

Item

**GREATER CAMBRIDGE SHARED SERVICES  
SHARED WASTE SERVICE ANNUAL REPORT 2018/19**



**To:**

Executive Councillor for Environment

Environment & Community Scrutiny Committee 27 June 2019

**Report by:**

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**Wards affected:**

ALL

**Non Key Decision**

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**1. Executive Summary**

- 1.1 This report provides a summary of the progress and performance for the Greater Cambridge Shared Waste Service during 2018/19.
- 1.2 The principle of producing a single Annual Report for the shared services was agreed at this committee in July 2015. The overarching Annual Report for the Greater Cambridge Shared Services covers the Waste, Planning and Internal Audit services, but only the Waste Service falls under this Committee's remit and therefore the service report has been extracted and is included below.

**2. Recommendations**

The Executive Councillor is recommended to note the content of this report.

### **3. Background**

- 3.1 Cambridge City Council and South Cambridgeshire District Councils have set up a number of shared services which are known as Greater Cambridge Shared Services.
- 3.2 The Shared Waste Service performance is monitored through a Councillor led Steering Group.
- 3.3 The overarching Shared Service performance is monitored through the Greater Cambridge Shared Services Management Board (containing the lead directors from each authority), Greater Cambridge Chief Executives' Board and 2C Joint Advisory Group (comprising of the leaders of each of the Councils).
- 3.4 The service business plan for the Shared Waste Service for 2018/19 was approved by the City Council and South Cambridgeshire District Council in March 2018. The business plan sets out the service's priorities, key performance indicators and budgetary profiles for 2018/19.
- 3.5 The Annual Report contains an assessment of the service against the business plan.

### **4. Shared Waste Service Annual Report 2018/19**

#### **4.1 General Information**

- 4.1.1 The Greater Cambridge Shared Waste Service was set up with the following objectives:
  - Deliver a safe and legally compliant service.
  - Maintain and improve service quality that residents can see and appreciate.
  - Lower operational costs, particularly in the areas of premises, management, administration, fleet and equipment costs.
  - Increase opportunities to market and compete for additional business, for instance in relation to trade waste.
  - Find new opportunities to reduce net costs in relation to fleet procurement and maintenance.
  - Achieve service improvements, greater resilience and better performance, through shared knowledge and experience.
  - Enhance opportunities to work with other Cambridgeshire local authorities via the RECAP Waste Partnership to reduce waste collection and disposal costs, improve income and secure service improvements.
  - Deliver the KPIs for the service; deliver the ongoing benefits of a shared service through change and innovation.

4.1.2 The Service comprises a single management structure and workforce, located at Waterbeach Depot using a single fleet of vehicles for residents of Cambridge City and South Cambridgeshire.

4.1.3 Collection of recycling and waste from approximately **121,600** households and over 2,700 commercial customers across both council areas, which generates about 9 million collections a year.

## 4.2 **Service Performance**

4.2.1 The service in 2018/19 has been focusing on the following operational areas:

- Annual staff training programme for all operation staff.
- Increase in health and safety monitoring.
- Small restructure for operational management team.
- Developing improved operational systems.
- Completing scheduled collection in day and reducing missed collections.
- Minor Round changes between vehicles and reducing commercial vehicles on certain days.

4.2.2 The Yotta management system is now embedded in to service. It includes the ability to search for properties with bin stores and to submit invoices for trade collections undertaken. The bin request webform is working well and is integrated with Yotta.

4.2.3 The policy that the green bin would be collected monthly has been fully implemented. The period during December through to March represented the first winter that the policy applied to all residents. A further policy initiative enabling residents to subscribe to receive an additional green bin started in South Cambridgeshire, with over 3,000 bin subscriptions.

4.2.4 The service is still struggling to recruit drivers into vacant posts owing to high demand for skilled drivers in the market. The amount and type of advertising undertaken has been increased to try to attract more drivers. A further incentive is the introduction of a Golden Hello payment. Six operatives are on driver training courses.

