

Report of	Meeting	Date
Environment Overview & Scrutiny Panel	Overview & Scrutiny Committee	16 February 2006

## ENVIRONMENT OVERVIEW AND SCRUTINY PANEL - BUDGET SCRUTINY

### PURPOSE OF REPORT

1. To present to Members the comments made at a meeting of the Environment Overview & Scrutiny Panel held on 6 February 2006 regarding the spending on Environmental Services.
2. To present the answers to the questions given by the Executive Member for Environment and Community Strategy.
3. To allow Members the opportunity to establish if the Council's policy objectives are being met and if the benchmark findings are a measure of the reality of Members and Stakeholders experiences.

### CORPORATE PRIORITIES

4. Part of the Council's Greener Cleaner Safer priorities.

### RISK ISSUES

5. The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	✓
People		Other	

6. Council services need to be provided in an effective and efficient way so as to meet public expectations without representing an unreasonable burden on the taxpayer.

### BACKGROUND

7. The Council has recently been subject to a value for money assessment undertaken by the Audit Commission as a precursor to a more formal comprehensive performance assessment, which may be undertaken once the CPA process for District Council's is agreed.
8. Elements of the Environmental Health Service have been the subject of various value for money studies in the past:

Waste Management Best Value Review

March 2002



9. As part of their assessment the Audit Commission have undertaken a very basic benchmark of the costs of providing Environmental Services by comparing absolute costs with the Council's family group that represent other council's that exhibit the same attributes as ourselves in terms of demography, population etc.
10. The assessment comprised of an analysis of costs in the following areas using the 2004/05 cost base and 2003/04 performance data: [note that not all of these budgets are the responsibility of the Head of Environmental Services]
- Street Cleansing
  - Cost of providing Public Health Services
  - Economic and Community Development
  - Other Environmental Health Services
11. The bulk of the costs are contained within the Environmental Services Unit however the costs of Economic and Community Development are accounted for in Planning and Leisure Services respectively. Detailed analysis is not provided by the Audit Commission for these services.

## AUDIT COMMISSION BENCHMARKING

### Summary of Analysis

12. The Audit Commission Benchmarking comprises the Council's absolute costs against those authorities comprising the following group:

<ul style="list-style-type: none"> <li>• Broxtowe</li> <li>• Crewe</li> <li>• Erewash</li> <li>• Gedling</li> <li>• High Peak</li> <li>• Hinckley</li> </ul>	<ul style="list-style-type: none"> <li>• Kettering</li> <li>• Newark</li> <li>• Newcastle</li> <li>• North East</li> <li>• South Derbyshire</li> <li>• South Ribble</li> </ul>	<ul style="list-style-type: none"> <li>• Vale Royal</li> <li>• West Lancashire</li> <li>• Wyre Forest</li> </ul>
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13. In total the spending in 2004/05 on the environment was £9.949m. This broadly represents a third of the Council's total spending on services. The breakdown of these costs is as follows:

Table 1

Costs of:	£'000
Waste Collection	1.845
Public Health	1.219
Economic and Community Development	0.877
Street Cleansing	0.502
Other Environmental Services	0.506
	4.949

## Comparison with Family Group

14. The Audit Commission analysis compares the cost of spending per head of population and the comparison produces the following results:

Table 2 - Compares Costs of Services per Head

	Waste Collection	Public Health	Economic & Community Development	Street Cleansing	Other Environmental Services	Total
Chorley Borough Council Costs	18.09	11.95	8.60	4.92	4.96	48.52
Family Group Average	16.70	9.16	4.19	6.60	2.83	39.48
Service difference per head	1.39	2.79	4.41	(1.68)	2.13	9.04
Total cost difference	142,000	284,000	450,000	(171,000)	217,000	922,000
% of cost difference	15	31	49	(19)	24	100

15. The table shows that when compared with the family group average, Chorley costs are £922,000 higher, with the greatest cost differential being in Street Cleansing where costs are lower than the average and Economic and Community Developments where the costs are significantly greater.
16. The Panel noted that the costs of environmental service in 2004/05 was £472k greater than the family group average when the costs of economic and community development are excluded and it concentrated its efforts on Environmental Services.

## Questions to Executive Member

17. A number of questions were put to the Executive Member for Environment and Community Safety as indicated below along with a brief response.

Question 1) **“It appears that the Council is not able to demonstrate that it can compare and understand in detail its cost base as compared to other Councils. How will the Executive remedy this issue?”**

This was true of a lot of Councils. Like many Councils Chorley has yet to develop in this area. The use of resource assessment will be looking at this and would be included in the Council’s Corporate Strategy. Attached to the report was the Hampshire Matrix a system of measuring the quality of the service compared with other local Authorities in Lancashire.

This gives a league position for the authority and shows that in the area considered in the benchmarking analysis Chorley delivers a high quality service in the areas of food safety, occupational health and environmental control. There did exist in some areas of service provision a low score, for example derivation of cost but this would require a policy commitment.

