels.

Appendix 1 – Current Management Structure for Recycling, Waste and Fleet



Appendix 2 – Current Management Structure for Zones





Appendix 3 – Proposed Organisational Structure

Cem and Crem and Zone Warden FTE for Community Engagement/Development moves to Communities