4.2.5 The service is leading the Cambridgeshire and Peterborough Waste Partnership (RECAP) to resolve past and current challenges arising from the contract. RECAP is collectively sourcing both legal and technical support that will be required during the current discussions. The discussions are necessary to ensure the contract is more stable for the remainder of its term. The Compliance Officer is responsible for monitoring and compliance for all partners using the Materials Recycling Facility.

4.2.6 Some benchmarking has been undertaken and the current contract with Amey has been found to be extremely good value. Similar terms would not be achieved if the service attempted to re-tender at this point because of the harsh conditions in the recycle market.

- 4.2.7 In terms of performance, the number of successful collected on scheduled bins continues to remain extremely high. The service has also focused on contamination of dry mixed recycling at bring sites, which has led to a change to the material collected at two sites within the City and the removal of other sites within the District. Post these changes there has been zero contamination at the City sites. This process will be rolled out to other highly contaminated bring site locations within the City.
- 4.2.8 Internally, work has taken place with the facilities team at South Cambridgeshire Hall and a new office recycling system has been introduced; additional support to improve recycling is being provided at Mandela House and The Guild Hall.
- 4.2.9 The service has rolled out a safety campaign under the banner #ConsiderTheImpact. The campaign is aimed at encouraging motorists to be patient around waste vehicles by highlighting the huge impact an accident would have on people's lives, including for the person driving dangerously. There have 39 reports by our drivers of such incidents and close working is taking place with the police on this.

#### 4.3 **Financial Performance**

*Further information is provided in the performance report at Appendix 2.*

- 4.3.1 The Outturn for 2018/19 is as follows:

£	Budget	Actual	Variance/Outturn
Waste	4,558,290	4,575,275	16,985 (overspend)

- 4.3.2 The financial position of the shared waste service is complex. Detailed analysis appears in the Appendix.

#### 4.4 **Service Performance**

- 4.4.1 The service identified three Key Performance Indicators for 2018/19. Two indicators are on track and one is red. The target of 99.5% of bins collected on schedule was extremely high. As a result the service particularly undertakes monitoring to ensure that any repeated missed collections are investigated and resolved.
- 4.4.2 The second indicator relates to the percentage of household waste sent for reuse, recycling and composting. The recycling rate for the year to the end of February 2019 was 51.05%, which exceeded the target of 50%. This compares well with a recycling rate 50.19% for the same period last year.
- 4.4.3 The third indicator was new for 2018/18. It introduced a target sickness absence rate of 1.17 days per full time equivalent employee per month. The target has not been met. Absence management is a very active area in the service and all cases that hit trigger levels have been reviewed by managers with a nominated Human Resources (HR) contact. The Operation Manager has fortnightly meetings with HR to focus on long term sickness as this is having a significant effect on the performance.

#### 4.5 **Customer Engagement**

4.5.1 In addition to using social media, leaflets and council magazines the service has undertaken a significant amount of face to face resident engagement and has engaged with both local and national media. The following are a sample of the work undertaken:

- Recycling, compost awareness and other education events.
- Community Action days held at Gamlingay, Orchard Park, Cambourne
- New Recycling and WEEE banks opened at Glebe Aura and Abode
- Carbon neutral report filmed by ITV at our underground bin site at Aura
- Gonville and Caius College - sustainability event - recycling and trade waste talk delivered
- Skills swap day at Brownfields community day, clothes swapping, take it or leave it stall, repair café, metal general waste and WEEE skip.

4.5.2 The Shared Waste Service is working on raising both Councils' profiles on a national stage:

- TV coverage for recycling and contamination scheme and safer driving.
- Involvement on BCC Radio 4 programme Costing the Earth.
- Presenting at a number of national events on topics including Plastics and new Resources and Waste Strategy.
- Co-hosted a special event showcasing our Eddington underground waste collection systems with the Association of Public Service Excellence (APSE).
- Shortlisted for the two National Recycling Awards, one for innovation and a second for partnership, for the underground collection system at Eddington, Cambridge.
- Finalists for the APSE awards on 13 September (Best Partnership working Initiative) for the Underground bins at Eddington
- Shortlisted for the Community Sweep project by the Local Authority Recycling Advisory Committee.