Question 2) **(a) “Whilst clearly a policy objective to increase recycling, this has been achieved at a cost to the Chorley taxpayer. If recycling rates continue to increase how can costs be contained?”**

The recycling target is 56% by the year 2015. Costs have risen and with an agreement reached with the Lancashire Waste Benchmarking and the current Cleanaway contract until 2005, costs should be consistent.

Chorley's costs are in effect capped by its contract with Cleanaway up until 2009. After this date there will be a number of external facts that will impact on the Council's ability to contain costs, not least of which will be in the County PFI Scheme and the level of government support.

It was pointed out that all complaints received should be forwarded via the Contact Centre in order to monitor the contract and if need be bring penalty points in use against the contractor. The problems that have occurred were expected following studies made at authorities before Chorley implemented the scheme.

Well established procedures are in place which have been present since the contract started in 2002.

In areas the contract was not working as well as it should, up to date information gathered by a private polling organisation to 5000 door survey had indicated that the general feedback of the service was operating satisfactory. The problem associated with the green sacks being too light in weight was being dealt with.

**(b) “Would DEFRA fund more?”**

The report indicated that a sum of £344,000 of capital challenge grant had been won from DEFRA to support the waste collection service. The sum was for capital expenditure and would not be made available again, though a contingency bid had been submitted.

At this point Members raised the issue of the quality of the Waste Collection Service and the need for improvements. There was a problem of large turnover of staff and this was a training issue for the Contractor.

Question 3) **“The Council has invested significantly in its Public Health Service, but there appears to be no evidence collected of its impact nor targets set for the service. How can this be remedied?”**

The Council reports back to various agencies such as DEFRA, the Health and Safety Executive and the Food Standards Agency on an annual basis. Implementation targets are achieved.

Best Value Performance indicator BVI66 establishes how the Council performs against an Environmental Health Good Practice checklist comprising of service delivery and quality thresholds which the Council should deliver.

Chorley scores well on this with Chorley being one of four Councils in the family group to fully meet the required standard. The cost of the service is high but a good consistent service is provided.

Chorley's policy unlike other Councils has been to achieve the targets set and we continue to deliver on this year on year. However, more local

targets could be developed to enable Members to judge the effectiveness of the service.

Unlike other authorities, all the posts in Chorley are filled with investment made in student training with recruitment made from the students.

Question 4) **(a) “Has the allocation of resources to these Public Health areas been based upon a thorough risk assessment?”**

A risk profile of every property in Chorley has been carried out and resources are directed accordingly.

To some extent this question has been answered in my answer to the previous question. No local risk assessments are done but reliance is placed on the targets set by external agencies, DEFRA/FSA etc.

**(b) “Please could you give an explanation of the information set out in the appendices?”**

Appendix 3 refers to the Hampshire Matrix. This is a scoring matrix which measures both service provision, type and quality issues such as management information, derivation of costs. The analysis is provided by work undertaken by the Lancashire Association of Chief Environmental Health Offices (LACEHO).

The analysis of Chorley shows the service is of a high quality set of public protection services.

The scoring is out of a maximum of 4 and covers the Environmental Control, Occupational Health and Safety and Food Safety

Where there is a low score a policy decision had been taken not to carry out this activity.

Question 5) **“Satisfaction with Street Cleanliness whilst better than most in the family group is still relatively low. How will the Executive determine why this has happened and does it plan to tackle this issue in anyway through the 2006/07 budget?”**

Reference was made to Chart 15 on page 11 of the report indicating the residents satisfaction with standards of cleanliness. The activity has currently 1,000 litter bins on either streets or recreation grounds. Chorley has the lowest spend in Lancashire as indicated in Table 2 of this report.

From 1 April Public Space Services will empty the bins, improving efficiency.

Officers are currently looking at the procurement of this service with the use of Cleanaway vehicles currently driving past bins, but this could be part of the contract to empty the bins. The service will be re-deferred.

The Executive has recognised that it needs to get better interaction with the taxpayer of Chorley, hence the development of the Area Forum Pilot Scheme. This will give the Council a lot of intelligence, which can then be used to improve service delivery. However, there is also a recognition that we need to drill down beneath the satisfaction survey to fully understand why the satisfaction level is relatively low, this could be for a number of reasons, not least of which is that the Council is only responsible for

particular areas of land. In addition the recent review of the CuDoss Unit now includes more focus on the customers and the intention is to understand their issues better. Hopefully the information will help the Executive and the Council improve things.

Question 6) **(a) “The fact that Neighbourhood Wardens contribute to the environmental improvement is evident, but one of the targets is not being met. Why has this occurred and what is currently being done to remedy this?”**

This referred to the removal of racist/offensive graffiti in two working days which was currently below target.

Very few incidents of this nature occur in this area so if one incident is late picking up it can depress the figure.

There has been a selective removal of graffiti by various contractors and can be expensive.

Currently looking at the procurement of a contract whereby the contractor will patrol the area and will do any removal, therefore streamlining the service and we hope to see an improvement in this indicator.

