

Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	John Blackledge, Director of Community and Environmental Services
Date of Meeting	27 October 2016

WASTE SERVICES AND STREET CLEANSING PERFORMANCE REPORT

1.0 Purpose of the report:

- 1.1 To review the performance of Waste Services and Street Cleansing, with an emphasis on headline data, statistics and performance indicators. The report provides a brief outline of the various elements of the services and highlights any current or anticipated issues.

2.0 Recommendation:

- 2.1 To scrutinise the performance of the services and identify any matters for further scrutiny.

3.0 Reasons for recommendation:

- 3.1 To ensure effective scrutiny of the Waste and Street Cleansing services.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:

Request Internal Audit to programme in to the annual work plan.
Refer to external audit.

4.0 Council Priority:

- 4.1 The relevant Council Priority is “The economy: Maximising growth and opportunity across Blackpool”.

5.0 Report Information

5.1 SCOPE OF THE REPORT

- 5.1.1 Waste Services (*Waste*) and Street Cleansing (*Cleansing*) are two of the Council’s main, high-visibility frontline service areas responsible for delivering a broad range of specialist services to the public.
- 5.1.2 The scope of this report includes all functional service areas within Waste and Cleansing.

WASTE - including:

- Domestic Waste (incorporating the Refuse and Recycling Collection Contract)
- Household Waste Recycling Centre (HWRC), including the Re-use Shop
- Trade (or business) Waste
- Waste Disposal Contract (Lancashire Waste Partnership with Lancashire County Council (LCC)
- Third Sector Partnerships including Bulky Matters (bulky items collection) and the Re-New Workshop (electrical repair and refurbishment).

CLEANSING – including:

- Street Sweeping
- NEAT (Neighbourhood Environmental Action Team) incorporating Enforcement and Fly tipping
- Street Litter Bins
- Beach Cleaning
- Weed Spraying
- Graffiti Removal
- Gully Cleaning.

5.2 BUDGET INFORMATION

- 5.2.1 Waste and Cleansing represent a significant proportion of annual council spend. The combined budgets for the two services are in the region of £17.6million with the Waste budget currently at c£14.8million and Cleansing at c£2.8million.

5.3 What is going well?

Waste Services

5.3.1 The Rover Service

5.3.2 The Rover service is a mobile recycling unit servicing those residents with no access to a car, which in some of the inner wards is over 50% of the households.

5.3.2 In the year 2015/2016 Rover continued to exceed all expectations. It collected 42,075 items totaling 116.9 tons of material that was recycled from 7,069 resident visits. There are also many items that are sold in The Tip Shop helping to generate an income.

5.3.3 Rover is now being run in house and is constantly being reviewed to ensure that the optimum is gained from the locations it visits.

5.4 Household Waste Recycling Centre

5.4.1 Recycling rate for the Household Waste Recycling Centre (HWRC) has dropped to 65%, this is due to the Waste Treatment Plant at Thornton currently not processing black bag waste and as such all black bag material is being sent to landfill, where previously 30% was extracted for recycling.

5.4.2 The different types of materials being recycled has also been maintained at 27 separate waste streams.

5.4.3 The Tip Shop is continuing to be very popular last year generating an income of c£90,000, this year we are on target to achieve £100,000 which will again enable us to make a donation to the Mayor's Charity.

5.5 Bulky Matters

5.5.1 Bulky Matters is the Council's bulky item collection service in partnership with a third sector partner, Furniture Matters who now come under the Calico umbrella.

5.5.2 The bulky waste service continues to perform to target and increasing amounts of collected furniture are going back out to those in need across the town, through partnership working with the Social Fund.

5.5.3 The service is operated in conjunction through a cost sharing agreement with Wyre Borough Council on a 70/30% split.

5.5.4 Since January the service has made 3728 collections and 258 Social Fund deliveries. Total items collected year to date stands at 11,524 items, 50% of which has been re-used or recycled.

5.5 **Introduction of Garden Waste Subscription**

- 5.5.1 In June 2016 we introduced a subscription charge for the collection of green waste. This has been taken up by just short of 10,000 properties and has generated an income of c£250,000 which then pays for the resources to deliver the Service as well as off-set pressures in other services areas.

5.6 **Collection Methods**

- 5.6.1 The collection methods of household waste can impact on the cleanliness of the town, which as we all know is a priority for our residents and as such we are trying to move away from sack collections, which attract seagulls and other scavenging animals. We are therefore encouraging landlords of HMO's to purchase euro containers as well as identifying suitable areas for communal bins and seagull proof sacks.