#### 4.6 **Project Performance**

4.6.1 The service has completed three projects during 2018/19. All three projects are on track. The continued delivery of a shared waste service programme covers a number of service areas, which includes the approval of a set of standardised policies/procedures. These have been published on the councils' websites.

4.6.2 The second project saw the development of the Shared Commercial Waste Service to increase commercial waste profitability. This has required planning a marketing and communication campaign with corporate and service teams following on from a review involving the Judge Business School. Business support staff have been recruited to assist in the running of the service.

4.6.3 The final project comprised a review of the South Cambridgeshire Street Cleansing Service. Data collection has been completed and added to Yotta. A review of sweeping activity is being undertaken to improve sweeping cover. Staff briefings for litter and dog bin emptying, fly tipping and litter picking collections have taken place to implement changes. New zones for organising the work are beginning in May and street sweeping will follow on at the middle/end of May.

## **5. Implications**

### **(a) Financial Implications**

The financial implications are shown in section 4.3 above and in the Appendix.

### **(b) Staffing Implications**

There are no staffing implications.

### **(c) Environmental Implications**

None for this report.

### **(d) Procurement**

None specific related to the service. Any procurement relating to the service provision is carried out in line with the Councils' policies.

### **(d) Community Safety**

There are no community safety implications.

### **(e) Equality and Poverty Implications**

Not required for this report.

### **(f) Consultation and communication**

This will be conducted in accordance with the Council's agreed policy.

## **6. Background papers**

These background papers were used in the preparation of this report:

Shared Service Quarterly reports

## **7. Appendices**

1. Shared Waste Service Budget Position and Service Performance Against Indicators.

## **8. Inspection of papers**

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**SHARED WASTE SERVICE****Budget Position**

	£	£
<b>Waste Operations Variance</b>	16,985	
Staffing Costs		71,402
Contracted Services - MRF		169,792
Other costs		(166,727)
Income		510
Fleet Costs		(57,992)

**Adverse Variances**Staffing

Salary savings due to staff turnaround	75k
Overtime savings	76k
Agency staff for backfilling vacant posts and sickness	(210k)
Staff associated costs (medicals, training etc.)	(12k)

The total overspend on staffing costs within the GCSWS is £71k, incorporating all budgets for salaries, overtime and agency backfill as well as staff training and medicals etc. Savings on budgets associated with permanent staff mainly due to turnover during the year (£63k) and less overtime (£76k) have been offset by the over-utilisation of agency staff (£210k) to backfill those vacant posts and cover sickness which remains high.

Materials Recycling Facility

An entry in the strategic risk register has already identified this as a budgetary pressure. The 2017/18 outturn reported that the tighter controls of contaminated material at Amey and the global downturn in material prices had led to an adverse effect on the budget in-place for processing recyclates. The financial implications of these changes were not evaluated in time for the 2018/19 budget setting and consequently the budget over spend has continued to the sum of **£170k** for domestic collections. Going forward, a budget injection of £200k has been approved in 2019/20 to counter this budget pressure and a compliance officer has been recruited by the RECAP partnership to assist with the monitoring of the contract to ensure that costs do not escalate unchecked.

Income

Income streams within the GCSWS are varied, ranging from income generated from commercial activities and special or bulky household waste to that received from the sale of wheeled bins, additional collection services and recycling credits. Commercial sensitivity restricts the detailed reporting of these figures; suffice to say that overall, income across all these channels is within £510 of that budgeted. Revenues from trade waste activities are lower than that targeted, however, lower than budgeted revenue does not necessarily correlate with lower net surpluses. Costs in relation to commercial activities have also reduced (see below) and customers are being encouraged to recycle more of their trade waste, which is both cheaper to the GCSWS to process but also cheaper for the customer, leading to reduced revenues to the service.