**(b) “Do other Local Authorities have Neighbourhood Wardens? and if so can you give a comparison of the numbers employed?”**

Some do, some do not. Other authorities have a service but have different titles, such as litter warden.

The Neighbourhood Warden Service has a patrolling and enforcement activity in Chorley which impacts on the street scene.

At the moment the split is 70/30 with an approximate 70% of their time dealing with anti-social behaviour issues with the remaining 30% spent on street scene issues. The 30% of the time spent on street scene issues does have an impact on measuring the performance on a number of local rather than national indicators.

An annual report of the Neighbourhood Warden Service is being compiled and will be submitted to the Overview and Scrutiny Committee.

**(c) “Please can you explain why there are no policy targets for the Neighbourhood Warden Service?”**

There was a need to trace the Council’s policy to individual workers.

The 70% of their time is dealing with anti-social behaviour issues and have targets under Crime and Disorder and relate to Community Safety with responsibility to Chorley’s Multi-Agency Problem Solving (MAPS) Team.

They have an impact on the removal of fly-tipping and other street scene issues.

Question 7) **“The removal of fly-tipping target is being exceeded significantly, is there a cost for this level of over performance?”**

The emphasis was on criminal waste and that fly-tipping was an offence.

Use had been made of the CCTV and registration number recognition and tracing those responsible. Improvements were being made to the method of reporting fly-tipping.

Most of the removal is due by the Neighbourhood Wardens, consequently the only cost is the marginal cost of the individual undertaking that work. No immediate cost saving would be made by performing at a lower level. In fact our aim should be to increase the target and deliver on that promise.

Currently there were quality issues relating to the Cleanaway contract with waste spillage from collections. There had been a reduction in missed collections as a result of the impact of quality issues.

Question 8) **“The Council has developed and is implementing its Procurement Strategy. Reference is made in the paper to the Procurement Cycle for the purchase of waste/recycling collections. How has procurement been used for the significant spend areas in Environmental Services to ensure the Council gets VFM?”**

Most of this was dealt with above however the waste management contract is a modern, output based contract that includes elements of risk sharing in financial terms. The contract was subject to a full tendering exercise and extensive evaluation. In 2004 the contract arrangements were reviewed by Turner and Townsend, a Management Consultancy who considered that the costs of the contract were in the range expected for a contract of this nature..

Question 9) **“What contribution is the Environmental Services Unit making to the Council’s efficiency/agenda for 2006/07 and will this impact significantly on the unit’s budget.”**

The demand from the public was making a significant impact on the waste collection contract with the replacement of the plastic sacks.

The Unit had been one of the first services to use the Council’s Contact Centre. The efficiency agenda is being delivered through this process and is expected to deliver some savings in 2006/07. It is not appropriate to look at the individual services in this context as it is the global transfer of services that is likely to identify the efficiency saving.

At a current level we are changing our approach to the inspection of SME’s for occupational Health and Safety Inspection to FIT3, which is a nationally recognised methodology. This is expected to deliver time savings which will be reinvested in the service.

## CONCLUSIONS

18. The areas shown in the benchmarking analysis undertaken by the Lancashire Association of Chief Environmental Health Officers in the Hampshire Matrix shows that Chorley is developing a high quality set of public protection services, however there are areas, in which the authority scores very low, such as, derivation of costs which if introduced, would allow a better understanding of the services cost base.
19. There was a requirement for more enforcement of management of the waste recycling contract.

20. In terms of enforcement of the waste recycling contract, it did not appear to be having an impact on the service.
21. Members were happy with the 70/30 split of the Neighbourhood Wardens duties for their duties, however the 70% related to crime and disorder had clearly defined targets, whilst the 30% relating to street scene issues no real policy targets/measures existed.

## RECOMMENDATIONS

22. The Environment Overview and Scrutiny Panel recommend that the Overview and Scrutiny Committee submit the following comments to the Executive Cabinet.
  1. That the Executive Cabinet be requested to pursue the provision of more detailed comparative data from the Audit Commissions' 'family tree' authorities, particularly in relation to the output, cost and quality of services, in order to enable a more reasonable value for money assessment of the whole of the Council's environmental service.
  2. What steps will the Executive Cabinet take to achieve a better understanding of the perception gap in the measurement of residents satisfaction with standards of cleanliness within the Street Cleaning Contract.
  3. The Executive Cabinet is requested to examine the quality of design of litter bins and the capability of the contractors Cleanaway to emptying the litter bins whilst on collection rounds.
  4. The Executive Cabinet is requested to ensure that high profile cases on enforcement are publicised.
  5. The Executive Cabinet is requested to ensure the enforcement of the management of the Cleanaway contract and that they clean up whilst waste collecting.
  6. The Executive Cabinet is requested to introduce policy targets for the Neighbourhood Wardens relating to their street scene duties.
  7. The Executive Cabinet is requested to examine the need for improved co-ordination of services to bring efficiency. Particular attention should be paid to problem areas and neighbourhoods as well as a wider promotion of the hot line number.

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gordon Banks	5123	8 February 2006	ADMINREP/91733AJS