5.7 **Street Cleansing**

- 5.7.1 Street Cleansing has continued to deliver services to key priority areas within the town centre, promenade and beach despite the financial challenges. In addition to the cuts in resources, the service has successfully managed the transfer of the Parks litter bin servicing into its operational responsibilities. The Service team is flexible, multi skilled and adapts well to change. Despite the cuts to budgets, the town centre and promenade continue to be maintained to a high standard and cleaning to the outskirts of the business centre and holiday areas continue to see regular attention but not at the same frequency as previous years.
- 5.7.2 The Service's ability to react and respond to tourism events has always been proactive and flexible reducing the negative press about unsightly litter, which is often taken out of context. A good example this year would be the Air Show, Illumination Switch-On weekend, World Firework Championships and all the various events encouraging visitors to visit the town.
- 5.7.3 Litter bin provision across the borough is continuously reviewed, with additional litter bins deployed to high litter generation areas and stock continues to be standardised to increase volume and capacity. This upgrading has now started to emerge in outlying shopping districts replacing smaller and or tired looking stock.
- 5.7.4 No changes have been necessary within the town centre and services have worked well with Blackpool Bid to maintain a clean and satisfactory standard of cleaning and litter bin provision. There will be occasions where demand outweighs our ability to service litter bins, which is quickly seized upon as a failure. This criticism is not evaluated against the expenditure required to put an additional shift in place, however the early evening and night time economy can result in numerous bins overflowing due to resources finishing at no later than 6pm.

- 5.7.5 Neighbourhood shopping parades continue to be cleaned on a daily or alternate day depending on the size and footfall in the area. The frequency determines the level of litter migrating to residential streets, which is then cause for complaint. All shops have sufficient litter bin provision and as previously mentioned, volume and capacity increased where replacement and renewal litter bins have been introduced. Where possible larger capacity litter bins will be installed as funding and replacement provision allows.
- 5.7.6 The reduction in cleansing frequencies to residential streets is at breaking point if held to account on the frequency for regular cleaning. However, the service has developed a robust monthly inspect and clean regime so the service only deploys resources to those areas which need cleaning. The results of the inspection are closely monitored by service managers using a dashboard which monitors 32 residential mapped areas. Arterial routes continue to be cleaned by a large mechanical sweeper on a fortnightly basis and responsible for highlighting issues during the normal cleansing operation.
- 5.7.7 The 'Keep Blackpool Tidy' campaign, in partnership with the Keep Britain Tidy, will play a significant role in encouraging greater community involvement and raising awareness of litter and the environment. The service will play a pivotal role in the campaign and grasp every opportunity where voluntary groups or even a single individual would like to take up the challenge to meet the objective to become the cleanest seaside town in the country.

What isn't going well and why?

5.8 Waste Services

5.8.1 Third Sector Partnerships

- 5.8.2 This year has unfortunately seen the liquidation of the trading arm of one of our third sector partners, Helping Hands. Helping Hands delivered three waste contracts on behalf of Blackpool Council, namely: Rover, paper/card collections and Wheeled Bin Management. The Council did everything in its power to support the charity through this difficult period however, in the interest of service continuity; the decision was made to bring the services in-house in the short term. We are currently exploring further options with other third sector partners to deliver these services.

5.9 Disposal of Waste

- 5.9.1 Recycling market fluctuations and a change in legislation in relation to the Waste Electrical and Electronic Equipment (WEEE regulations) has resulted in a forecasted reduction in income of c£55,000. The rising cost of disposal of many of the waste streams is also adding to that pressure and work is being carried out with Procurement to mitigate this as far as possible.

6.0 **Lancashire Waste Partnership**

- 6.1 The Lancashire Waste Partnership with Lancashire County Council and Blackpool Council has now completed the process of taking ownership of Global Renewables, the waste disposal operating company (formerly Waste PFI). As part of this process there has been an extensive Company transformation process which is still ongoing in an effort to realise further savings.
 - 6.1.1 Results of the recent Market Testing exercise has now been published (Appendix 7a).
 - 6.1.2 Recent improvement of £1million in terms of waste reserves. However the overall forecast has worsened by c.£368,000 due to a 5% increase in waste arising, compared with last year (budgeted for 1.2%).
 - 6.1.3 Unfortunately the process of taking ownership of the company as resulted in the loss of the government-backed PFI credits, which represents an additional annual pressure of c.£856,000.
 - 6.1.4 The Company (GRL) will be changing name to Lancashire Renewables in the near future.

