

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	9 December 2013
Subject	StreetScene transformation update
Report of	Cabinet Member for Environment
Summary of Report	The report provides an update on progress with the One Barnet Wave 2 StreetScene transformation with a particular focus on the Waste Transformation project, which has been the main focus of the activity to date.

Officer Contributors	Lynn Bishop, Street Scene Director Andrew Cox, Senior Project Manager
Status (public or exempt)	Public
Wards Affected	All
Key Decision	N/A
Reason for urgency / exemption from call-in	N/A
Function of	Budget and Performance Overview and Scrutiny Committee
Enclosures	Appendix A:- Waste Transformation Update report
Contact for Further Information:	Lynn Bishop, Street Scene Director, 0208 359 7557, lynn.bishop@barnet.gov.uk

1. RECOMMENDATION

- 1.1 That the Budget and Performance Overview and Scrutiny Committee consider the progress of StreetScene Transformation and make comments and/or recommendations as appropriate.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 4 April 2012, Decision Item 11, approved Waste Collection Options for the Future.
- 2.2 Cabinet Resources Committee, 7 November 2012, Decision Item 5, approved the Outline Business Case and Options Appraisal for Waste and Street Scene Services.
- 2.3 Cabinet Resources Committee, 18 April 2013, Decision Item 13, approved Waste Collections for the Future.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Overview and Scrutiny Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.
- 3.2 The three priority outcomes set out in the 2013 – 2016 Corporate Plan are: –
- Promote responsible growth, development and success across the borough.
 - Support families and individuals that need it – promoting independence, learning and well-being.
 - Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.
- 3.3 The contents of this report supports the following priorities in the Corporate Plan 2013-2016:

To maintain a well-designed, attractive and accessible place, with sustainable infrastructure across the borough. Barnet's waste and recycling service is highly regarded, with 82 per cent of residents satisfied with the service. We have committed to providing a weekly bin collection. By adding weekly food waste collection and a mixed recycling collection this October, we aim to make it easier for residents to recycle, reducing the amount of waste sent to landfill and cutting costs.

4. RISK MANAGEMENT ISSUES

- 4.1 The implementation of these new initiatives mitigates significant financial risks for the council as they are designed to increase recycling rates and therefore are anticipated to reduce the amount of residual waste that the council has to send for disposal.

- 4.2 The costs for treating residual waste are increasing, and forecasts show that these are likely to increase substantially, as beyond 2016 the council will no longer have use of a cheap waste disposal outlet in the form of the Edmonton incinerator as it is projected to be coming to the end of its life.
- 4.3 The North London Waste Authority (NLWA) procurement, the National Waste Strategy 2007 and European legislation (the Waste Framework Directive) seek to achieve a 50% recycling rate by 2020. There are currently no financial penalties for non-achievement of this target. However the more that is recycled and composted, the less the council has to pay for waste disposal.
- 4.4 Over the last four years, Barnet has made only incremental improvements in recycling performance and waste reduction. Barnet is currently 15th out of 33 London Boroughs in relation to the percentage of its household waste that is recycled, reused or composted. Barnet is currently 27th out of 33 in relation to the amount of household waste per household that is sent for disposal. Other authorities are overtaking Barnet in performance terms and projections show that without significant changes to our services there will be no step change in our performance. This is therefore a reputational risk to the Council. In order to mitigate this risk it is essential that the planned communications activity is delivered successfully and achieves its expected outcomes.
- 4.5 Risks associated with the delivery of the Waste Transformation project have been managed and reported in accordance with corporate risk and project management processes and through existing democratic processes around One Barnet. A formal Programme Board is in place chaired by the Chief Operating Officer.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, 'protected characteristics' are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination.
- 5.2 The Corporate Plan (2013-2016) sets out a commitment that policies, functions and activities will be analysed for their equalities and diversity risks.
- 5.3 Any equalities and diversity Issues associated with these changes were addressed in the 4 April 2012 Cabinet Paper. It was not, and still is not envisaged that any option will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being

provided. The challenge to the council is to ensure that the accompanying communications plan includes both targeted and general messaging mechanisms to ensure that people with 'protected characteristics' understand the proposed options as well as those from non-protected groups. The council understands its obligation to pay due regard to the Equality Act 2010 and will do everything necessary to ensure this duty is met throughout the process. The council remains committed to providing an efficient, user friendly and cost-effective service for the benefit of all residents.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Finance

6.1.1. A total implementation budget of £1,942,000 was allocated to implement the changes identified. The spend to date is outlined in the table below.

Area	Amount / £
To Outline Business Case	199,000
Implementation committed	1,590,000
Implementation uncommitted	153,000
Total	1,942,000

6.1.2 The project is expected to deliver operational savings from the new model, with further savings as the new service embeds. The table below shows the anticipated savings that will be delivered.

	2013/14	2014/15	2015/16	Total reduction
Target / £	333,000	723,000	213,000	1,269,000
Anticipated savings / £	333,000	668,357	460,609	1,461,966

6.1.3. The anticipated income from disposal of co-mingled recyclates has not been achieved due to a change in the market since the decision in April 2012. This will introduce a pressure of approximately £1.3m annually through to 2015/16.