Recycling credits received from the Waste Disposal Authority attributable to recycled waste collected at the kerbside are under budget by **£45k**. Again, this may not correlate to reduced performance as the income generated is directly attributable to tonnages collected. Manufacturers are being encouraged to use more sustainable materials in their packaging along with the increased use of lighter plastic material, which all have an impact on the tonnage but will not affect the recycling performance indicators.

The reduced income from recycling credits has been more than offset by continued increases in income over budget from:

- Bulky household collections - £36k
- Collection of green waste (2<sup>nd</sup> green bin – CCC) - £18k
- Reimbursed costs from collecting from Eddington - £36k
- Income generated from bins sales and s106 income - £69k

## **Positive Variances**

### Fleet Costs

Fleet costs are showing a favourable variance of £58k. The majority of this has come from the saving of £93k in the fuel budget. This is a visible way of showing the financial viability of shared services and demonstrates that budget savings can be found by working smarter and continually monitoring round configurations to optimise efficient working. **£30k** of this has been offset by increased costs in spot hiring vehicles which were necessary to cover the turnaround time between returning the contract hire vehicles back to the lease company and delivery of the new Council owned RCV's. Spot hiring of this nature should not be needed in the future as all vehicles are owned by either Authority.

### Other

As alluded to above, although trade income has declined, so have the costs associated with commercial waste, most notably the costs of disposing of waste either through the MRF or most markedly in landfill. The budget for landfill disposal costs are showing savings of £223k with MRF disposal costs of £64k set against this leaving a net saving to the commercial waste service of **£159k**. This saving reflects the GCSWS strategy in promoting recycling across the whole service which when directed towards trade should manifest into greater margins and ultimately increased profits.

Unutilised budget for ICT software of **£30k** is a one-off saving as a result of the change of the waste management software system to Yotta. This is a shared service system implemented by the 3C partners. The first year's licence costs of Yotta have been paid for as part of the implementation costs, which are treated and budgeted for within the capital budget for this project.

## Service Performance Against Indicators

Bins collected on schedule (target 99.5%)

	Missed	Possible	Actual	% Missed	% Collected
April 18	1,519	646,394	644,875	0.23%	99.77%
May 18	1,940	675,172	673,232	0.29%	99.71%
June 18	1,981	682,443	680,462	0.29%	99.71%
July 18	4,047	680,227	676,180	0.67%	99.33%
Aug 18	2,319	708,967	706,648	0.33%	99.67%
Sept 18	709	616,946	616,237	0.11%	99.89%
Oct 18	1,128	704,620	703,492	0.16%	99.84%
Nov 18	868	682,443	681,575	0.13%	99.87%
Dec 18	666	649,119	648,453	0.10%	99.90%
Jan 18	1,199	712,545	711,346	0.17%	99.83%
Feb 18	892	621,360	620,468	0.14%	99.86%
Mar 18	940	655,930	654,990	0.14	99.86

Household waste sent for reuse, recycling and composting (target 50%)

	2017/18	2018/19
Quarter 1	52.3%	55.6%
Quarter 2	54.3%	51.5%
Quarter 3	49.9%	50.29%
Quarter 4	43.6%	<b>Estimate 43.19%</b>
Annual	49.7%	<b>Estimate 50.55%</b>

Sickness absence rate

2018/19					
	Short Term Absence	Long term Absence	Total Absence	FTE	Sickness days per FTE
April	136	132	268	171.53	1.56
May	101	184	285	174.53	1.63
June	103	99	202	170.09	1.19
July	99	130	229	169.09	1.35
August	101	110	211	170.09	1.24
September	139	42	181	168.09	1.08
October	104	134	238	167.09	1.42
November	119	63	182	167.09	1.09
December	131	66	197	168.09	1.17
January	185	138	323	167.09	1.93
February	85	100	185	166.09	1.11
March	135	84	219	166.09	1.32