6.2 **Street Cleansing**

- 6.2.1 Refuse collection within the town has always impacted on the Street Cleansing service. This is particularly problematic where Houses of Multiple Occupation (HMO) and high density housing areas present their domestic waste for collection in alleyways and service roads.
- 6.2.2 The Neighbourhood Environmental Action Team (NEAT) are responsible for investigating incidents of fly tipping, which are predominately waste put out for collection on none collections days and/or bulky waste such as white goods and furniture simply abandoned in the alleyways. The culture to dump waste has increased over recent years for a variety of reasons, which includes the cost of waste disposal, “cowboy” disposal collectors, no transport to take bulky items and white goods to the Household Waste Recycling Centre, or a lack of suitable storage for waste in HMO’s. Those areas where refuse collection remains on bagged collection service have the greatest impact on the cleanliness of streets. Scavenging from the bags by cats, dogs and seagulls impacts on a daily basis on the services resources to react to migrating litter and contents of domestic waste.
- 6.2.3 The treatment of weeds throughout the borough is another area which effects the perception of cleanliness. The operation is wholly governed by the weather, as environmental controls are strict to prevent unnecessary damage to the environment and health and safety issues for the employees. To prevent drifting of the chemical at the time of treatments, it is not possible to spray where average wind speeds exceed four miles per hour. The weather this year has been mixed for weed treatments, but resources available on the suitable days for treatments cannot be planned for given the changeable weather, annual leave and shift patterns.

6.3 **What are the barriers to improvement?**

- 6.3.1 The refuse collection contract is the Council's domestic household kerbside collection service delivered by Veolia Environmental Services. It is a substantial contract and accounts for c£3.6million of the Council's budget. A substantial amount of work has been carried out by the management team over the last four years to reduce the overall cost of this contract, which was in the region of £4.5million in 2010.
- 6.3.2 As this contract runs until 2019, there are restrictions on opportunities to make major changes to the way that household waste is collected in Blackpool. Work will begin on procuring a new contract in 2017 with a view to making further significant savings as well as making it easier for residents to recycle and increasing the recycling rate.
- 6.3.3 Reducing budgets will put pressure on service areas to maintain service targets and standards with diminishing resources. If service levels are to change then the balance will be to manage our residents' expectations and what we can realistically and consistently achieve. Staff in waste and street cleansing are committed to continuous improvement; however after three years of reductions morale is a concern and we are actively engaged in ensuring standards remain high and that all staff are engaged in the change management process.

6.4 PERFORMANCE

6.4.1 **In which areas are we performing well?**

6.4.2 **Trade Waste**

- 6.4.3 The last month (September) has seen 17 new business customers gained. Eight customers were lost in the same period (due to liquidation), which represents excellent post-season retention and four customers who have changed from bins to orange sacks.
- 6.4.4 The service is still currently forecast to make a surplus of c£83,000 this financial year. Work has now been completed with senior finance managers to formulate a pricing baseline model which will ensure competitively and compliance with required legal frameworks.
- 6.4.5 A sustained campaign of enforcement work is still underway to ensure business compliance with Waste Transfer Notes (WTN) regulations. This is generally being well received by local businesses as the Council visibly taking action against businesses who blatantly disregard their environmental obligations.
- 6.4.6 The judicial review brought against HMRC by MAX Recycle, in which Blackpool's Trade Waste Service was heavily cited, has been heard in the upper tribunal. The verdict was ruled in favour of the HMRC in relation to the application of a special legal regime in relation to VAT, so this is a really positive outcome for Blackpool Council.

6.5 How do we compare with other authorities in terms of benchmarking?

- 6.5.1 The Council's Waste Service is an active member of the Association of Public Service Excellence (APSE). Through this association we subscribe to APSE's Performance Networks benchmarking group. This group allows us to compare and benchmark ourselves with other authorities or 'family groups' (in terms of demographics, deprivation indices.).
- 6.5.2 The number of performance indicators produced is vast and far-ranging. In essence, benchmarked against other authorities, Blackpool Council's Waste Services is a good performer (within its constraints) however, in the spirit of continuous improvement we are always looking at how to do things better and more cost effectively.
- 6.5.3 Our recycling rate is now at the national average and it ought to be noted that the highest performing Council can count on 30% of their overall rate coming from garden waste. Garden waste only contributes 12.5% of Blackpool's overall recycling rate, which reflects the low number of gardens in the Blackpool housing profile, but highlights that in all other areas of waste collected we outperform most districts in Lancashire.
- 6.5.4 The Household Waste Recycling Centre is in the upper quartile of national performance, waste disposal the highest proportion of overall site costs at 35% compared to 27% last year. This highlights the market trends of increasing costs of disposal.