6.1.4 In 2016/17 this is anticipated to become a £1.9m reduction, against the baseline, in the cost of waste disposal. This is as anticipated in April 2012 and will be delivered because of the expected change in waste disposal mix to a considerably increased proportion of the cheaper recyclable materials (48%) (and therefore less residual waste) and changes in waste disposal charging methodology.

6.1.5 New operational fleet has been purchased through the project. The cost of this fleet is capitalised in the Council's accounts and will be paid for by the Street Scene revenue budget over five years. The capital purchase model was assessed to provide better value for money than the current lease model.

6.1.6 Additionally new bins, caddies, sacks and food waste vehicles have been purchased funded from the Council's Capital Programme (£2.1m) and Weekly Collection Support Scheme grant (£837k).

6.2 Procurement

All procurement activity in the project proceeded in accordance with the requirements of the council's Contract Procedure Rules, EU Procurement Rules and the principles of the Treaty on the Functioning of the European Union.

6.3 Performance and Value for Money

6.3.1 Implementation of Waste Collections for the Future is intended to increase participation in the recycling and organic waste services.

6.3.2 Over the last four years Barnet has made only incremental improvements in recycling performance and waste reduction. In 2011/12 Barnet was 18th out of 33 London Boroughs in relation to the percentage of its household waste that is recycled, reused or composted and 29th out of 33 in relation to the amount of household waste per household that is sent for disposal.

6.3.3 The costs for treating residual waste are increasing, and forecasts show that these are likely to increase substantially, as beyond 2016 the Council will no longer have use of a cheap waste disposal outlet in the form of the Edmonton incinerator as it is projected to be coming to the end of its life.

6.3.4 In order to keep future costs to a minimum it is therefore financially beneficial to recycle, compost or reduce waste as much as possible. Greater resident participation in the recycling and organic waste services is essential.

6.4 Staffing

6.4.1 All internal staffing changes were be managed in accordance with the council's Managing Organisational Change Policy and individual staff contracts of employment.

6.4.2 The transfer of staff from May Gurney to the Council was conducted in accordance with the council's obligations under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

6.4.3 Permission to implement the TUPE transfer of staff from May Gurney to the Council was sought from the General Functions Committee.

6.4.4 The pensions implications were put to the Pension Fund Committee.

6.5 IT

There were no IT issues.

6.6 Property
There were no Property Issues

6.7 Sustainability
The changes to the waste service provided to Barnet residents seek to increase recycling rates in line with the national target to achieve a 50% recycling rate by 2020.

7. LEGAL ISSUES

7.1 The transformation was achieved in accordance with procurement and TUPE requirements.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.

8.2 The Overview and Scrutiny Procedure Rules are set out in Part 4 of the Constitution.

8.3 The Terms of Reference of the Budget and Performance Overview Scrutiny Committee are contained within Part 4 of the Constitution (Overview and Scrutiny Procedure Rules). The Committee has the following responsibilities:

"To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues; with the exception of external contracts which are in the remit of the Contract Monitoring Overview and Scrutiny Committee;
To receive and consider options appraisals, business cases and closure report for the One Barnet projects; and
To monitor the implementation of the One Barnet programme throughout the programme lifecycle.
To engage with partner organisations, other relevant public sector bodies, private sector organisations, trade unions, local residents or any other appropriate witnesses when fulfilling the overview and scrutiny role in relation to the One Barnet programme".

9. BACKGROUND INFORMATION

9.1 In approving Waste Collections for the Future in April 2012 Cabinet agreed to the following model for household waste collection in Barnet:

- Residual waste collection to remain as weekly collections
- Dry recycling to move to co-mingled and to be collected weekly
- Kitchen waste to be collected in an external caddy on a weekly basis (this is currently co-mingled with Garden Waste)
- Garden waste to be collected fortnightly (currently this is collected weekly)

- 9.2 The council was been awarded £4,492,000 by DCLG from the Weekly Collections Support Scheme to enable:
- The separate collection of kitchen waste from houses and flats on a weekly basis
 - The retention of weekly refuse collections (i.e. to cover the savings that could have been made by moving to alternative weekly collections)
 - A reward scheme for dry recycling.
- 9.3 The One Barnet Wave 2 Waste and Street Scene project, the Outline Business Case for which was approved in November 2012, approved that Street Scene services should be retained and developed in-house and that in doing this the baseline cost of services would be reduced by approximately £2.5million.
- 9.5 The Waste Transformation Project was initiated in March 2013 to:
- Implement “Waste Collections of the Future”
 - Manage the end of the May Gurney Recycling contract and all associated activity
- Appendix A provides an update on the project.
- 9.6 Additional stretch projects have not yet been initiated due to the need to maintain full focus on Waste Transformation. The planned projects will investigate:
- A new model for bringing streets and green spaces together and furthering the adopt a place community involvement.
 - Development of a commercial approach to trade waste and recycling option
 - Development of a commercial approach to sign shop

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	JH
Cleared by Legal (Officer's initials)	LC