6.6 What are our priorities in terms of improving performance this year?

- Continue to expand the green waste subscription service.
- Further develop the 'Keep Blackpool Tidy' campaign with local events and quarterly campaigns.
- To further develop and support the Council's corporate commitment to the Channel Shift ethos.
- Review of current collection configuration with a view to assessing three-weekly collections.
- Ongoing support and review of our third sector working partnerships and capacity to deliver additional services (i.e. Rover).
- Ongoing review of the recycling off-take contracts at the Household Waste Recycling Centre.
- To work with Lancashire County Council in identifying and supporting efficiencies within the operating company and to translate these in to financial savings.

6.7 FINANCE

- 6.7.1 The 2016/2017 revised budgets for Waste and Street Cleansing are shown in more detail in the table below:

SERVICE	2015/2016 BUDGET at last Scrutiny	2016/2017 BUDGET
Tower Commercial Waste	(651,763)	(729,165)
HWRC	404,806	470,640
Bulky Waste Collection Service	67,130	31,731
PFI	10,964,071	10,530,119
Regular Collections	4,151,852	4,084,420
Bin Purchase	52,739	53,418
Helping Hands	51,971	63,100
Waste Disposal	260,935	305,862
Waste Communications and Promotion	11,031	0
TOTAL WASTE BUDGET	15,312,772	14,810,125
Street Cleansing	2,543,498	2,760,822
LEAF	335,155	0
Winter Maintenance	114,812	104,567
Pest Control	17,605	7,213
TOTAL STREET CLEANSING BUDGET	3,011,070	2,872,602
TOTAL COMBINED WASTE AND CLEANSING BUDGET	18,323,842	17,682,727

6.8 CROSS DEPARTMENTAL WORKING

- 6.8.1 Due to the considerable spend within these service areas, we have fostered a wide range of cross-departmental working relationships and always seek to maximise the delivery of value through the development and maintenance of strong connections with colleagues in support services such as Legal, Procurement and Finance. This leads to closer working relationships with key people in delivering our objectives, in key areas such as Communications and Marketing, Print Services and Business Support.
- 6.8.2 Closer integration of Waste with Street Cleansing (and Veolia) has allowed a more coordinated approach to cleaning the town with more successful outcomes.

6.9 ENGAGEMENT AND COMMUNICATION

6.9.1 **How we communicate the good work we are doing to residents.**

- Direct communications via the Council's website, Your Blackpool and increased use of effective and targeted social media.
- Regular conversations with residents through the Household Waste Recycling Centre and the Rover service also provide valuable feedback. Use is made of our Waste Liaison officer to deal with residents and members of the public face to face. We also undertake a varied array of internal and external advertising campaigns.

6.9.2 **How do we know that the services we provide are making an impact and are valued by residents?**

6.9.3 The Waste Service commissions an annual Household Waste survey, in conjunction with other local authorities, which is used to inform decision making (i.e. green waste) and drive future strategy.

6.9.4 The questionnaire results highlighted a number of areas where residents want to see change in the mediums we use to communicate, namely increased use of leaflets.

6.9.5 Planned use of the Council's 'Infusion' service to develop and understand resident insight and perceptions.

6.9.6 Questionnaires from residents utilising the Rover service and the Household Waste Recycling Centre continue to be used to assist in understanding resident's perceptions and expectations of the service.

Does the information submitted include any exempt information?

No

7.0 **List of Appendices:**

Appendix 7a - Household Waste and Recycling Public Satisfaction Survey 2015

8.0 **Legal considerations:**

8.1 None.

9.0 **Human Resources considerations:**

9.1 None.

9.0 **Equalities considerations:**

9.1 None.

10.0 Financial considerations:

- 10.1 The pressures noted in the report including back-dated VAT and recycling income are included in the 2015/2016 forecast outturn for Waste. The forecast loss of Waste PFI Grant has been covered by the specific Waste PFI Reserve.

11.0 Risk management considerations:

- 11.1 None.

12.0 Ethical considerations:

- 12.1 None.

13.0 Internal/External Consultation undertaken:

- 13.1 None.

14.0 Background papers:

- 14.1 None.